

Transocean Ltd.
Form S-4/A
November 06, 2017
Table of Contents

As filed with the Securities and Exchange Commission on November 6, 2017

Registration No. 333-220791

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO.1

TO

FORM S-4

REGISTRATION STATEMENT

UNDER THE SECURITIES ACT OF 1933

TRANSOCEAN LTD.

TRANSOCEAN INC.

(Exact name of registrant as specified in its charter)

Transocean Ltd.
Zug, Switzerland
(State or Other Jurisdiction of Incorporation or
Organization)
1381
(Primary Standard Industrial Classification Code Number)
98-0599916
(I.R.S. Employer Identification No.)
Turmstrasse 30
6300 Zug, Switzerland
+41 (22) 930-9000
(Address, including zip code, and telephone number,
including area code, of registrant's principal executive
offices)

Transocean Inc.
Cayman Islands
(State or Other Jurisdiction of Incorporation or
Organization)
6719
(Primary Standard Industrial Classification Code Number)
66-0582307
(I.R.S. Employer Identification No.)
70 Harbour Drive
Grand Cayman, Cayman Islands KY1-1003
+1 (345) 745-4500
(Address, including zip code, and telephone number,
including area code, of registrant's principal executive
offices)

Brady K. Long

Senior Vice President and General Counsel

Transocean Ltd.

c/o Transocean Offshore Deepwater Drilling Inc.

4 Greenway Plaza

Houston, Texas 77046

+1 (713) 232-7500

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With copies to:

Keith M. Townsend	Martin J. Hunt
King & Spalding LLP	King & Spalding LLP
1180 Peachtree Street	1100 Louisiana Street, Suite 4000
Atlanta, Georgia 30309	Houston, Texas 77002
+1 (404) 572-4600	+1 (713) 751-3200

Approximate date of commencement of the proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	Accelerated filer
Non-accelerated filer	Smaller reporting company
(Do not check if a smaller reporting company)	Emerging growth company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

Table of Contents

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to be Registered		Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price		Amount of Registration Fee(1)	
Shares, par value CHF 0.10	68,629,366	(2)	N/A	1,278,658,335.91	(3)	USD 159,192.96	(4)
0.5% Exchangeable Senior Bonds due 2022	575,803,000	(2)	N/A	1,278,658,335.91	(3)	N/A	(5)
Shares, par value CHF 0.10	—	(6)	—	—		—	(6)
Guarantee of the 0.5% Exchangeable Senior Bonds due 2022	—		—	—		—	(7)

- (1) Determined in accordance with Section 6(b) of the Securities Act at a rate equal to USD 124.50 per USD 1 million of the proposed maximum aggregate offering price.
- (2) Represents the maximum number of shares, par value CHF 0.10 per share (“Transocean Shares”), of Transocean Ltd. (“Transocean”) and 0.5% Exchangeable Senior Bonds due 2022 (the “Exchangeable Bonds”) of Transocean Inc., respectively, estimated to be issuable upon completion of the offer. Based on (a) an aggregate 192,109,971 shares, with a nominal value of 0.10 EUR per share (“Songa Shares”), of Songa Offshore SE (“Songa Offshore”), subject to the offer as of September 29, 2017 consisting of (i) 137,641,567 Songa Shares outstanding, (ii) 53,403 Songa Shares issuable upon exercise of outstanding warrants to purchase Songa Shares, (iii) 53,826,371 Songa Shares issuable upon conversion of the outstanding SONG07 convertible bonds issued by Songa Offshore (ISIN No NO0010760036), and (iv) 588,630 Songa Shares issuable upon the settlement of restricted stock units issued under the Songa Offshore Long-Term Incentive Plan, and (b) the exchange ratio of 0.35724 Transocean Shares and USD 2.99726 Exchangeable Bonds for each Songa Share.
- (3) Pursuant to Rule 457(c) and Rule 457(f) under the Securities Act of 1933, as amended (the “Securities Act”), and solely for the purpose of calculating the registration fee, the proposed maximum aggregate offering price is calculated as the sum of (a) with respect to 68,617,846 Transocean Shares and USD 575,706,000 of Exchangeable Bonds registered pursuant to the initial filing of the Registration Statement on October 4, 2017, the product of (i) 192,077,725 Songa Shares subject to the Offer and (ii) the average of the high and low sale prices of Songa Shares as reported on the Oslo Stock Exchange on September 27, 2017 of NOK 53.00 (based on the noon buying rate of NOK 7.9629 for USD 1 as of September 29, 2017) and (b) with respect to an additional 11,520 Transocean Shares and USD 96,000 of Exchangeable Bonds being registered pursuant to this amendment to the Registration Statement, the product of (i) 32,350 Songa Shares subject to the Offer, being the incremental Songa Shares associated with the incremental Transocean Shares and Exchangeable Bonds being registered, and (ii) the average of the high and low sale prices of Songa Shares as reported on the Oslo Stock Exchange on November 3, 2017 of NOK 58.875 (based on the noon buying rate of NOK 8.1811 for USD 1 as of October 27, 2017).
- (4) The registration fee of \$159,163.98 owed with respect to the registration of 68,617,846 Transocean Shares and USD 575,706,000 of Exchangeable Bonds was previously paid upon the initial filing of the Registration Statement on October 4, 2017. A supplemental registration fee of \$28.98 has been paid in connection with the filing of this

amendment to the Registration Statement with respect to the registration of 11,520 Transocean Shares and USD 96,000 of Exchangeable Bonds.

- (5) Covered by the filing fee paid in respect of the Transocean Shares being issued in the Offer as consideration being offered to holders of Songa Shares consists of both Transocean Shares and Exchangeable Bonds for each Songa Share, with offers and sales of Transocean Shares and Exchangeable Bonds being made to the same individuals.
- (6) Includes an indeterminate number of shares issuable upon exchange of the Exchangeable Bonds at the initial exchange rate of approximately 97.29756 Transocean Shares per USD 1,000 principal amount of Exchangeable Bonds. Pursuant to Rule 416 under the Securities Act, such number of Transocean Shares registered hereby shall include an indeterminate number of Transocean Shares that may be issued in connection with a stock split, stock dividend, recapitalization or similar event. Pursuant to Rule 457(i), there is no additional filing fee with respect to the Transocean Shares issuable upon exchange of the Exchangeable Bonds because no additional consideration will be received in connection with the exercise of the exchange right.
- (7) Pursuant to Rule 457(n), there is no additional filing fee with respect to the Guarantee by Transocean of the Exchangeable Bonds.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

EXPLANATORY NOTE

This registration statement relates to the registration with the Securities and Exchange Commission (“SEC”) of shares in Transocean Ltd. (“Transocean”) and exchangeable bonds issued by Transocean Inc. and fully and unconditionally guaranteed by Transocean, all of which will be issued to shareholders of Songa Offshore SE (“Songa Offshore”) who validly tender and do not properly withdraw their shares of Songa Offshore in Transocean’s voluntary tender offer that is being made in accordance with Section 6-19 of the Norwegian Securities Trading Act of June 29, 2007. This registration statement contains two documents:

- a prospectus; and
- a combined offer document and prospectus that has been prepared in accordance with the Norwegian Securities Trading Act and was submitted to the Financial Supervisory Authority of Norway (Finanstilsynet) (the “Norwegian FSA”), and the Oslo Stock Exchange in connection with the offer.

The prospectus has been prepared in accordance with the Securities Act of 1933, as amended, and incorporates by reference certain information from Transocean’s filings made under the Securities Exchange Act of 1934, as amended. The offer document has been prepared in accordance with the Norwegian Securities Trading Act of June 29, 2007 no. 75 and related secondary legislation, including the Commission Regulation (EC) no. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003 regarding information contained in prospectuses, as amended and as implemented in Norway.

The prospectus included in this registration statement and the offer document are substantially the same in all respects, except that:

- the offer document has a different cover page and introductory information for investors prior to its table of contents, a copy of which is included herein beginning on page ALT-1;
- the offer document includes the section titled “Summary,” a copy of which is included herein beginning on page ALT-6, and the sections of the prospectus included in this registration statement titled “Questions and Answers” and “Summary” are included as an annex to the offer document as described below;
- the offer document includes additional sections titled “Responsibility for the Prospectus,” “General Information,” “Selling and Transfer Restrictions,” “Industry and Market Overview,” “Business of the Group,” “Operating and Financial Review,” “Board of Directors, Management and Employees” and “Additional Information,” copies of which are included herein beginning on page ALT-34;
- the financial statements in the section titled “Index to Financial Statements of Songa Offshore” in the prospectus do not appear in the offer document but are incorporated therein by reference in accordance with the requirements of the Norwegian Securities Trading Act;
- the following sections of the prospectus included in this registration statement are not required to appear in the offer document pursuant to the Norwegian Securities Trading Act and are instead included in an annex to the offer document:
 - o “Questions and Answers,”
 - o “Summary,”
 - o “Summary Selected Financial Data of Transocean,”
 - o “Summary Selected Financial Data of Songa Offshore,”
 - o “Unaudited Comparative Per Share Data,”
 - o “Comparative Market Price and Dividend Information,”
 - o “The Combination,”
 - o “Ratio of Earnings to Fixed Charges,”
 - o “Dilution,”
 - o “Selected Financial Data of Transocean,”
 - o “Selected Financial Data of Songa Offshore,”

- o “Description of Transocean Exchangeable Bonds,”
 - o “Experts,”
 - o “Where You Can Find More Information,” and
-

Table of Contents

- o “Incorporation of Certain Documents by Reference;”
- references in the prospectus in this registration statement that any information will be incorporated by reference and where such information can be obtained were replaced by references to such information included in the offer document;
- the sections and captions in the offer document are numbered in the manner customary under Norwegian disclosure practices;
- the format of dates presented in the offer document has been presented in the manner customary in the European Union; and
- the cross-references, the order of sections and therefore the table of contents, as well as the page numbers, of each document are different as a result of the differences outlined above.

For additional information, see pages ALT 1 to ALT 122 titled “Alternate Information for the Offer Document.”

Table of Contents

The information in this prospectus is not complete and may be changed. We may not complete the offer and issue securities described herein until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer is not permitted.

Preliminary Prospectus

Subject to completion, dated , 2017

Offer to exchange each outstanding share of

Songa Offshore SE

for

0.35724 newly issued shares in Transocean Ltd. and USD 2.99726 principal amount of 0.5% Exchangeable Senior Bonds due 2022, to be issued by Transocean Inc., with an option to instead receive cash consideration of NOK 47.50 per share of Songa Offshore SE up to a maximum of NOK 125,000 per shareholder

by

Transocean Ltd.

This prospectus (the “Prospectus”) has been prepared by Transocean Ltd., a corporation incorporated under the laws of Switzerland (“Transocean” or the “Company,” “we” or “us,” and together with its consolidated subsidiaries, the “Group”), in connection with its voluntary tender offer (the “Offer”) to acquire each issued and outstanding share (on a fully diluted basis) of Songa Offshore SE (the “Target” or “Songa Offshore,” and together with its consolidated subsidiaries, the “Songa Group”) in exchange for consideration per Songa Share (the “Consideration”) consisting of 0.35724 newly issued shares of Transocean (the “Consideration Shares”), each with a par value of 0.10 Swiss franc (“CHF”), and USD 2.99726 principal amount of 0.5% Exchangeable Senior Bonds due 2022, which are exchangeable into shares of the Company (the “Exchangeable Bonds”), to be issued by Transocean Inc. (“TINC”), an exempted company incorporated under the laws of the Cayman Islands and a wholly owned subsidiary of Transocean, subject to the terms and conditions as described in this Prospectus. As part of the Offer, each Songa Offshore shareholder may instead elect to receive an amount in cash of NOK 47.50 per share of Songa Offshore up to a maximum of NOK 125,000 per shareholder (the “Cash Election”) in lieu of some or all of the Consideration Shares and Exchangeable Bonds such shareholder would otherwise be entitled to receive in the Offer. The aggregate amount of Consideration paid to each Songa Offshore shareholder accepting the Offer shall be comprised, as near as possible, of 50% Consideration Shares and 50% Exchangeable Bonds, with any exercise by such shareholder of the Cash Election, if elected, being deducted first from the aggregate number of Exchangeable Bonds otherwise issuable to such shareholder and then from the aggregate number of Consideration Shares such shareholder would otherwise be entitled to receive in the Offer.

On August 13, 2017, Transocean entered into a Transaction Agreement (as amended, the “Transaction Agreement”), with Songa Offshore pursuant to which Transocean will offer to acquire all of the issued and outstanding shares of Songa Offshore, on a fully diluted basis, (the “Combination”) through the Offer. The Offer is the first step in Transocean’s plan to acquire all the outstanding shares of Songa Offshore (the “Songa Shares”). If the Offer is completed

and Transocean acquires shares of Songa Offshore representing 90% or more of the voting rights in Songa Offshore, as soon as practicable following the completion of the Offer, Transocean intends to initiate a compulsory acquisition (squeeze-out) of the remaining Songa Shares not directly owned by Transocean pursuant to article 36 of the Cyprus Takeover Bids Law (L.41(I)/2007) as amended (the “Cyprus Takeover Bids Law”). See “Terms of the Offer.”

The Offer is a voluntary tender offer as set out in Section 6-19 of the Norwegian Securities Trading Act of 29 June 2007 (“Norwegian Securities Trading Act”) and applicable regulations. You may tender your Songa Shares in the Offer as set forth in this Prospectus and the exchange offer document/Norwegian prospectus (the “Offer Document”), as approved by the Oslo Stock Exchange and the Financial Supervisory Authority of Norway.

Songa Offshore shareholders may tender Songa Shares that are issued and delivered after the expiration of the Offer Period (as defined herein) as a result of exercise of Songa Offshore warrants or restricted share units, or conversion of Songa Offshore’s convertible bonds, provided that such Songa Shares are issued prior to completion of the Offer.

The Offer is subject to the satisfaction of, or, where permissible, waiver of certain conditions, including conditions regarding minimum acceptance of the Offer, regulatory approvals and the absence of material adverse changes. The conditions to the Offer are described in “Terms of the Offer—Conditions for Completion of the Offer.”

Subject to their fiduciary duties under applicable law, the board of directors of Songa Offshore (the “Songa Board”) has recommended that Songa Offshore shareholders accept the Offer and tender their shares to Transocean. The shareholders of Songa Offshore are, however, advised to consider carefully the potential tax consequences of accepting the Offer. See “Material Tax Considerations.”

Transocean’s shares (the “Shares”) are listed on the New York Stock Exchange (the “NYSE”) under the symbol “RIG.” Songa Offshore’s shares are listed on the Oslo Stock Exchange under the symbol “SONG.” Transocean will apply to list on the NYSE the Consideration Shares and Exchangeable Bonds (and the Shares issuable upon exchange of the Exchangeable Bonds) issued to Songa Offshore shareholders in connection with the Offer. The approval of the issuance of the Consideration Shares (and the Shares issuable upon exchange of the Exchangeable Bonds) for listing on the NYSE is a condition of the Offer.

See “Risk Factors” beginning on page [] for a discussion of various factors that you should consider before making your investment decision.

Neither the Securities and Exchange Commission (“SEC”), nor any state or provincial securities commission or regulatory authority has approved or disapproved of these securities or passed upon the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offense.

The date of this Prospectus is [], 2017.

This Prospectus incorporates important business and financial information about Transocean from documents filed with the SEC that have not been included in, or delivered with, this Prospectus. This information is available on the SEC’s website at www.sec.gov and from other sources. See the sections of this Prospectus titled “Where You Can Find More Information” and “Incorporation of Certain Documents by Reference.”

You may also request copies of these documents from us, without charge, upon written or oral request to Transocean Ltd., c/o Transocean Offshore Deepwater Drilling Inc., 4 Greenway Plaza, Houston, Texas 77046, Attn: Investor Relations, or at +1 (713) 232-7500.

In order to obtain timely delivery of the documents, you must make requests no later than five business days before the scheduled expiration date of the Offer, as it may be extended from time to time.

We are responsible for the information contained in this Prospectus. We have not authorized anyone to give you any other information, and take no responsibility for any other information that others may give you. You should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the front cover of this Prospectus.

This Prospectus does not constitute an offer of securities to the public in Norway and is not a prospectus or an offer document within the meaning of the Norwegian Securities Trading Act.

Table of Contents

TABLE OF CONTENTS

<u>QUESTIONS AND ANSWERS</u>	1
<u>SUMMARY</u>	10
<u>SUMMARY SELECTED FINANCIAL DATA OF TRANSOCEAN</u>	24
<u>SUMMARY SELECTED FINANCIAL DATA OF SONGA OFFSHORE</u>	25
<u>UNAUDITED COMPARATIVE PER SHARE DATA</u>	27
<u>COMPARATIVE MARKET PRICE AND DIVIDEND INFORMATION</u>	28
<u>Comparative Historical Market Price Information</u>	28
<u>Dividends</u>	28
<u>Recent and Comparative Market Price Information</u>	29
<u>RISK FACTORS</u>	31
<u>Risks Related to the Business of the Group</u>	31
<u>Risks Related to the Industry in Which the Group Operates</u>	39
<u>Financial Risks</u>	44
<u>Risks Related to the Shares</u>	51
<u>Risks Related to the Exchangeable Bonds</u>	52
<u>Risks Related to the Offer</u>	56
<u>Risks Related to the Business of the Songa Group</u>	59
<u>Risks Related to the Songa Group's Financial Situation</u>	62
<u>FORWARD-LOOKING STATEMENTS</u>	65
<u>TERMS OF THE OFFER</u>	68
<u>General</u>	68
<u>The Offeror – Transocean Ltd.</u>	68
<u>The Target – Songa Offshore SE</u>	68
<u>Consideration</u>	69
<u>Transaction Agreement</u>	70
<u>Offer Period</u>	70
<u>Conditions for Completion of the Offer</u>	70
<u>Pre-acceptance Undertakings</u>	73
<u>Long Stop Date</u>	74
<u>Refinancing of Certain Songa Offshore Indebtedness</u>	74
<u>Treatment of Other Songa Offshore Securities in the Offer</u>	74
<u>Procedures for Accepting the Offer</u>	75
<u>Blocking of Tendered Shares and Shareholder Rights</u>	76
<u>Amendments to the Offer</u>	77
<u>Notices</u>	77
<u>Settlement</u>	77
<u>Expenses</u>	80
<u>Tax</u>	80

Table of Contents

	80
<u>Dilution</u>	
<u>Additional Information</u>	80
<u>THE COMBINATION</u>	85
<u>Background and Reasons for the Combination</u>	85
<u>Material Interests of Songa Offshore’s Board and Management in the Combination</u>	99
<u>The Transaction Agreement</u>	100
<u>DESCRIPTION OF THE SONGA OFFSHORE BUSINESS</u>	110
<u>Corporate Information</u>	110
<u>Legal Structure</u>	110
<u>The Business of the Songa Group</u>	112
<u>Board of Directors, Management and Employees</u>	117
<u>Share Capital</u>	117
<u>Historical Financial Information for the Songa Group</u>	117
<u>MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF SONGA OFFSHORE</u>	118
<u>Overview</u>	118
<u>Key Events</u>	119
<u>Performance and Other Key Indicators</u>	120
<u>Operating Results</u>	122
<u>Financial Condition, Liquidity and Capital Resources</u>	128
<u>Refinancing</u>	129
<u>Contractual Obligations</u>	131
<u>Contingencies</u>	132
<u>Critical and Significant Accounting Policies and New Accounting Pronouncements</u>	133
<u>Cautionary Statement Regarding Forward Looking Statements</u>	133
<u>Quantitative and Qualitative Disclosures About Market Risk</u>	134
<u>CAPITALIZATION AND INDEBTEDNESS</u>	135
<u>Capitalization</u>	135
<u>Indebtedness</u>	136
<u>Contingent and Indirect Indebtedness</u>	138
<u>Working Capital Statement</u>	138
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	139
<u>DILUTION</u>	140
<u>SELECTED FINANCIAL INFORMATION OF TRANSOCEAN</u>	141
<u>SELECTED FINANCIAL INFORMATION OF SONGA OFFSHORE</u>	142
<u>DIVIDENDS AND DIVIDEND POLICY</u>	144
<u>Dividend Policy</u>	144
<u>Dividend History</u>	144
<u>Legal Constraints on the Distribution of Dividends</u>	144
<u>DESCRIPTION OF TRANSOCEAN SHARES</u>	146

Table of Contents

<u>Description of the Shares and Share Capital</u>	146
<u>Stock Exchange Listing</u>	146
<u>Share Capital History</u>	146
<u>Ownership Structure</u>	147
<u>Authorization to Increase the Share Capital and to Issue Shares</u>	147
<u>Authorization to Acquire Treasury Shares</u>	149
<u>Other Financial Instruments Related to Shares</u>	149
<u>Shareholder Rights</u>	149
<u>Summary of the Company's Articles of Association</u>	149
<u>Certain Aspects of Swiss Corporate Law</u>	152
<u>Shareholders' Agreement</u>	160
<u>DESCRIPTION OF TRANSOCEAN EXCHANGEABLE BONDS</u>	161
<u>BENEFICIAL OWNERSHIP OF TRANSOCEAN</u>	182
<u>Security Ownership of Significant Shareholders</u>	182
<u>Security Ownership of Transocean Directors and Executive Officers</u>	183
<u>BENEFICIAL OWNERSHIP OF SHARES OF SONGA</u>	184
<u>Security Ownership of Significant Shareholders</u>	184
<u>Security Ownership of Songa Offshore Directors and Executive Officers</u>	185
<u>COMPARISON OF SHAREHOLDER RIGHTS</u>	186
<u>Purpose and Term of Existence</u>	186
<u>Capitalization</u>	186
<u>Preemptive Rights and Advance Subscription Rights</u>	187
<u>Dividends and Other Distributions; Repurchases of Shares</u>	189
<u>Approval of Business Combinations</u>	191
<u>Mandatory Bid Rules</u>	193
<u>Special Vote Required for Combinations with Interested Shareholders</u>	193
<u>Appraisal Rights and Compulsory Acquisitions</u>	193
<u>Election of Directors</u>	194
<u>Vacancies on Board of Directors</u>	195
<u>Removal of Directors</u>	195
<u>Board and Committee Composition</u>	195
<u>Duties of the Board of Directors</u>	196
<u>Indemnification of Directors, Officers, and Others; Insurance</u>	197
<u>Limitation on Director Liability</u>	197
<u>Directors' Conflicts of Interest</u>	197
<u>Shareholders' Suits</u>	199
<u>Shareholder Consent to Action Without Meeting</u>	199
<u>Annual Meetings of Shareholders</u>	200
<u>Special Meetings of Shareholders</u>	201

Table of Contents

<u>Record Dates for Shareholders Meetings</u>	201
<u>Director Nominations; Proposals of Shareholders</u>	201
<u>Adjournment of Shareholder Meetings</u>	202
<u>Voting Rights</u>	202
<u>Amendment of Governing Documents</u>	205
<u>Quorum Requirements</u>	205
<u>Say on Pay</u>	206
<u>Inspection of Books and Records; Special Investigation</u>	206
<u>Transfer and Registration of Shares</u>	206
<u>Rights upon Liquidation</u>	207
<u>Enforcement of Civil Liabilities Against Foreign Persons</u>	207
<u>MATERIAL TAX CONSIDERATIONS</u>	209
<u>Norwegian Taxation</u>	209
<u>United States Taxation</u>	211
<u>Swiss Taxation</u>	222
<u>LEGAL MATTERS</u>	224
<u>EXPERTS</u>	224
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	224
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	225
<u>INDEX TO FINANCIAL STATEMENTS OF SONGA OFFSHORE</u>	F-1
<u>ANNEX A – TRANSACTION AGREEMENT</u>	A-1
<u>ANNEX B – ACCEPTANCE FORM</u>	B-1
<u>ANNEX C – WITHDRAWAL FORM</u>	C-1
<u>ANNEX D – INDEPENDENT STATEMENT OF ABG SUNDAL COLLIER ASA</u>	D-1
<u>ANNEX E – STATEMENT BY THE BOARD OF DIRECTORS OF SONGA OFFSHORE SE</u>	E-1

Table of Contents

QUESTIONS AND ANSWERS

The following are some of the questions you, as a shareholder of Songa Offshore SE, may have and answers to those questions. These questions and answers are not meant to be a substitute for the information contained in the remainder of this Prospectus because the information in this section does not provide all the important information regarding the Offer. We urge you to read this document in its entirety prior to making any decision as to the matters described in this Prospectus. In this Prospectus, unless otherwise specified, the terms “we,” “our,” “us,” “Company,” and “Transocean” refer to Transocean Ltd., or Transocean Ltd. together with its subsidiaries, as the context requires.

Q: WHAT IS TRANSOCEAN PROPOSING?

A: Transocean has entered into an agreement with Songa Offshore pursuant to which Transocean intends to acquire all of the issued and outstanding Songa Shares (on a fully diluted basis) through a voluntary tender offer, which we refer to as the Offer, as described in further detail below. In the Offer, Transocean is offering to exchange, for each Songa Share, a combination of (i) 0.35724 Consideration Shares issued by Transocean and (ii) USD 2.99726 principal amount of Exchangeable Bonds of TINC, a wholly-owned subsidiary of Transocean, which are exchangeable into Shares. As part of the Offer, each shareholder of Songa Offshore may instead elect to receive cash of NOK 47.50 per Songa Share up to a maximum of NOK 125,000 per shareholder. The aggregate consideration to be paid to each Songa Offshore shareholder accepting the Offer shall be comprised, as nearly as possible, of 50% Consideration Shares and 50% Exchangeable Bonds, with any exercise by such shareholder of the Cash Election being deducted first from the aggregate principal amount of Exchangeable Bonds otherwise issuable to such shareholder and second from the aggregate number of Consideration Shares otherwise issuable to such shareholder. After completing the Offer and acquiring 90% or more of the voting rights of Songa Offshore, Transocean intends to initiate a compulsory “squeeze-out” acquisition of the remaining Songa Shares not owned by Transocean pursuant to the Cyprus Takeover Bids Law. A copy of the Transaction Agreement is attached hereto as Annex A and is incorporated by reference herein.

Songa Offshore shareholders may tender Songa Shares in the Offer as set forth in this Prospectus.

Q: WHO IS MAKING THE OFFER?

A: This Offer is being made by Transocean Ltd.

Q: WHY IS TRANSOCEAN MAKING THE OFFER?

A: Transocean believes that the Combination will benefit Transocean shareholders. See “Background and Reasons for the Combination” for further detail.

Q: WHAT WILL SONGA OFFSHORE SHAREHOLDERS RECEIVE IN EXCHANGE FOR SONGA SHARES?

A: Transocean will offer, upon the terms and subject to the conditions described in this Prospectus, to exchange each Songa Share that is validly tendered and not properly withdrawn, for:

- (1) 0.35724 Consideration Shares; and
- (2) USD 2.99726 principal amount of Exchangeable Bonds.

As part of the Offer, each Songa Offshore shareholder may instead elect to receive up to NOK 125,000 in cash pursuant to the Cash Election in lieu of some or all of the Consideration Shares and Exchangeable Bonds such shareholder would otherwise be entitled to receive in the Offer.

The aggregate consideration to be paid to each Songa Offshore shareholder accepting the Offer shall be comprised, as nearly as possible, of 50% Consideration Shares and 50% Exchangeable Bonds, with any exercise by such shareholder of the Cash Election being deducted first from the aggregate principal amount of Exchangeable Bonds otherwise issuable to such shareholder and second from the aggregate number of Consideration Shares otherwise issuable to such shareholder.

1

Table of Contents

Based on the closing price of USD 10.88 for the Shares on the NYSE on November 3, 2017 and an exchange rate of 8.1361 NOK per USD, which is the NOK/USD exchange rate on November 3, 2017 as determined by Norges Bank, the aggregate value of the Consideration to be received per Songa Share is NOK 57.44, assuming all Exchangeable Bonds received in the Offer are immediately converted into Transocean Shares. By comparison, the closing price of the Songa Shares on the Oslo Stock Exchange on November 3, 2017 was NOK 59.75.

Holder may exchange their Exchangeable Bonds for Shares at any time prior to the close of business on the business day immediately preceding the maturity date. The initial exchange rate of the Exchangeable Bonds is 97.29756 Shares per USD 1,000 principal amount of Exchangeable Bonds. See “Description of Transocean Exchangeable Bonds – Exchange Rights.”

Transocean will not issue any fractional Consideration Shares or fractional amounts of Exchangeable Bonds (each of which has a principal amount of USD 1,000) in the Offer. Each Songa Offshore shareholder who accepts the Offer and, following the completion of the Offer, any Songa Offshore shareholder in connection with a subsequent mandatory offer or compulsory acquisition (squeeze-out) (a) who would otherwise be entitled to receive a fraction of a Consideration Share will instead receive, for the fraction of a Consideration Share, an amount in cash based on USD 8.39, the closing price of the Consideration Shares on the NYSE on August 14, 2017, the last trading day prior to the announcement of the proposed Combination and Offer (the “Reference Price”), and (b) who would otherwise be entitled to receive a fractional amount of Exchangeable Bonds will instead receive, for the fractional amount of Exchangeable Bonds, an amount in cash based on USD 1,000, the principal amount per Exchangeable Bond, and in each case, paid in NOK, based on an exchange rate of 7.923 NOK per U.S. dollar which is the NOK/USD closing price at 4:00 p.m. CET as determined by Norges Bank, on August 14, 2017, the trading day immediately preceding the announcement of the Offer.

We refer to the value of any cash and the value of the aggregate number of Consideration Shares and Exchangeable Bonds to be delivered per Songa Offshore shareholder as the “Offer Price.”

Q: HOW LONG DO SONGA OFFSHORE SHAREHOLDERS HAVE TO DECIDE WHETHER TO TENDER?

A: The shareholders of Songa Offshore may accept the Offer in the period from and including [], 2017 to and including [], 2017 at 4:30 p.m. (CET), as extended from time to time (the “Offer Period”). Transocean may, in its sole discretion, extend the Offer Period (one or more times), however, the Offer Period may not be extended beyond 4:30 p.m. (CET), on [], 2018. References to the Offer Period in this Prospectus refer to the Offer Period as extended from time to time. If the Offer Period is extended, the other dates referred to in this section may be changed accordingly and any acceptance forms (“Acceptance Forms”) received will remain binding and irrevocable for the length of the extension.

Q: WHAT IS THE PROCEDURE FOR TENDERING SONGA SHARES?

A: Songa Offshore shareholders who wish to accept the Offer must complete and sign the acceptance form enclosed with this Prospectus as Annex B and return it to the Settlement Agent prior to the expiration of the Offer Period. Acceptances may be revoked until the end of the Offer Period.

Q: UNTIL WHAT TIME CAN TENDERED SONGA SHARES BE WITHDRAWN?

A: The acceptance of the Offer is binding once the Settlement Agent has received the acceptance form, except as otherwise required by applicable law. Prior to the expiration of the Offer, Songa Offshore shareholders may withdraw any shares tendered in the Offer. At the end of the Offer Period, withdrawal rights will cease, and any Songa Shares tendered in the Offer cannot be withdrawn. If the Offer Period is extended, Songa Offshore shareholders may

withdraw their shares until the end of the Offer Period as extended. Shareholders that accept the Offer will remain the beneficial owners of their Songa Shares and retain voting rights related thereto until settlement has taken place.

Q: WHAT IS THE PROCEDURE TO WITHDRAW PREVIOUSLY TENDERED SONGA SHARES?

A: To withdraw previously tendered Songa Shares (except for pre-acceptance undertakings, which have no withdrawal rights unless the Offer is terminated), a written notice of withdrawal included as Annex C must, prior to the expiration of the Offer Period, be timely received by the Settlement Agent. The written notice of withdrawal must specify the

2

Table of Contents

number of Songa Shares withdrawn and instruct the Settlement Agent holding the shares to release the blocking on the VPS account specified by the withdrawing shareholder.

Q: CAN TENDERED SONGA SHARES BE TRADED?

A: No. By giving a duly executed acceptance form to the Settlement Agent, Songa Offshore shareholders give an authorization to block the Songa Shares to which the acceptance form relates, in favor of the Settlement Agent, who is authorized to transfer validly tendered Songa Shares to Transocean. As consideration for the contribution of Songa Shares, Transocean will issue the Consideration Shares, cause TINC to issue the Exchangeable Bonds and, subject to an election of Songa Offshore shareholders, pay cash for the purposes of the settlement at the completion of the Offer. It is not possible for shareholders to dispose of the Songa Shares when they are blocked, although such shareholders will, to the extent permitted under Norwegian law, remain the legal owners of their Songa Shares and retain voting rights and other shareholder rights associated with such tendered shares until settlement occurs. Additionally, tendering Songa Offshore shareholders are free to dispose of any other securities not registered in the same VPS-account as the blocked Songa Shares. In the event the Offer is cancelled, the blocking will be terminated.

Q: CAN THE OFFER BE EXTENDED AND, IF SO, UNDER WHAT CIRCUMSTANCES?

A: Unless the Transaction Agreement has been terminated, Transocean will extend the Offer for any period required by applicable U.S. federal securities laws and the rules and regulations of the SEC, the NYSE, the Oslo Stock Exchange, applicable Norwegian law or applicable laws and regulations of Cyprus, but in no event will Transocean be required to extend the Offer past [], 2018. Additionally, if at any scheduled date of expiration of the Offer, the closing conditions described under “Terms of the Offer—Conditions for Completion of the Offer” have not been satisfied or waived, Transocean may elect to, and will if reasonably requested by Songa Offshore, extend the Offer to a date that is not more than ten U.S. business days after such previously scheduled date of expiration, provided, however, that if as of any date of expiration, conditions in items (1) and (2) under “Terms of the Offer—Conditions for Completion of the Offer” have not been satisfied or waived, Transocean may elect to, and will if reasonably requested by Songa Offshore, extend the Offer (to the extent legally permissible under applicable law) to a date that is not more than twenty U.S. business days after the then-scheduled date of expiration, which date shall in no event be later than 4:30 p.m. (CET) on January 31, 2018, which we refer to as the Long Stop Date (as extended, if applicable, at the election of Transocean one time for no more than 25 U.S. business days) for the purpose of soliciting additional proxies from shareholders for the election of the chairman of the board of directors of Songa Offshore to the board of directors of Transocean. References in this Prospectus to the Long Stop Date refer to the Long Stop Date as extended from time to time.

Q: HOW WILL SONGA OFFSHORE SHAREHOLDERS BE NOTIFIED IF THE OFFER IS EXTENDED?

A: Transocean will publish any notices of extension of the Offer Period by notification to the Oslo Stock Exchange. Notices will be deemed made when the Oslo Stock Exchange has published the notice through its information system. Transocean will without undue delay notify the Oslo Stock Exchange if the conditions of the Offer are met or waived or if the Offer is cancelled. Transocean will also issue a press release and otherwise comply with its obligations under U.S. law with respect to informing security holders of any material change in the information published, sent or given to security holders.

Q: WHAT ARE THE CONDITIONS TO THE OFFER?

A: The Offer will be subject to a number of conditions, including:

(1)

minimum acceptance of the Offer by more than 90% of the total share capital of Songa Offshore (on a fully diluted basis);

- (2) the receipt of government and regulatory approvals;
- (3) no court or governmental or regulatory intervention;
- (4) no issue of shares or equity instruments and no distributions by Songa Offshore;
- (5) no Material Adverse Change (as defined in the Transaction Agreement);

3

Table of Contents

- (6) approval of the issuance of the Consideration Shares by Transocean's shareholders and registration of the Consideration Shares with the commercial register;
- (7) listing of the Consideration Shares and the Shares issuable upon conversion of the Exchangeable Bonds on the NYSE;
- (8) the registration statement with respect to the Consideration Shares and Exchangeable Bonds being declared effective by the SEC;
- (9) no inaccuracies in information provided;
- (10) compliance by Songa Offshore in all material respects with all covenants in the Transaction Agreement and no material breach by Songa Offshore of its representations and warranties in the Transaction Agreement; and
- (11) the election of the designee of Perestroika AS to the Transocean Board (the "Perestroika Designee").

For more information on the conditions to the Offer, see "Terms of the Offer—Conditions for Completion of the Offer." If the Offer has not become unconditional by the Long Stop Date (i.e., if all conditions have not been satisfied or waived, where permissible), the Offer will lapse and any tendered shares will be released by the Settlement Agent and returned to the relevant tendering shareholder.

Q: WHEN DO YOU EXPECT THE OFFER TO BE COMPLETED AND WHEN WILL THE OFFER CONSIDERATION BE PAID?

A: The timing for consummation of the Offer will depend on the satisfaction of the conditions to the Offer. As a result, there can be no certainty as to when, and whether, Transocean will be able to complete the Offer. If any of the conditions to the Offer have not been satisfied or, where permissible, waived, on or prior to 4:30 p.m. (CET) on the Long Stop Date, then the Offer will terminate. The conditions to the Offer are discussed in "Terms of the Offer—Conditions for Completion of the Offer."

If the Offer is consummated, then Songa Offshore shareholders who validly tender during the Offer Period and do not properly withdraw their tendered Songa Shares will receive the Consideration Shares, Exchangeable Bonds and/or cash, as applicable, in settlement of the Offer promptly following the expiration of the Offer Period and, in any case, no later than 15 business days following the expiration of the Offer Period. We expect such settlement to occur within five business days following the expiration of the Offer Period.

The result of the Offer is expected to be published no later than the next business day following the expiration of the Offer Period.

After the expiration of the Offer Period, Songa Offshore shareholders may not withdraw their tendered shares. If the Offer is not completed, shareholders who have tendered their Songa Shares in the Offer will have the blocking of their shares terminated within three U.S. business days.

Q: HOW WILL THE SONGA SHARES HELD BY SONGA OFFSHORE SHAREHOLDERS WHO DO NOT TENDER THEIR SHARES BE AFFECTED FOLLOWING THE OFFER?

A: Following the completion of the Offer, the trading market for any remaining Songa Shares not exchanged in the Offer may be substantially limited compared with historic trading levels. As a result, the price for Songa Shares in the secondary market may decline following the completion of the Offer. Holders of Songa Shares who do not participate in the Offer may not be able to sell their Songa Shares at a favorable price, if at all, following the completion of the Offer.

In addition, Transocean intends to promptly apply to conduct a compulsory acquisition (squeeze-out) under the Cyprus Takeover Bids Law following completion of the Offer. However, Transocean may not be able to complete such a compulsory acquisition in a prompt manner, if at all. In addition, the tax treatment of the Exchangeable Bonds

issued in the compulsory acquisition may differ from the tax treatment of the Exchangeable Bonds issued in the Offer. In that case any Exchangeable Bonds issued in the compulsory acquisition may not be fungible for trading purposes with Exchangeable Bonds issued in the Offer and may therefore trade in the secondary market at a lower price than Exchangeable Bonds issued in the Offer, and any such secondary market for Exchangeable Bonds issued in the

Table of Contents

compulsory acquisition may be significantly less liquid than any secondary market for Exchangeable Bonds issued in the Offer.

For a more complete discussion on potential consequences in the event that you decide not to tender your Songa Shares, see “Risk Factors—Risks Factors Related to the Offer.”

Q: HAVE ANY SONGA OFFSHORE SHAREHOLDERS COMMITTED TO TENDER THEIR SHARES IN THE OFFER?

A: In connection with the execution of the Transaction Agreement, Transocean obtained irrevocable undertakings from Songa Offshore shareholders beneficially owning approximately 76.6% of the Songa Shares (on a fully diluted basis) to tender their shares in the Offer, including a commitment from Songa Offshore’s largest shareholder, Perestroika AS. For further detail, see “Terms of the Offer—Pre-acceptance Undertakings.”

Based on the number of Songa Shares outstanding as of October 31, 2017, in order to satisfy the condition that Songa Offshore shareholders holding a number of Songa Shares representing more than 90% of the total share capital of Songa Offshore, on a fully diluted basis, shall in the aggregate have accepted the Offer, a total of 172,898,975 Songa Shares must be tendered in the Offer. We expect that 146,517,811 Songa Shares will be tendered in the Offer pursuant to the pre-acceptance agreements received by Transocean, meaning that an additional 26,381,164 Songa Shares must be tendered to satisfy this condition.

Q: HOW WILL SONGA OFFSHORE SHAREHOLDERS BE AFFECTED IN THE EVENT OF A SQUEEZE-OUT TRANSACTION?

A: In the event of any “squeeze-out” transaction in which Transocean acquires the remaining Songa Shares not tendered in the Offer, such Songa Shares would be automatically converted into the right to receive adequate compensation as determined under the Cyprus Takeover Bids Law.

If the Offer is completed and Transocean, as a result of the Offer or otherwise, or any person acting in concert with Transocean, becomes the owner of Songa Shares representing more than 30% of the outstanding voting rights, Transocean will be required under Section 13 of the Cyprus Takeover Bids Law to make a mandatory cash offer for the remaining shares, unless Transocean, following completion of the Offer, holds at least 90% of the shares and votes in Songa Offshore and within three months resolves a compulsory acquisition (squeeze-out). The offer price for such mandatory offer must be equal to, or higher than, the highest price paid, or agreed to be paid, by Transocean or any person acting in concert with Transocean for the Songa Shares during the six-month period prior to the date on which the obligation to make a mandatory offer is triggered. If, as a result of the Offer, a subsequent mandatory offer or otherwise, Transocean acquires and holds 90% or more of the total issued Songa Shares representing 90% or more of the voting rights in Songa Offshore, Transocean intends to promptly carry out a compulsory acquisition of the remaining Songa Shares in accordance with the procedures outlined above. In accordance with Section 36(3) of the Cyprus Takeover Bids Law, the consideration to be offered in case of a compulsory acquisition should be in the same form and at least equal to the consideration given in the Offer, while in any case cash consideration must be offered as an alternative. See “Terms of the Offer—Additional Information—Mandatory Offer” and “Terms of the Offer—Additional Information—Compulsory Acquisition.”

Q: HOW WILL REMAINING SONGA OFFSHORE SHAREHOLDERS BE AFFECTED IN THE EVENT THAT TRANSOCEAN IS UNABLE TO AFFECT A SQUEEZE-OUT TRANSACTION FOLLOWING COMPLETION OF THE OFFER?

A: If the Offer is completed and Transocean, as a result of the Offer or otherwise, or any person acting in concert with Transocean, becomes the owner of Songa Shares representing more than 30% of the outstanding voting rights, Transocean will be required under Section 13 of the Cyprus Takeover Bids Law to make a mandatory cash offer for the remaining shares, unless Transocean following completion of the Offer holds at least 90% of the shares and voting rights in Songa Offshore and within three months resolves a compulsory acquisition (squeeze-out) as described in “—Compulsory Acquisition” below. See “—Mandatory Offer” below for further information on the applicable mandatory offer rules.

Table of Contents

Transocean may seek a delisting of the shares of Songa Offshore from the Oslo Stock Exchange even if it does not hold 90% or more of the shares and voting rights in Songa Offshore following completion of the Offer. If Transocean no longer considers the listing of Songa Offshore's shares on the Oslo Stock Exchange appropriate, it may propose at a general meeting of Songa Offshore that the company apply for delisting of its shares from the Oslo Stock Exchange. An application for delisting requires the approval of the same majority as required to amend Songa's Articles of Association at a general meeting, which is 75% of votes present. See “—Delisting from Oslo Stock Exchange” below for further information. An application for delisting will be approved or rejected by the Oslo Stock Exchange in accordance with the stock exchange rules, taking into account, among other things, the interests of minority shareholders. Whether an application for delisting will be approved in the event Transocean holds less than 90% of the shares in Songa Offshore is therefore uncertain.

For as long as Songa Offshore remains listed, Songa Offshore will be subject to the Oslo Stock Exchange continuing obligations and the applicable requirements of the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the “Norwegian Securities Trading Act”) and related secondary regulation, which imposes requirements on Songa Offshore to the benefit of remaining Songa Offshore shareholders, including, among others, financial and other reporting obligations and the duty to observe the principle of equal treatment of shareholders.

Q: WHAT ARE THE RIGHTS OF REMAINING SONGA OFFSHORE SHAREHOLDERS IN THE EVENT TRANSOCEAN IS UNABLE TO EFFECT A SQUEEZE-OUT TRANSACTION FOLLOWING COMPLETION OF THE OFFER?

If the Offer is completed and Transocean does not hold 90% or more of the shares and voting rights in Songa Offshore, remaining Songa Offshore shareholders will retain their existing rights, including preemptive rights, the right to receive dividends, transfer rights, rights to participate in Annual General Meetings of Songa Offshore (including the right to vote for directors and the right to participate in meetings convened for the purposes of alteration of Songa Offshore's capital), liquidation rights and statutory inspection rights. For a complete discussion of these rights, see the discussions of the rights of Songa Offshore shareholders in “Comparison of Shareholder Rights.”

Q: ARE APPRAISAL RIGHTS AVAILABLE IN THE COMBINATION?

A: There are no appraisal rights relevant to the Offer under Norwegian or Cyprus law. In the event of a squeeze-out transaction following completion of the Offer, Cyprus law would provide for certain rights for the remaining 10% or fewer Songa Offshore shareholders. For more information, see “Comparison of Shareholder Rights—Appraisal Rights and Compulsory Acquisitions.”

Q: WHAT WILL HAPPEN TO SONGA RESTRICTED STOCK UNITS IN THE OFFER?

A: Certain members of the management of Songa Offshore own unvested restricted stock units that will accelerate in connection with the Offer. We currently expect that prior to the expiration of the Offer, the vesting of all unvested restricted stock rights held by Songa Offshore shareholders under the Songa Offshore Long-Term Incentive Plan will be accelerated, and these shares may be tendered in the Offer on the same basis as other Songa Shares. For more information see “Material Interests of Songa Offshore's Board and Management in the Combination.”

Q: WILL SONGA OFFSHORE SHAREHOLDERS BE OBLIGATED TO PAY ANY FEES OR COMMISSIONS TO EXCHANGE SONGA SHARES?

A: Songa Offshore shareholders who hold their Songa Shares in Norwegian custody accounts will not incur any fees and expenses in connection with tendering their Songa Shares in the Offer (except for the costs of transmitting the declaration of acceptance to their custodian bank).

Q: WILL SONGA OFFSHORE SHAREHOLDERS BE SUBJECT TO UNITED STATES FEDERAL INCOME TAX ON THE CONSIDERATION SHARES, EXCHANGEABLE BONDS AND CASH RECEIVED IN THE EXCHANGE OFFER?

A: The exchange of Songa Shares for Shares, Exchangeable Bonds and, if elected, cash pursuant to the Offer will be a taxable transaction for United States federal income tax purposes. U.S. holders (as defined in “Material Tax Considerations—United States Taxation”) of Songa Shares generally will recognize gain or loss equal to the

6

Table of Contents

difference, if any, between (i) the sum of (A) the fair market value of any Shares received in exchange for such Songa Shares, determined in U.S. dollars, plus (B) the issue price, as determined for United States federal income tax purposes, of the Exchangeable Bonds received in exchange for such Songa Shares, plus (C) the U.S. dollar amount of any cash received in Norwegian kroner in exchange for such Songa Shares, plus (D) any cash received in lieu of any fractional Consideration Shares or Exchangeable Bonds and (ii) such U.S. holder's adjusted tax basis in the Songa Shares. Provided that Songa Offshore is not treated as a passive foreign investment company for U.S. federal income tax purposes, any gain or loss recognized upon the exchange generally will be treated as capital gain or loss.

A non-U.S. holder (as defined in "Material Tax Considerations—United States Taxation") will generally not be subject to United States federal income tax on gain recognized on exchange of Songa Shares pursuant to the exchange offer unless the gain is "effectively connected" with the non-U.S. holder's conduct of a trade or business in the United States or the non-U.S. holder is an individual present in the United States for 183 or more days in the taxable year of the exchange, and certain other requirements are met.

The foregoing is a brief summary of United States federal income tax consequences only and is qualified by the description of United States federal income tax considerations in "Material Tax Considerations—United States Taxation." Tax matters are very complicated, and the tax consequences of the exchange offer to a particular holder will depend in part on such holder's circumstances. Accordingly, holders of Songa Shares are urged to consult their own tax advisors for a full understanding of the tax consequences of the exchange offer to them, including the applicability of United States federal, state, local and foreign income and other tax laws.

Q: WILL SONGA OFFSHORE SHAREHOLDERS BE SUBJECT TO NORWEGIAN TAXATION ON THE SHARES, EXCHANGEABLE BONDS AND CASH RECEIVED IN THE OFFER?

A: The exchange of Songa Shares for Shares, Exchangeable Bonds and cash pursuant to the Offer will be a taxable transaction for Norwegian income tax purposes for individual shareholders, while for corporate shareholders the transaction is expected to normally be tax exempt under the Norwegian exemption method. Norwegian individual holders (see "Material Tax Considerations—Norwegian Taxation—The Exchange of Songa Shares for Consideration") of Songa Shares generally will recognize gain or loss equal to the difference, if any, between (i) the sum of (A) the fair market value of any Shares received in exchange for such Songa Shares, determined in NOK, plus (B) the issue price, as determined for Norwegian income tax purposes, of the Exchangeable Bonds received in the Offer, plus (C) the amount of any cash received in Norwegian kroner received in the Offer and (ii) such individual Norwegian holder's tax basis in the Songa Shares exchanged. Any gain or loss recognized by a Norwegian holder in connection with the Offer generally will be treated as capital gain or loss.

Songa Offshore shareholders who are presently also holders of Shares or, following the consummation of the exchange offer, will become holders of Shares, may be taxed in Norway in connection with the receipt of future dividend income from Transocean (see "Material Tax Considerations—Norwegian Taxation—Dividend Distributions") and the transfer of Shares (see "Material Tax Considerations—Norwegian Tax Considerations—Taxation of Gains on Disposals of Shares"), as well as interest earned and gains realized on the exchangeable bond.

Notwithstanding the description of certain aspects of taxation in Norway in "Material Tax Considerations—Norwegian Taxation," shareholders may be liable to tax in other jurisdictions. In particular, shareholders with tax residency in Norway may be subject to an unlimited or limited tax liability in other jurisdictions, and shareholders that are subject to a limited tax liability in Norway may be liable to tax in the jurisdiction in which they are resident. A non-Norwegian holder will however generally not be subject to Norwegian income tax on gain recognized on the exchange of Songa Shares pursuant to the Offer unless the gain is connected with the non-Norwegian holder's conduct of or participation in a business activity managed or exercised in or out of Norway.

For a more complete description of certain Norwegian tax consequences of the Combination, see “Material Tax Considerations—Norwegian Taxation.”

This summary is not intended to be a replacement for, nor should it be considered as, legal or tax advice. Shareholders of Songa Offshore are therefore strongly advised to consult their tax advisors regarding the tax consequences related to participation in the Offer and the holding and disposal of Shares. The specific tax situation of each shareholder can only be adequately addressed by individual tax advice.

Table of Contents

Q: WHAT PERCENTAGE OF TRANSOCEAN SHARES WILL FORMER HOLDERS OF SONGA SHARES OWN AFTER THE COMBINATION?

A: The existing shareholders in Transocean will be diluted by up to 28.1% as a consequence of the Offer and issuance of the Consideration Shares to the Songa Offshore shareholders, assuming the following:

- the issuance of approximately 68.6 million Shares as Consideration Shares and approximately USD [] million aggregate principal amount of Exchangeable Bonds in the Offer (which assumes that (i) all outstanding SONG07 convertible bonds and Songa Offshore warrants are converted to and exercised for Songa Shares and tendered in the Offer, (ii) the acceleration of vesting and settlement of all restricted stock units issued under the Songa Offshore Long-Term Incentive Plan in Songa Shares that are subsequently tendered in the Offer, (iii) 100% of Songa Offshore shareholders accept the Offer and (iv) no Songa shareholder elects the Cash Election), based upon an exchange ratio of 0.35724 Shares to be issued for each tendered Songa Share;
- the issuance and subsequent exchange of approximately USD [] million aggregate principal amount of Exchangeable Bonds to purchase certain outstanding Songa Offshore indebtedness in connection with the Combination; and
- no additional capital increase by Songa Offshore is made after September 30, 2017.

Q: IF THE OFFER IS COMPLETED, WILL THE CONSIDERATION SHARES AND THE EXCHANGEABLE BONDS ISSUED PURSUANT TO THE OFFER BE LISTED FOR TRADING?

A: The Shares currently trade on the NYSE. Transocean will apply to list the Consideration Shares and the Exchangeable Bonds issued to Songa Offshore shareholders in the Offer on the NYSE. Consideration Shares and the Exchangeable Bonds will not be listed on any stock exchange in Norway. See “Risk Factors—Risks Related to the Shares” and “Risk Factors—Risks Related to the Exchangeable Bonds.”

Q: DOES SONGA OFFSHORE SUPPORT THE OFFER AND THE COMBINATION?

A: Yes. As a general rule, the board of directors of Songa Offshore is required to announce its view on the Offer in accordance with Section 6-16 of the Norwegian Securities Trading Act no later than one week prior to the expiration of the Offer Period. As the Offer is initiated by Transocean in agreement with the board of directors of Songa Offshore, the Oslo Stock Exchange has instructed Songa Offshore to engage an independent advisor to issue a statement regarding the Offer pursuant to Section 6-16 (4) of the Norwegian Securities Trading Act. Therefore Songa Offshore has engaged ABG Sundal Collier ASA to issue such independent statement on behalf of Songa Offshore. Songa Offshore expects that the statement made by ABG Sundal Collier ASA will be published on the Oslo Stock Exchange information system, www.newsweb.no; the independent statement is attached to this Prospectus as Annex D.

The board of directors of Songa Offshore has also issued a statement regarding the Offer; such statement is attached to this Prospectus as Annex E.

Q: WHAT IS THE MARKET VALUE OF SONGA SHARES AS OF A RECENT DATE?

A: The closing price of Songa Shares on the Oslo Stock Exchange on November 3, 2017 was NOK 59.75.

Q: IS TRANSOCEAN’S FINANCIAL CONDITION RELEVANT TO A SONGA OFFSHORE SHAREHOLDER’S DECISION TO TENDER ITS SONGA SHARES IN THE OFFER?

A: Yes. Songa Offshore shareholders will receive Consideration Shares, Exchangeable Bonds and cash pursuant to the Cash Election (if applicable) in exchange for tendering their Songa Shares in the Offer. Therefore, Songa Offshore shareholders should consider Transocean’s financial condition before deciding to become a Transocean shareholder

and a bondholder by accepting the Offer. Songa Offshore shareholders should also consider the effect that the Combination of Transocean and Songa Offshore may have on Transocean's financial condition. In considering Transocean's financial condition, Songa Offshore shareholders should review information relating to Transocean in

8

Table of Contents

this Prospectus, including the financial information incorporated by reference in this Prospectus, which also contain detailed business, financial and other information about Transocean.

Q: WHERE CAN SONGA OFFSHORE SHAREHOLDERS FIND MORE INFORMATION ABOUT TRANSOCEAN AND SONGA OFFSHORE?

A: Songa Offshore shareholders can find out information about Transocean and Songa Offshore from the sources described under “Where You Can Find More Information.” For certain information regarding Songa Offshore’s business and financial condition, see the sections of this Prospectus titled “Description of the Songa Offshore Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations of Songa Offshore.”

Q: WHO CAN SONGA OFFSHORE SHAREHOLDERS CONTACT WITH ADDITIONAL QUESTIONS ABOUT THE OFFER?

A: Songa Offshore shareholders can call the Settlement Agent with additional questions about the Offer:

Clarksons Platou Securities AS

Munkedamsveien 62c

N 0270 Oslo

Norway

+47 22 01 63 00

Email: ecm.oslo@clarksons.com

Table of Contents

SUMMARY

This summary highlights the material information in this Prospectus. To more fully understand the Combination and for a more complete description of the terms of the Offer and the other transactions contemplated by the Transaction Agreement, you should read carefully this entire document, including the exhibits, annexes, and documents incorporated by reference herein. For information on how to obtain these documents, see “Where You Can Find More Information.”

The Combination (page [])

On August 13, 2017, Transocean entered into the Transaction Agreement with Songa Offshore, pursuant to which we are offering to acquire all of the Songa Shares through a voluntary tender offer in exchange for consideration per Songa Share consisting of (i) 0.35724 Consideration Shares issued by Transocean and (ii) USD 2.99726 principal amount of Exchangeable Bonds, to be issued by TINC and guaranteed by Transocean. As part of the Offer, each Songa Offshore shareholder may instead elect to receive the Cash Election in lieu of some or all of the Consideration Shares and Exchangeable Bonds such shareholder would otherwise be entitled to receive in the Offer. The aggregate amount of consideration paid to each Songa Offshore shareholder accepting the Offer shall be comprised, as near as possible, of 50% Consideration Shares and 50% Exchangeable Bonds, with any exercise by such shareholder of the Cash Election, if elected, being deducted first from the aggregate number of Exchangeable Bonds otherwise issuable to such shareholder and then from the aggregate number of Consideration Shares such shareholder would otherwise be entitled to receive in the Offer.

If the Offer is completed and we acquire Songa Shares representing 90% or more of the voting rights in Songa Offshore, we intend to initiate a compulsory acquisition (squeeze-out) of the remaining Songa Shares not owned by Transocean pursuant to article 36 of the Cyprus Takeover Bids Law (L.41(I)/2007), as amended, as soon as practicable following the completion of the Offer. A compulsory acquisition can be expected to be completed after 15 working days from completion of the Offer, provided that the Cyprus Securities and Exchange Commission will make its decision on the required application within 10 working days from its submission. The Cyprus Securities and Exchange Commission is not, however, subject to a time limit in deciding on the application, and no assurances can be given as to the duration of such process. See the section below “—Compulsory Acquisition” for further information.

Information About the Companies (see page [])

Transocean Ltd.

Transocean Ltd. is the parent company of the Transocean Group of companies. Transocean was incorporated under the laws of Switzerland in 2008. Transocean has evolved to become a leading international provider of offshore contract drilling services for oil and gas wells. Transocean has approximately 4,930 employees worldwide.

Transocean’s registered and principal executive offices are located at Turmstrasse 30, CH 6300 Zug, Switzerland and its telephone number at that location is +41 (41) 749 0500.

Transocean Inc.

Transocean Inc. is a corporation incorporated under the Companies Law of the Cayman Islands. The legal and commercial name is Transocean Inc. TINC was established in 1999 and registered in the Cayman Islands under the business registration number 89645. TINC’s principal executive offices are located at P.O. Box 10342, 70 Harbour Drive, 4th Floor, Grand Cayman, KY1 1003, and its telephone number is +1 345 745 4500.

Songa Offshore SE

Songa Offshore SE, the parent company of the Songa Offshore group of companies, is a European public company organized under the laws of the Republic of Cyprus in 2008. Its predecessor company, Songa Offshore ASA, was incorporated in 2005 as a Norwegian public limited liability company and converted to an SE, by means of a merger between Songa Offshore ASA and Songa Offshore Cyprus Plc, in 2008. The principal business of the Songa Group is to own and operate drilling rigs to be used in exploration and production drilling. The Songa Group operates in the international oil service industry within the offshore drilling sector, and owns a fleet of seven semi-submersible rigs. The Songa Group has approximately 908 employees worldwide.

Table of Contents

Songa Offshore's registered and principal executive offices are located at the Porto Bello building, Office 201, No 1 Siafi Street, 3042, Limassol, Cyprus, and its telephone number at that location is +357 2520 7700.

Risk Factors (see page [])

The Combination, including the Offer, is subject to risks. You should carefully read and consider the risk factors in "Risk Factors" beginning on page [].

Terms of the Offer (see page [])

The summary below describes the principal terms and conditions of the Offer. Some of the terms and conditions described below are subject to important limitations and exceptions. You should carefully review "Terms of the Offer" and the Transaction Agreement, which contains a more detailed description of the terms and conditions to the Offer.

Issuer of Consideration Shares	Transocean Ltd.
Issuer of Exchangeable Bonds	TINC
Target	Songa Offshore SE

Subject Matter of the Offer	Transocean Ltd. seeks to acquire each of the issued and outstanding Songa Shares (on a fully diluted basis).
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Consideration For each Songa Share validly tendered in the Offer and not properly withdrawn, the Consideration will consist of a combination of the following:

1. 0.35724 Consideration Shares; and
2. USD 2.99726 principal amount of the Exchangeable Bonds.

As part of the Offer, each Songa Offshore shareholder may instead elect the Cash Election in lieu of some or all of the Consideration Shares and Exchangeable Bonds such shareholder would otherwise be entitled to receive in the Offer.

Transocean will not issue any fractional Consideration Shares or fractional amounts of Exchangeable Bonds in the Offer. Each Songa Offshore shareholder who accepts the Offer and, following the completion of the Offer, any Songa Offshore shareholder in connection with a subsequent mandatory offer or compulsory acquisition (squeeze-out) (a) who would otherwise be entitled to receive a fraction of a Consideration Share will instead receive, for the fraction of a Consideration Share, an amount in cash based on the Reference Price, and (b) who would otherwise be entitled to receive a fractional amount of Exchangeable Bonds will instead receive, for the fractional amount of Exchangeable Bonds, an amount in cash based on USD 1,000, the principal amount per Exchangeable Bond, and in each case, paid in NOK, based on an exchange rate of 7.923 NOK per U.S. dollar which is the NOK/USD closing price at 4:00 p.m. CET as determined by Norges Bank, on August 14, 2017, the trading day immediately preceding the announcement of the Offer.

Table of Contents

Adjustments to the Consideration The number of Consideration Shares and Exchangeable Bonds shall each be adjusted appropriately to reflect the effect of any stock split, reverse stock split, stock dividend and other like change (including any dividend or distribution of securities exchangeable into Consideration Shares or Songa Shares), in accordance with the procedures set out in “Terms of the Offer—Amendments to the Offer.” If an adjustment is made, acceptances of the Offer received prior to such adjustment shall be deemed an acceptance of the Offer as revised.

Higher Consideration Under the terms of the Offer, Transocean Ltd. (the “Offeror”) and any entity wholly owned directly or indirectly by Transocean shall not directly or indirectly acquire or enter into any agreement to acquire Songa Shares (in the open market or in privately negotiated transactions or otherwise) following announcement of the contemplated Offer until (i) the lapsing or withdrawal of the Offer or (ii) the completion of the Offer as contemplated by this Prospectus or, if relevant, expiration of a subsequent mandatory offer, at a consideration higher than the Offer Price without increasing the Offer Price for all Songa Shares included in the Offer so as to be at least equal to such higher consideration. Notwithstanding the foregoing, the Offer Price shall not be increased pursuant to the aforementioned as a result of (i) the payment of cash consideration (including the effect of any change in currency exchange rates) in any subsequent mandatory offer in accordance with the minimum Offer Price requirements as decided by the Oslo Stock Exchange, (ii) share price fluctuations during or after the Offer Period, as defined below, or (iii) the application of calculation principles by the Oslo Stock Exchange or any other governmental or regulatory authority to any subsequent mandatory offer that differs from the calculation principles specified in the Transaction Agreement.

Table of Contents

Conditions for Completion of the Offer The completion of the Offer is subject to the following conditions, each one of which may be waived by the Offeror fully or partly (at the Offeror's sole discretion), provided, however, that condition (1) can only be waived to the extent the Offeror has received acceptances for more than 63% of the total share capital of Songa Offshore on a fully diluted basis, and conditions (2), (6), (7), (8) or (11) can only be waived with the prior written consent of Songa Offshore:

1. Minimum acceptance of more than 90%. On or prior to the expiration of the Offer Period, Songa Offshore shareholders shall in the aggregate have accepted the Offer subject to the terms and conditions of the Offer for a number of Songa Shares representing more than 90% of the total share capital of Songa Offshore, on a fully diluted basis (i.e., calculated based on the assumption that any and all outstanding warrants, convertible bonds and other securities convertible into or otherwise giving rights to new Songa Shares have been exercised in full regardless of the conditions for such exercise), and the same amount of votes, which can be exercised in the general meeting of Songa Offshore, and such acceptances shall remain valid and binding.

2. Governmental and regulatory approvals. Any governmental, regulatory or other official approval and/or clearance, under any applicable laws or regulations, which are necessary for the completion of the Offer and the transactions contemplated hereunder, shall have been duly obtained without any conditions, unless such conditions are clearly insignificant in the context of (i) Transocean's existing business operations in Norway or (ii) the expected benefits to Transocean of the acquisition of Songa Offshore.

3. No intervention. No court or other governmental or regulatory authority of competent jurisdiction shall have taken any form of legal action (whether temporary, preliminary, or permanent) that restrains or prohibits the completion of the Offer or shall in connection with the Offer have imposed conditions upon Transocean, Songa Offshore or any of their respective subsidiaries, that Transocean in its sole discretion determines to be unduly burdensome.

4. No issue of shares or equity instruments and no distributions. In the period from the announcement of the contemplated Offer until the settlement of the Offer there shall have been no changes or decisions to make changes to the share capital of Songa Offshore or its subsidiaries other than issuances of shares as required by the exercise of warrants or options or the conversion of convertible bonds and/or exercise of any other Songa Offshore securities, which are made in accordance with the terms of such agreements (which have been provided to Transocean prior to the entering into of the Transaction Agreement or the terms of which are otherwise publicly available) underlying such warrants, options, convertible bonds and/or other Songa Offshore securities and no issue or decision to issue any rights which entitle the holder to any form of equity interest in Songa Offshore or its subsidiaries, and Songa Offshore shall not have declared or made any dividends or other forms of distributions, in each case from the date of announcement of the contemplated Offer.

Table of Contents

5. No Material Adverse Change. Prior to completion of the Offer, there shall have been no Material Adverse Change. For these purposes, Material Adverse Change means any event, change, fact, condition, circumstance, development, occurrence or effect which, individually or together with any other event, change, fact, condition, circumstance, development, occurrence or effect, has, or would reasonably be expected to have, a material adverse effect upon (i) the condition (financial or otherwise), business, assets, liabilities or results of operations of Songa Offshore or Transocean, as the case may be, and its subsidiaries, taken as a whole, or (ii) the ability of Songa Offshore or Transocean, as the case may be, to perform its obligations under the Transaction Agreement or to consummate the Offer or the other transactions contemplated by the Transaction Agreement, provided that Material Adverse Change shall not be deemed to include an event, change, fact, condition, circumstance, development, occurrence or effect to the extent it relates to (A) the announcement of the Offer and the other transactions contemplated by the Offer; (B) the execution of, compliance with the terms of, or the taking of any action required by the Transaction Agreement, or the completion of the Offer and the other transactions contemplated by the Transaction Agreement; (C) any change in accounting requirements or principles or any change of laws of general applicability or the interpretation thereof, except to the extent disproportionately affecting Songa Offshore or Transocean, as the case may be, relative to peer companies operating in the industry, (D) changes in financial markets, interest rates, exchange rates, commodity prices or, except to the extent that such matters have an impact on Songa Offshore or Transocean, as the case may be, that to a material extent is disproportionate to the effect on other peer companies operating in the industry, other general economic conditions, (E) share price fluctuations or changes in third-party analyst estimates or projections (provided that the underlying cause of any such fluctuation or change may be considered in determining whether or not a Material Adverse Change has occurred or would reasonably be expected to occur to the extent not included in another exception herein), (F) acts of war, sabotage or terrorism, or any escalation or worsening of any such acts of war, sabotage or terrorism threatened or underway, except to the extent disproportionately affecting Songa Offshore or Transocean, as the case may be, relative to peer companies operating in the industry, (G) any changes resulting from non-cash impairment charges relating to the write-down or scrapping of existing oil rigs, or (H) with respect to Songa Offshore and its subsidiaries, (x) any matters reviewed as part of the due diligence conducted prior to the Transaction, including in particular any judgement, claim, development, fact circumstance or other occurrence in relation to Songa Offshore's reported ongoing dispute with Daewoo Shipbuilding & Marine Engineering Co., Ltd. ("DSME") and (y) any change in financial statements or other financial information or audit statements solely due to conversion of financial statements from IFRS to accounting principles generally accepted in the United States ("U.S. GAAP") as part of the preparation or furnishing of information pursuant to the Transaction Agreement (provided that the underlying cause of any such changes (such as errors in accounting or material omissions) may be considered in determining whether or not a Material Adverse Change has occurred or would reasonably be expected to occur to the extent not included in another exception herein).

Table of Contents

6. Issue of Consideration Shares. (a) The extraordinary general meeting of the Transocean shareholders (the “Extraordinary General Meeting”) shall have approved (i) the issuance of the Consideration Shares and (ii) the creation of authorized share capital for the board of directors of Transocean (the “Transocean Board”) to be authorized to issue Shares in connection with a mandatory offer or a compulsory acquisition (if any) following the completion of the Offer, in each case with the necessary majority under Swiss law and Transocean’s articles of association (the “Articles of Association”), and (b) the Consideration Shares shall have been registered with the competent commercial register.
7. Listing on NYSE. The NYSE shall have approved the Consideration Shares and the shares issuable upon exchange of the Exchangeable Bonds for listing on such exchange, subject to official notice of issuance.
8. U.S. Securities Filings. One or more registration statements on Form S 4 with respect to each of the Consideration Shares and the Exchangeable Bonds shall have been declared effective by the SEC, or a Form CB shall have been filed by Transocean with respect to the Offer.
9. Accuracy of Provided Information. Nothing shall have come to the attention of the Offeror that has reasonably caused it to conclude that the information about Songa Offshore or its subsidiaries provided to the Offeror, whether provided by Songa Offshore or any of its representatives or contained in any publicly filed financial statement or stock exchange notice by Songa Offshore is, when viewed in context and together with all such information and reporting, inaccurate, misleading or incomplete (a) in any material respect or (b) in the case of information regarding the capitalization of Songa Offshore, other than for immaterial inaccuracies or omissions.
10. Compliance with Covenants. Songa Offshore shall have complied in all material respects with its obligations under the Transaction Agreement, and no material breach by Songa Offshore of its representations and warranties under the Transaction Agreement shall have occurred.
11. Election of the Perestroika Designee. Perestroika’s designee to serve on the Transocean Board (the “Perestroika Designee”) shall have been elected to the Transocean Board at the Extraordinary General Meeting.
- Offer Period [], 2017 at 4:30 p.m. (CET) (as extended from time to time). Transocean may in its sole discretion, and subject to approval from the Oslo Stock Exchange, extend the Offer Period (one or more times), however not beyond [], 2018 at 4:30 p.m. (CET). Any extensions of the Offer Period will be announced prior to the expiration of the Offer Period. When referring to the Offer Period in this Prospectus, this refers to the Offer Period as extended from time to time. If the Offer Period is extended, the other dates referred to herein may be changed accordingly and any received Acceptance Forms will remain binding for the length of the extension. Except as prohibited by the Transaction Agreement and applicable law, Transocean may, at its sole discretion and at any time, decide to cancel the Offer.

Table of Contents

- Long Stop Date** If the Offer has not become unconditional by 4:30 p.m. (CET) on the Long Stop Date, the Offer shall lapse and any tendered shares shall be released by Transocean, provided, however, that the Long Stop Date may be extended at the election of Transocean one time for no more than a total of 25 U.S. business days to the extent deemed necessary, at Transocean’s sole discretion, for the purpose of soliciting additional proxies from shareholders for the election at the Extraordinary General Meeting of the Perestroika Designee. With respect to any extension by Transocean, Transocean will, prior to such extension, publicly confirm the fulfilment of all other conditions for completion of the Offer (other than conditions (3), (4) and (9) in “—Conditions for Completion of the Offer”). However, with respect to condition (10) under “—Conditions for Completion of the Offer,” if a willful breach by Songa Offshore of any agreement or covenant in the Transaction Agreement occurs solely on or after the Long Stop Date, then such condition (10) shall not be satisfied and, in such event, Transocean reserves all of its rights with respect thereto (including completion of the Offer) to determine the satisfaction or waiver of such condition.
- Settlement** The result of the Offer is expected to be published no later than the next business day following the expiration of the Offer Period (subject to possible extensions) in accordance with the procedures described under “Terms of the Offer—Notices.”

Transfer of the Songa Shares tendered to the settlement agent (who is authorized to transfer the shares to Transocean), and delivery of the Consideration Shares, Exchangeable Bonds and cash, as applicable, to Songa Offshore shareholders, in settlement of the Offer, will be made promptly following the expiration of the Offer Period and, in any case, no later than 15 U.S. business days after the expiration of the Offer Period. Accordingly, if the Offer Period expires on or about [], we expect to issue and pay the Consideration Shares, Exchangeable Bonds and cash, as applicable, on or about []. We expect that the Consideration Shares and Exchangeable Bonds issued in the Offer will be listed as of the date when settlement occurs. If the Offer Period is extended, the settlement and listing dates will be similarly extended.

Upon contribution of the Songa Shares to the Company, (i) the relevant number of Consideration Shares and Exchangeable Bonds will be deposited with Computershare Trust Company, N.A. and Computershare, Inc., acting collectively as paying and distribution agent for the Offer (the “Distribution Agent”) and (ii) cash sufficient to pay all cash consideration and cash in lieu of fractional Consideration Shares and Exchangeable Bonds will be deposited with the settlement agent, in each case for distribution in accordance with the procedures described below to each Songa Offshore shareholder whose Songa Shares are acquired by the Company in the Offer.

Songa Offshore shareholders who have tendered shares in the Offer and not validly withdrawn such acceptance remain bound by their acceptance until settlement has occurred or Transocean notifies the Oslo Stock Exchange in accordance with the procedures set out in “Terms of the Offer—Notices” that the Offer has been cancelled.

Settlement Agent Clarksons Platou Securities AS, Munkedamsveien 62c, N 0270 Oslo, Norway, is the Settlement Agent in connection with the Offer.

Distribution Agent Computershare Trust Company, N.A. and Computershare, Inc., 250 Royall Street, Canton, Massachusetts 02021, are the Distribution Agent in connection with the Offer.

Transocean's Reasons for the Combination (see page [])

At a meeting held on August 11, 2017, after due consideration and consultation, the Transocean Board unanimously approved (i) the total consideration of NOK 47.50 per Songa Share and (ii) the Combination and the transactions contemplated thereby. In reaching its determination, the Transocean Board considered a number of factors in connection with its evaluation of the proposed transaction, including significant strategic opportunities and potential synergies, as

Table of Contents

generally supporting its decision to enter into the Transaction Agreement and proceed with the transactions contemplated thereby. See “The Combination—Background and Reasons for the Combination—Transocean’s Reasons for the Combination” for a discussion of the factors considered by the Transocean Board.

Songa Offshore’s Reasons for the Combination (see page [])

The Songa Board (with the exception of Songa Offshore directors Mr. Mohn and Mr. Mikkelsen, who were excused from voting on whether to approve the Transaction Agreement) unanimously determined to enter into the Transaction Agreement and recommend that Songa Offshore’s shareholders accept the Offer. In addition to consulting with Songa Offshore management and its financial and legal advisors, the Songa Board considered a number of factors when evaluating the transaction. See “The Combination—Background and Reasons for the Combination—Songa Offshore’s Reasons for the Combination” for a discussion of the factors considered by the Songa Board.

The Transaction Agreement (see page [])

The terms and conditions of the Combination are contained in the Transaction Agreement, which is attached as Annex A to this Prospectus and incorporated into this Prospectus by reference. Transocean urges you to read the full text of the Transaction Agreement because it is the legal document between Transocean and Songa Offshore that governs the Combination.

Material Interests of Songa Offshore’s Board and Management in the Combination (see page [])

Some of the members of the Songa Offshore board of directors (the “Songa Board”) and the Songa Offshore executive officers may have interests in the Combination that are different from, or in addition to, the interests of the Songa Offshore shareholders. These interests may include, but are not limited to, the treatment of restricted share units or other equity instruments owned by certain Songa Offshore executive officers under Songa Offshore’s long-term incentive plan (the “Songa Offshore Long-Term Incentive Plan”), or cash severance and other benefits under change in control arrangements. Additionally, Songa Offshore’s executive officers are expected to continue their employment with the combined company under the terms of their current employment agreements following the closing of the Combination through December 31, 2017. These interests also include Transocean’s agreement to nominate the Perestroika Designee to the Transocean Board (subject to the election of Frederik W. Mohn, the Chairman of the Songa Board, as the Perestroika Designee at the Extraordinary General Meeting). As of August 14, 2017, members of the Songa Board and the Songa Offshore executive officers and their affiliates, excluding Perestroika AS (“Perestroika”), owned 361,160 Songa Shares in the aggregate, representing 0.3 percent of the issued Songa Shares. In addition, the Perestroika Designee is the sole owner of Perestroika, Songa Offshore’s largest shareholder. As of October 31, 2017, Perestroika held 59,489,590 Songa Shares and SONG07 convertible bonds convertible into 27,556,518 Songa Shares. Perestroika also holds approximately NOK 330 million principal amount of SONG04 bonds issued by Songa Offshore that will be purchased by Transocean at a price of 103.5% and a USD 50 million loan to Songa Offshore that will be purchased by Transocean at a price of 100%, each in connection with the completion and settlement of the Offer. See “Terms of the Offer—Refinancing of Certain Songa Offshore Indebtedness.”

Comparison of Shareholders’ Rights (see page [])

The rights of Transocean shareholders are governed by Swiss law and Transocean’s Articles of Association. In addition, Transocean is subject to the rules and regulations of the SEC and the NYSE that, among other things, regulate the solicitation of proxies and provide for additional shareholder rights requirements. The rights of Songa Offshore shareholders are governed by Cyprus law and Songa Offshore’s memorandum of association and articles of association (“Songa’s Articles of Association”). Copies of Transocean’s Articles of Association and Songa’s Articles of Association are available, without charge, by following the instructions listed under “Where You Can Find More

Information.”

As a result of the Combination, holders of Songa Shares will become shareholders of Transocean and their rights as shareholders will be governed by Swiss law and Transocean’s Articles of Association. There are many differences between the rights of Songa Offshore shareholders and those of Transocean shareholders.

17

Table of Contents

Material Tax Considerations of the Combination (see page [])

Tax matters are very complicated, and the tax consequences of the Offer to a particular holder will depend in part on such holder's circumstances. Accordingly, holders of Songa Shares are urged to consult their own tax advisors for a full understanding of the tax consequences of the Offer to them, including the applicability of United States federal, state, local and foreign income and other tax laws.

Certain Material U.S. Income Tax Considerations

The exchange of Songa Shares for Consideration Shares and Exchangeable Bonds (and, to the extent shareholders elect the Cash Election, cash) pursuant to the Offer will be a taxable transaction for United States federal income tax purposes. U.S. holders of Songa Shares that participate in the Offer generally will recognize gain or loss equal to the difference, if any, between (i) the sum of (A) the fair market value of any Consideration Shares received in the Offer, determined in U.S. dollars, plus (B) the issue price, as determined for United States federal income tax purposes, of the Exchangeable Bonds received in the Offer, plus (C) the U.S. dollar amount of any cash received in Norwegian kroner in the Offer, plus (D) any cash received for any fractional Consideration Shares or Exchangeable Bonds and (ii) such U.S. holder's adjusted tax basis in the Songa Shares exchanged. Provided that Songa Offshore is not treated as a passive foreign investment company for U.S. federal income tax purposes, any gain or loss recognized by a U.S. holder in connection with the Offer generally will be treated as capital gain or loss.

A non-U.S. holder will generally not be subject to United States federal income tax on gain recognized on the exchange of Songa Shares pursuant to the Offer unless the gain is "effectively connected" with the non-U.S. holder's conduct of a trade or business in the United States or the non-U.S. holder is an individual present in the United States for 183 or more days in the taxable year of the exchange, and certain other requirements are met.

The foregoing is a brief summary of United States federal income tax consequences only and is qualified by the description of United States federal income tax considerations in "Material Tax Considerations—United States Taxation."

Certain Material Norwegian Tax Considerations

The exchange of Songa Shares for Consideration Shares, Exchangeable Bonds (and, to the extent shareholders elect the Cash Election, cash) pursuant to the Offer will be a taxable transaction for Norwegian income tax purposes for individual shareholders, while for corporate shareholders the transaction is expected to normally be tax exempt under the Norwegian exemption method. Norwegian individual holders of Songa Shares that participate in the Offer generally will recognize gain or loss equal to the difference, if any, between (i) the sum of (A) the fair market value of any Consideration Shares received in the Offer, determined in NOK, plus (B) the issue price, as determined for Norwegian income tax purposes, of the Exchangeable Bonds received in the Offer, plus (C) the amount of any cash received in Norwegian kroner received in the Offer and (ii) such individual Norwegian holder's tax basis in the Songa Shares exchanged. Any gain or loss recognized by a Norwegian holder in connection with the Offer generally will be treated as capital gain or loss.

A non-Norwegian holder will generally not be subject to Norwegian income tax on gain recognized on the exchange of Songa Shares pursuant to the Offer unless the gain is connected with the non-Norwegian holder's conduct of or participation in a business activity managed or exercised in or out of Norway.

The foregoing is a brief summary of Norwegian tax consequences only and is qualified by the description of Norwegian tax considerations in "Material Tax Considerations—Norwegian Taxation."

Certain Material Swiss Tax Considerations

The exchange of Songa Shares for the Consideration is not subject to Swiss Federal withholding tax. The exchange of Songa Shares for the Consideration may be subject to Swiss securities transfer tax of up to 0.3 per cent. If such transfer tax will be due, it will be borne by Transocean.

The foregoing is a brief summary of Swiss tax consequences only and is qualified by the description of Swiss tax considerations in “Material Tax Considerations—Swiss Taxation.”

Table of Contents

Terms of the Exchangeable Bonds

The following overview provides a summary of the main terms applicable to the Exchangeable Bonds. The full terms in respect of the Exchangeable Bonds are described in further detail under “Description of Transocean Exchangeable Bonds.”

Issuer	Transocean Inc.
Guarantor	Transocean Ltd.
Securities Offered	USD [] aggregate principal amount of 0.5% Exchangeable Senior Bonds due 2022.
Currency	USD.
ISIN/CUSIP	[].
Interest Rate/Yield	0.5% per annum. Interest on the Exchangeable Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months.
Maturity Date	[], 2022.

Permitted Denominations USD 1,000.

Amortization	Amortization in full on the Maturity Date.
Ranking	The Exchangeable Bonds will constitute senior unsecured debt of TINC and will rank: equally with its senior unsecured debt from time to time outstanding; senior to its subordinated debt from time to time outstanding; and effectively junior to its secured debt and to all debt and other liabilities of its subsidiaries from time to time outstanding. Transocean’s guarantee will rank equally with all of its other unsecured and subordinated debt from time to time outstanding.
Guarantee	All present and future obligations of TINC under the Exchangeable Bonds are guaranteed in full by Transocean. The guarantee is unconditional.
Principal Amount	Up to USD [] principal amount of Exchangeable Bonds will be issued in the Offer and up to USD [] principal amount of Exchangeable Bonds will be issued in connection with the refinancing of certain Songa Offshore indebtedness as described under “Terms of the Offer—Refinancing of Certain Songa Offshore Indebtedness.” Exchangeable Bonds issued in connection with the refinancing of that Songa Offshore indebtedness will initially be issued as restricted securities for U.S. regulatory purposes and will initially bear a different CUSIP securities identifier than the Exchangeable Bonds issued in the Offer. Additionally, any Exchangeable Bonds issued in exchange for Songa Shares in any compulsory acquisition following the Offer may not be fungible for trading purposes with Exchangeable Bonds issued in the Offer (in which case they would bear a different CUSIP securities identifier).
Interest Payment Dates	[] and [] of each year, beginning [], 2018.

Table of Contents

Exchange Rights	Unless previously exchanged, purchased or cancelled, holders may exchange their Exchangeable Bonds at the applicable exchange rate for the Shares at any time after the initial issue date and prior to the close of business on the business day immediately preceding the maturity date.
Additional Amounts	Subject to specified exceptions, if the issuer or guarantor is required by law to withhold any tax from any payment in respect of the Exchangeable Bonds the amount of the payment due will be grossed up to such amount as is (after giving effect to the required withholding) equal to the payment that would have been received if no withholding had been required.
	If a Tax Event (as defined below) occurs and a holder of the Exchangeable Bonds does not elect to exchange, or cause repurchase of, its Exchangeable Bonds following such Tax Event, neither Transocean nor TINC will be required to pay additional amounts with respect to payments made in respect of such Exchangeable Bonds following such Tax Event, and all subsequent payments in respect of such Exchangeable Bonds will be subject to any tax required to be withheld or deducted under the laws of a relevant taxing jurisdiction.
Exchange Rate	The exchange rate will be 97.29756 Shares per USD 1,000 principal amount of Exchangeable Bonds, subject to adjustment as described below.
Exchange Settlement	Transocean will settle each USD 1,000 principal amount of Exchangeable Bonds surrendered for exchange by delivering, on the third trading day immediately following the exchange date (or, in the case of an exchange in connection with a Fundamental Change (as defined below), on the fifth trading day immediately following the exchange date), a number of Shares equal to the exchange rate in effect on the exchange date. Cash will be delivered in lieu of any fractional shares.

Table of Contents

The exchange rate will be adjusted in the following circumstances:

Adjustments to Exchange Rate

If a holder elects to exchange its Exchangeable Bonds in connection with a Fundamental Change (as defined below) or a Tax Event (as defined below), the exchange rate applied to that exchange will be increased based on the make-whole premium applicable to the Fundamental Change or Tax Event.

For exchanges in connection with a Fundamental Change due to a Change of Control (as defined below), the increased exchange rate will be determined as follows:

COCER = OER multiplied by $(1 + (EP \times (c/t)))$, where

COCER = Exchange Rate applicable to exchanges in connection with the applicable Change of Control

OER = Exchange Rate otherwise applicable at such time, before giving effect to the increase resulting from the applicable Change of Control

EP = 22.50%

c = the number of days from and including the date of the Fundamental Change to but excluding the maturity date

t = the number of days from and including the issue date to but excluding the maturity date

For exchanges in connection with a Fundamental Change due to a Listing Failure Event, the increased exchange rate will be determined as follows:

LFER = OER multiplied by $(1 + (EP \times (c/t)))$, where

LFER = Exchange Rate applicable to exchanges in connection with the applicable Listing Failure Event

OER = Exchange Rate otherwise applicable at such time, before giving effect to the increase resulting from the applicable Listing Failure Event

EP = 22.50%

c = the number of days from and including the date of the listing failure event to but excluding the maturity date

t = the number of days from and including the issue date to but excluding the maturity date

For exchanges in connection with a Tax Event, the number of additional shares will be determined as follows:

TEER = OER multiplied by $(1 + (EP \times (c/t)))$, where

TEER = Exchange Rate applicable to exchanges in connection with the applicable Tax
Event

Table of Contents

OER = Exchange Rate otherwise applicable at such time, before giving effect to the increase resulting from the applicable Tax Event

EP = 22.50%

c = the number of days from and including the date of the Tax Event to but excluding the maturity date

t = the number of days from and including the issue date to but excluding the maturity date

The indenture also includes customary exchange rate adjustments for certain corporate events, including dividends, stock splits and recapitalizations of the guarantor.

Redemption of the Exchangeable Bonds at TINC's Option

TINC will have no option to redeem the Exchangeable Bonds.

Repurchase of the Exchangeable Bonds at the Option of the Holder

Holder of the Exchangeable Bonds will have the right to require TINC to repurchase all or a portion of such holder's Exchangeable Bonds upon a Fundamental Change or upon the occurrence of certain adverse changes in tax laws resulting in a Tax Event Offer to Repurchase.

In the event of a Fundamental Change due to a Change of Control Event, Exchangeable Bonds will be repurchased at a price in cash equal to 101% of the principal amount of the Exchangeable Bonds to be repurchased, plus any accrued and unpaid interest to, but excluding, the repurchase date.

In the event of a Fundamental Change due to a Listing Failure Event, or of a Tax Event Offer to Repurchase, Exchangeable Bonds will be repurchased at a price in cash equal to 100% of the principal amount of the Exchangeable Bonds to be repurchased, plus any accrued and unpaid interest to, but excluding, the repurchase date.

Use of Proceeds

In the event of any repurchase due to a Fundamental Change, settlement of any exchange will be five business days following the exchange date.

The Company will not receive any cash proceeds from the Offer. The Exchangeable Bonds will serve as:

part settlement of the purchase of NOK [] Senior Unsecured Callable Bond issued by Songa Offshore under ISIN NO0010628753 (SONG04);

part settlement of the purchase of NOK [] Senior Unsecured Callable Bond issued by Songa Offshore under ISIN NO0010649403 (SONG05);

settlement of the purchase of USD 50,000,000 loan provided by Perestroika AS to Songa Offshore; and

part consideration for Transocean's acquisition of the shares of Songa Offshore.

Table of Contents

Global Form	The Exchangeable Bonds will be evidenced by one or more global securities deposited with the trustee as custodian for DTC. The global securities will be registered in the name of Cede & Co., as DTC’s nominee.
Material U.S. Federal Income Tax Considerations	You should consult your tax advisor with respect to the U.S. federal income tax consequences of owning the Exchangeable Bonds and the Shares into which the Exchangeable Bonds may be exchanged in light of your own particular situation and with respect to any tax consequences arising under the laws of any state, local, foreign or other taxing jurisdiction. See “Material Tax Considerations.”
Listing of the Exchangeable Bonds	TINC intends to apply to list the Exchangeable Bonds on the NYSE and will cause the Exchangeable Bonds to be listed on that exchange or Nasdaq within 60 days of their initial issue date. The guarantor’s shares are listed for trading on the NYSE under the ticker symbol “RIG.”
Trustee and Paying Agent	Wells Fargo Bank, National Association will serve as trustee (the “Trustee”), paying agent (the “Paying Agent”) and exchange agent (the “Exchange Agent”) with regard to the Exchangeable Bonds. The Trustee, Paying Agent and Exchange Agent is not a representative of the holders of the Exchangeable Bonds. The Trustee, Paying Agent and Exchange Agent will act only in accordance with the requirements of the indenture governing the Exchangeable Bonds.

Governing Law and Jurisdiction New York law will govern the indenture and the Exchangeable Bonds.

Table of Contents

SUMMARY SELECTED FINANCIAL DATA OF TRANSOCEAN

The selected financial data as of December 31, 2016 and 2015 and for each of the three years in the period ended December 31, 2016 have been derived from the audited consolidated financial statements included in “Item 8. Financial Statements and Supplementary Data” of Transocean’s annual report on Form 10 K for the year ended December 31, 2016 (the “2016 Annual Report”). The selected financial data as of December 31, 2014, 2013 and 2012, and for each of the two years in the period ended December 31, 2013 have been derived from Transocean’s accounting records. The selected financial data as of September 30, 2017 and for the nine-month periods ended September 30, 2017 and 2016 have been derived from the unaudited condensed consolidated financial statements included in “Item 1. Financial Statements” of Transocean’s quarterly report on Form 10 Q for the quarterly period ended September 30, 2017 (the “3Q17 Quarterly Report”).

The selected financial data should be read in conjunction with the sections titled “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the audited consolidated financial statements and the notes thereto included under “Item 8. Financial Statements and Supplementary Data” of the 2016 Annual Report, “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the unaudited condensed consolidated financial statements and notes thereto included in “Item 1. Financial Statements” of the 3Q17 Quarterly Report and Transocean’s financial statements and related notes and other financial information incorporated by reference in this Prospectus.

	Nine months ended September 30, (unaudited)		Years ended December 31,				
	2017	2016	2016(1)	2015	2014(2)	2013	2012
(In millions of U.S. dollars, except per share data)							
Statement of operations data							
Operating revenues	\$ 2,344	\$ 3,187	\$ 4,161	\$ 7,386	\$ 9,185	\$ 9,246	\$ 8,942
Operating income (loss)	(2,516)	816	1,132	1,365	(1,347)	2,203	1,588
Income (loss) from continuing operations	(2,995)	570	827	895	(1,880)	1,428	765
Net income (loss)	(2,995)	570	827	897	(1,900)	1,437	(278)
Net income (loss) attributable to controlling interest	(3,016)	535	778	865	(1,839)	1,434	(291)
Per share earnings (loss) from continuing operations							
Basic	\$ (7.72)	\$ 1.44	\$ 2.08	\$ 2.36	\$ (5.02)	\$ 3.92	\$ 2.11
Diluted	(7.72)	1.44	2.08	2.36	(5.02)	3.92	2.11

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Balance sheet data (at end of period)							
Total assets	\$ 22,441		\$ 26,889	\$ 26,431	\$ 28,676	\$ 32,759	\$ 34,534
Debt due within one year	799		724	1,093	1,032	323	1,365
Long-term debt	6,501		7,740	7,397	9,019	10,329	11,035
Total equity	12,803		15,805	15,000	14,104	16,719	15,803
Other financial data							
Cash provided by operating activities	887	1,278	1,911	3,445	2,220	1,918	2,708
Cash used in investing activities	\$ (46)	\$ (1,056)	\$ (1,313)	\$ (1,932)	\$ (1,828)	\$ (1,658)	\$ (389)
Cash provided by (used in) financing activities	(1,176)	(27)	115	(1,809)	(1,000)	(2,151)	(1,202)
Capital expenditures	386	1,072	1,344	2,001	2,165	2,238	1,303
Distributions of qualifying additional paid-in capital	—	—	—	381	1,018	606	276
Per share distributions of qualifying additional paid-in capital	—	—	—	1.05	2.81	1.68	0.79

-
- (1) In December 2016, as contemplated by the Agreement and Plan of Merger, dated July 31, 2016 (the “2016 Agreement and Plan of Merger”), Transocean Partners LLC (“Transocean Partners”) and one of our subsidiaries completed the merger, with Transocean Partners becoming a wholly owned indirect subsidiary of Transocean. Each Transocean Partners common unit that was issued and outstanding immediately prior to the closing, other than units held by Transocean and its subsidiaries, was converted into the right to receive 1.20 of our shares. To complete the merger, we issued 23.8 million shares from conditional capital.
- (2) In August 2014, we completed an initial public offering to sell a noncontrolling interest in Transocean Partners, which was formed on February 6, 2014, by Transocean Partners Holdings Limited, a Cayman Islands company and our wholly owned subsidiary.

Table of Contents

SUMMARY SELECTED FINANCIAL DATA OF SONGA OFFSHORE

The following table sets forth selected historical consolidated financial information for Songa Offshore. The selected consolidated financial data of Songa Offshore as of and for the year ended December 31, 2016 has been derived from Songa Offshore's audited consolidated financial statements as of and for the year ended December 31, 2016 (the "Songa Consolidated Financial Statements") included elsewhere in this Prospectus, which have been prepared in accordance with International Financial Reporting Standards (the "IFRS"), as issued by the International Accounting Standards Board (the "IASB"). The selected consolidated financial data of Songa Offshore as of December 31, 2015 and for each of the two years in the period then ended has been derived from Songa Offshore's unaudited consolidated financial statements included in this Prospectus, which have been prepared in accordance with IFRS, as issued by the IASB. The financial information presented of Songa Offshore as of December 31, 2014, 2013 and 2012, and for each of the two years in the period ended December 31, 2013 has been derived from the accounting records of Songa Offshore.

The financial information presented for Songa Offshore is not directly comparable to the financial data of Transocean because Transocean's consolidated financial statements have been prepared in accordance with U.S. GAAP. The selected historical consolidated financial information of Songa Offshore as of June 30, 2017 and for the six-month periods ended June 30, 2017 and 2016 have been derived from the unaudited interim condensed consolidated financial statements of Songa Offshore included elsewhere in this Prospectus, which have been prepared in accordance with IFRS, as issued by the IASB. The unaudited financial statements include all adjustments, consisting of normal recurring accruals, which Songa Offshore considers necessary for a fair presentation of the financial position and the results of operations for these periods. The selected historical consolidated financial information of Songa Offshore presented below is not necessarily indicative of the results of operations or financial condition that may be expected for any future period or date. The selected historical consolidated financial information presented below should be read in conjunction with Songa Offshore's audited consolidated financial statements and unaudited interim condensed consolidated financial statements and notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations of Songa Offshore" included in this Prospectus.

	Six months ended		Years ended December 31,						
	June 30, (unaudited)		2016(2)		2015		2014	2013	2012
	2017(1)	2016							
	(In millions of U.S. dollars, except per share data)								
Income statement data									
Total revenue	\$ 328	\$ 338	\$ 753	\$ 513	\$ 495	\$ 562	\$ 585		
Operating expenses(3)	(138)	(140)	(303)	(231)	(298)	(350)	(394)		
Depreciation	(92)	(88)	(177)	(126)	(114)	(140)	(124)		
Impairment	—	(118)	(145)	(521)	(65)	(92)	(330)		
Profit (loss) before tax	19	(81)	(47)	(432)	(57)	(102)	(295)		
Income tax	(1)	5	(41)	(37)	—	(57)	(10)		
Profit (loss) for the year	18	(76)	(88)	(470)	(57)	(159)	(305)		
Earnings (loss) per share, basic(4)	0.15	(1.73)	(1.12)	(44.25)	(5.38)	(0.74)	(1.59)		

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Earnings (loss) per share, diluted(4)	0.10	(1.73)	(1.12)	(44.25)	(5.38)	(0.74)	(1.59)
Weighted average number of shares at year end (000)(4)	117,467	44,021	78,239	10,616	10,524	216,319	191,660

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- (1) Songa Offshore's unaudited interim condensed consolidated financial statements as of and for the six-month period ended June 30, 2017 have been adjusted for the effects of the restatement more fully described in note 3 to Songa Offshore's unaudited interim condensed consolidated financial statements included in this Prospectus.
 - (2) Songa Offshore's audited consolidated financial statements as of and for the year ended December 31, 2016 have been adjusted for the effects of the restatement more fully described in note 3 to the Songa Consolidated Financial Statements included in this Prospectus.
 - (3) Operating expenses includes general and administrative expenses and reimbursable costs for the period presented.
 - (4) Songa Offshore performed a 100:1 reverse share split on December 12, 2016. The share split was retrospectively applied to the 2015 and 2014 unaudited annual comparative periods presented in the Songa Consolidated Financial Statements included elsewhere in this Prospectus. The reserve share split affects comparability of the basic and diluted EPS between years. Refer to Note 13 "Earnings per share" and Note 20 "Issued capital" of the Songa Offshore 2016 consolidated financial statements included elsewhere in this Prospectus for further information on the reverse share split and earnings per share calculation.

Table of Contents

	Six months ended					
	June 30, (unaudited) 2017(1)	Years ended December 31, (unaudited) 2016(2)	2015	2014	2013	2012
	(In millions of U.S. dollars, except per share data)					
Balance sheet data						
Cash and cash equivalents	\$ 103	\$ 176	\$ 168	\$ 236	\$ 440	\$ 38
Rigs, machinery and equipment	3,016	3,092	1,964	1,063	1,028	1,372
Newbuilds	—	—	869	731	583	507
Current assets	225	305	295	332	743	748
Current liabilities	(328)	(377)	(445)	(391)	(512)	(715)
Working capital	(103)	(72)	(150)	(59)	231	33
Total liabilities	\$ (2,464)	\$ (2,652)	\$ (2,677)	\$ (1,271)	\$ (1,358)	\$ (1,792)
Total assets	3,261	3,412	3,250	2,307	2,439	2,739
Total equity	796	760	573	1,036	1,081	947
Cash flow from operating activities	\$ 127	\$ 318	\$ 144	\$ 42	\$ 46	\$ 306
Cash flow (used in)/from investing activities	(14)	(595)	(1,649)	(126)	367	(735)
Cash flow (used in)/from financing activities	(174)	329	1,374	(113)	(19)	381

-
- (1) Songa Offshore's unaudited interim condensed consolidated financial statements as of and for the six-month period ended June 30, 2017 have been adjusted for the effects of the restatement more fully described in note 3 to Songa Offshore's unaudited interim condensed consolidated financial statements included in this Prospectus.
- (2) Songa Offshore's audited consolidated financial statements as of and for the year ended December 31, 2016 have been adjusted for the effects of the restatement more fully described in note 3 to the Songa Consolidated Financial Statements included in this Prospectus.

Table of Contents

UNAUDITED COMPARATIVE PER SHARE DATA

The table below summarizes unaudited per share information for Transocean and Songa Offshore on a historical basis. You should read the information below together with the financial statements and related notes of Transocean incorporated by reference and the financial statements and related notes of Songa Offshore appearing elsewhere in this Prospectus.

The information below is being provided for informational purposes only. You should not rely on this historical information as being indicative of the future results of operations data as of any future date or for any future period. The historical net book value per share is computed by dividing total shareholders' equity by the number of shares outstanding at the end of the period.

	Nine months ended September 30, 2017	Year ended December 31, 2016
Transocean historical per share data		
Basic earnings (loss) per share	\$ (7.72)	\$ 2.08
Diluted earnings (loss) per share	\$ (7.72)	\$ 2.08
Cash dividends declared per share	\$ —	\$ —
Net book value per share (at end of period)	\$ 32.72	\$ 40.58
	Six months ended June 30, 2017	Year ended December 31, 2016
Songa Offshore historical per share data (continuing operations)(1)		
Basic earnings/(loss) per share	\$ 0.15	\$ (1.12)
Diluted earnings/(loss) per share	\$ 0.10	\$ (1.12)
Cash dividends declared per share	\$ —	\$ —
Net book value per share (at end of period)	\$ 7.05	\$ 6.74

(1) Derived from Songa Offshore's historical financial statements presented under IFRS as issued by the IASB included elsewhere in this Prospectus.

Table of Contents

COMPARATIVE MARKET PRICE AND DIVIDEND INFORMATION

Comparative Historical Market Price Information

The Shares are listed for trading on the NYSE under the symbol “RIG.” Songa Shares are listed for trading on the Oslo Stock Exchange under the symbol “SONG.”

The following table sets forth the high and low reported sale prices for Shares and Songa Shares, as well as the dividends declared for the shares of each, as applicable, for the periods shown as reported on the NYSE or the Oslo Stock Exchange, respectively.

As of October 31, 2017, there were 391,213,324 Shares outstanding, which excludes 3,588,666 issued shares that are held by Transocean or its subsidiaries, and 137,641,567 Songa Shares outstanding. As of such date, Transocean had 6,052 shareholders of record and Songa Offshore had [] shareholders of record.

	Transocean (\$)			Songa Offshore (NOK)(1)		
	High	Low	Dividend paid per share	High	Low	Dividend paid per share
Year Ended December 31, 2017						
First Quarter	16.16	11.69	—	33.70	30.70	—
Second Quarter	13.04	7.67	—	32.80	28.00	—
Third Quarter	10.84	7.20	—	57.00	31.00	—
Fourth Quarter (through November 3, 2017)	11.28	8.10	—	59.75	55.50	—
Year Ended December 31, 2016						
First Quarter	13.48	7.67	—	121.00	29.00	—
Second Quarter	12.05	8.34	—	41.00	15.00	—
Third Quarter	13.03	8.68	—	35.00	17.00	—
Fourth Quarter	16.66	9.1	—	33.50	18.00	—
Year Ended December 31, 2015(2)						
First Quarter	20.65	13.28	0.75	177.00	135.00	—
Second Quarter	21.9	14.44	0.15	173.00	143.00	—
Third Quarter	16.2	11.26	0.15	154.00	91.00	—
Fourth Quarter	17.19	11.95	—	148.00	89.00	—

(1) 2015 and 2016 share prices adjusted for December 2016 100:1 reverse share split.

(2) In 2015, Transocean allowed shareholders to receive dividends in Swiss francs or U.S. dollars. Dividends

Transocean

All Shares have equal rights to dividends. The holders of Shares are entitled to receive dividends as are lawfully declared on Shares by a general meeting of Transocean’s shareholders. No cash dividends were paid on Shares during the first nine months of 2017 or during fiscal years 2016 and 2015. Transocean’s ability to pay future cash dividends will (a) depend on our results of operations, financial condition, cash requirements and other relevant factors, (b) be subject to shareholder approval, (c) be subject to restrictions contained in our credit facilities and other debt

covenants, (d) be affected by our plans regarding share repurchases or noncash shareholder distributions and (e) be subject to restrictions imposed by Swiss law, including the requirement that sufficient distributable profits from the previous year or freely distributable reserves must exist. Transocean does not expect to pay cash dividends in the foreseeable future.

Table of Contents

Songa Offshore

All shares in Songa Offshore have equal rights to dividends. Pursuant to Regulation 112 of Songa's Articles of Association and provided that Songa Offshore has sufficient distributable profits, Songa Offshore may, at a general meeting of its shareholders, declare by ordinary resolution (simple majority) dividends to be paid out of profits and to be distributed to the shareholders pro rata based on their holdings in Songa Offshore but no dividend will exceed the amount recommended by the Songa Board. The Songa Board may declare interim dividends as appear to the Songa Board to be justified by the profits of Songa Offshore (Regulation 113 of Songa's Articles of Association). Songa Offshore's current ability to pay dividends is restricted by contractual arrangements including restrictions under its different loan agreements. Over time, when and as Songa Offshore has adequate financial resources, declaration of dividends will be considered by the Songa Board. Songa Offshore has not paid any dividends for any of the years from 2010 to 2016.

Recent and Comparative Market Price Information

The following table sets forth the closing sale price per Share and Songa Share as reported on the NYSE and the Oslo Stock Exchange, respectively, as of August 14, 2017, the last trading day before the public announcement of the contemplated Combination, and as of November 3, 2017, the most recent practicable trading day prior to the date of this Prospectus. The table also shows the implied value of the consideration proposed for each Songa Share as of the same dates which amounts are calculated by multiplying the closing sales prices for shares of Shares by 0.7145, representing the approximate per share value of the Consideration that a Songa Offshore shareholder will be entitled to receive as of such dates, in exchange for each Songa Share they hold at the effective time of the Combination.

The market prices of Shares and Songa Shares fluctuate, and the value of the Consideration will fluctuate with the market price of the Shares. No assurance can be given concerning the market prices of Shares and Songa Shares before the completion of the Combination or Shares after the completion of the Offer. Because the exchange ratio is fixed in the Transaction Agreement, the market value of the Shares that Songa Offshore shareholders will receive in connection with the Offer may vary significantly from the prices shown in the table below. Accordingly, you are urged to obtain current market quotations of Shares and Songa Shares before making any decision with respect to the proposals in this Prospectus.

	Transocean shares (close)	Songa Offshore shares (close)	Equivalent per share value
August 14, 2017	\$ 8.39	NOK 34.00	\$ 5.99
November 3, 2017	\$ 10.88	NOK 59.75	\$ 7.77

Exchange Rates

The following tables show for the years ended December 31, 2012 through December 31, 2016, the low, high, average and period exchange rate U.S. dollars per Norwegian krone.

Year	Exchange Rates			Period End
	Low	High	Average(1)	
	(One U.S. dollar per NOK)			
2012	5.5349	6.1471	5.8210	5.5664
2013	5.4438	6.2154	5.8768	6.0837

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2014	5.8611	7.6111	6.3018	7.4332
2015	7.3593	8.8090	8.0739	8.8090
2016	7.9766	8.9578	8.3987	8.6200

· The average of the rates on the last business day of each month during the applicable period.

Table of Contents

The table below shows the high and low noon buying rates in U.S. dollars for Norwegian kroner for each month during the six months prior to the date of this Prospectus:

Month(1)	Low	High
May	8.3361	8.6781
June	8.3852	8.5366
July	7.9347	8.3825
August	7.7121	7.9877
September	7.7192	7.9726
October	7.8906	8.2161

(1) The average of the daily rates on each business day during the applicable period.

The rates presented above may differ from the actual rates used in the preparation of Transocean's financial statements and other financial information appearing in this document. Our inclusion of such rates is not meant to suggest that the U.S. dollar amounts actually represent Norwegian kroner amounts or that such amounts could have been converted to U.S. dollars at any particular rate, if at all.

Table of Contents

RISK FACTORS

An investment in the Company and TINC involves risks. Before making an investment decision with respect to the Offer and the Company, investors should carefully consider the risk factors and all information contained in this Prospectus, including the financial statements and related notes incorporated herein by reference. The risks and uncertainties described in this section are the principal known risks and uncertainties faced by the Group as of the date hereof that the Company believes are material to an investment in the Company. The absence of negative past experience associated with any given risk does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision in respect of the Company. If any of the following risks were to materialize, individually or together with other circumstances, they could have a material and adverse effect on the Group or its business, financial condition, results of operations, cash flows or prospects, which could cause a decline in the value and trading price of the Shares and/or Exchangeable Bonds, resulting in the loss of all or part of an investment in the same. The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the Group's business, financial condition, results of operations, cash flows or prospects.

Risks Related to the Business of the Group

The Group's drilling contracts may be terminated due to a number of events, and, during depressed market conditions, the Group's customers may seek to repudiate or renegotiate their contracts

Certain of the Group's drilling contracts with customers may be cancellable at the option of the customer upon payment of an early termination payment. Such payments may not, however, fully compensate the Group for the loss of the contract. Drilling contracts also customarily provide for either automatic termination or termination at the option of the customer typically without the payment of any termination fee, under various circumstances such as non-performance, as a result of significant downtime or impaired performance caused by equipment or operational issues, or sustained periods of downtime due to force majeure events. Many of these events are beyond the Group's control. During periods of depressed market conditions, the Group is subject to an increased risk of the Group's customers seeking to repudiate their contracts, including through claims of non-performance. The Group is at continued risk of experiencing early contract terminations in the current weak commodity price environment as operators look to reduce their capital expenditures. During the years ended December 31, 2016 and 2015, the Group's customers early terminated or cancelled contracts for eight and five of the Group's rigs, respectively, and these rigs currently remain idle. The Group's customers' ability to perform their obligations under their drilling contracts, including their ability to fulfill their indemnity obligations to the Group, also may be negatively impacted by an economic downturn. The Group's customers, which include national oil companies, often have significant bargaining leverage over the Group. If customers cancel some of the Group's contracts, and the Group is unable to secure new contracts on a timely basis and on substantially similar terms, or if contracts are suspended for an extended period of time or if a number of the contracts are renegotiated, it could adversely affect the Group's consolidated statement of financial position, results of operations or cash flows.

The Group's current backlog of contract drilling revenue may not be fully realized, which may have a material adverse impact on the Group's consolidated statement of financial position, results of operations or cash flows

At October 26, 2017, the Group's contract backlog was approximately USD 9.4 billion. This amount represents the firm term of the drilling contract multiplied by the contractual operating rate, which may be higher than the actual day rate the Group receives or the Group may receive other day rates included in the contract, such as waiting on weather rate, repair rate, standby rate or force majeure rate. The contractual operating day rate may also be higher than the

actual day rate the Group receives because of a number of factors, including rig downtime or suspension of operations.

Several factors could cause rig downtime or a suspension of operations, including:

- breakdowns of equipment and other unforeseen engineering problems;
- work stoppages, including labor strikes;
- shortages of material and skilled labor;
- surveys by government and maritime authorities;

31

Table of Contents

- periodic classification surveys;
- severe weather, strong ocean currents or harsh operating conditions; and
- force majeure events.

In certain drilling contracts, the day rate may be reduced to zero or result in customer credit against future day rate if, for example, repairs extend beyond a stated period of time. The Group's contract backlog includes signed drilling contracts and, in some cases, other definitive agreements awaiting contract execution. The Group may not be able to realize the full amount of the Group's contract backlog due to events beyond the Group's control. In addition, some of the Group's customers have experienced liquidity issues in the past and these liquidity issues could be experienced again if commodity prices decline to lower levels for an extended period of time. Liquidity issues and other market pressures could lead the Group's customers to go into bankruptcy or could encourage the Group's customers to seek to repudiate, cancel or renegotiate these agreements for various reasons (see above "—The Group's drilling contracts may be terminated due to a number of events, and, during depressed market conditions, the Group's customers may seek to repudiate or renegotiate their contracts"). The Group's inability to realize the full amount of the Group's contract backlog may have a material adverse effect on the Group's consolidated statement of financial position, results of operations or cash flows.

The Group's operating and maintenance costs will not necessarily fluctuate in proportion to changes in the Group's operating revenues

The Group's operating and maintenance costs will not necessarily fluctuate in proportion to changes in the Group's operating revenues. Costs for operating a rig are generally fixed or only semi-variable regardless of the day rate being earned. In addition, should the Group's rigs incur unplanned downtime while on contract or idle time between drilling contracts, the Group will not always reduce the staff on those rigs because the Group could use the crew to prepare the rig for its next contract. During times of reduced activity, costs reductions may not be immediate because portions of the crew may be required to prepare rigs for stacking, after which time the crew members may be assigned to active rigs or released. As the Group's rigs are mobilized from one geographic location to another, the labor and other operating and maintenance costs can vary significantly. In general, labor costs increase primarily due to higher salary levels and inflation. Equipment maintenance costs fluctuate depending upon the type of activity the unit is performing and the age and condition of the equipment, and these costs could increase for short or extended periods as a result of regulatory or customer requirements that raise maintenance standards above historical levels. Contract preparation costs vary based on the scope and length of contract preparation required and the duration of the firm contractual period during which such expenditures are amortized.

The Group's business involves numerous operating hazards, and the Group's insurance and indemnities from its customers may not be adequate to cover potential losses from the Group's operations

The Group's operations are subject to the usual hazards inherent in the drilling of oil and gas wells, such as, blowouts, reservoir damage, loss of production, loss of well control, lost or stuck drill strings, equipment defects, craterings, fires, explosions and pollution. Contract drilling requires the use of heavy equipment and exposure to hazardous conditions, which may subject the Group to liability claims by employees, customers and other parties. These hazards can cause personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by third parties or customers and suspension of operations. The Group's offshore fleet is also subject to hazards inherent in marine operations, either while on site or during mobilization, such as capsizing, sinking, grounding, collision, piracy, damage from severe weather and marine life infestations.

The South China Sea, the Northwest Coast of Australia and the U.S. Gulf of Mexico area are subject to typhoons, hurricanes or other extreme weather conditions on a relatively frequent basis, and the Group's drilling rigs in these

regions may be exposed to damage or total loss by these storms, some of which may not be covered by insurance. The occurrence of these events could result in the suspension of drilling operations, damage to or destruction of the equipment involved and injury to or death of rig personnel. Some experts believe global climate change could increase the frequency and severity of these extreme weather conditions. Operations may also be suspended because of machinery breakdowns, abnormal drilling conditions, subcontractors' failure to perform or supply goods or services, or personnel shortages. The Group customarily provides contract indemnity to the Group's customers for certain claims that could be asserted by the

32

Table of Contents

Group relating to damage to or loss of the Group's equipment, including rigs, and claims that could be asserted by the Group or the Group's employees relating to personal injury or loss of life.

Damage to the environment could also result from the Group's operations, particularly through spillage of hydrocarbons, fuel, lubricants or other chemicals and substances used in drilling operations, or extensive uncontrolled fires. The Group may also be subject to property damage, environmental indemnity and other claims by oil and natural gas companies. Drilling involves certain risks associated with the loss of control of a well, such as blowout, cratering, the cost to regain control of or re-drill the well and remediation of associated pollution. The Group's customers may be unable or unwilling to indemnify the Group against such risks. In addition, a court may decide that certain indemnities in the Group's current or future drilling contracts are not enforceable. The law generally considers contractual indemnity for criminal fines and penalties to be against public policy, and the enforceability of an indemnity as to other matters may be limited.

The Group's insurance policies and drilling contracts contain rights to indemnity that may not adequately cover the Group's losses, and the Group does not have insurance coverage or rights to indemnity for all risks. The Group has two main types of insurance coverage: (1) hull and machinery coverage for physical damage to the Group's property and equipment and (2) excess liability coverage, which generally covers offshore risks, such as personal injury, third-party property claims, and third-party non-crew claims, including wreck removal and pollution. The Group generally has no hull and machinery insurance coverage for damages caused by named storms in the U.S. Gulf of Mexico. The Group maintains per occurrence deductibles that generally range up to USD 10 million for various third-party liabilities and an additional aggregate annual deductible of USD 50 million, which is self-insured through the Group's wholly owned captive insurance company. The Group also retains the risk for any liability exceeding the Group's USD 750 million excess liability coverage. However, pollution and environmental risks generally are not completely insurable.

If a significant accident or other event occurs that is not fully covered by the Group's insurance or by an enforceable or recoverable indemnity, the occurrence could adversely affect the Group's consolidated statement of financial position, results of operations or cash flows. The amount of the Group's insurance may also be less than the related impact on enterprise value after a loss. The Group's insurance coverage will not in all situations provide sufficient funds to protect the Group from all liabilities that could result from its drilling operations. The Group's coverage includes annual aggregate policy limits. As a result, the Group generally retains the risk for any losses in excess of these limits. The Group generally does not carry insurance for loss of revenue, and certain other claims may also not be reimbursed by insurance carriers. Any such lack of reimbursement may cause the Group to incur substantial costs. In addition, the Group could decide to retain more risk in the future, resulting in higher risk of losses, which could be material. Moreover, the Group may not be able to maintain adequate insurance in the future at rates that the Group considers reasonable or be able to obtain insurance against certain risks.

Recent developments in Swiss corporate governance may affect the Company's ability to attract and retain top executives

On January 1, 2014, subject to certain transitional provisions, the Swiss Federal Council Ordinance Against Excessive Compensation at Public Companies (the "Ordinance") became effective. The Ordinance, among other things, (a) requires a binding shareholder "say on pay" vote with respect to the compensation of members of the Company's executive management and the Transocean Board, (b) generally prohibits the making of severance, advance, transaction premiums and similar payments to members of the Company's executive management and the Transocean Board, and (c) requires a mandatory one-year term of the Transocean Board and the amendment of the Company's Articles of Association to specify various compensation-related matters. At the 2014 annual general meeting, the Company's shareholders approved amendments to the Company's Articles of Association that implement the

requirements of the Ordinance, and at each of the Company's 2015, 2016 and 2017 annual general meetings the Company's shareholders approved in a binding "say on pay" vote the compensation of members of the Company's executive management and the Transocean Board. At the 2017 annual general meeting, the Company's shareholders approved the maximum aggregate compensation of (1) the Transocean Board for the period between the 2017 annual general meeting and the 2018 annual general meeting and (2) the Company's Executive Management Team for the year ending December 31, 2018. The Company's shareholders will be asked to approve such matters for successive one-year periods at subsequent annual general meetings. The Ordinance further provides for criminal penalties against directors and members of executive management in case of noncompliance with certain of its requirements. The Ordinance may negatively affect the Company's ability to attract and retain executive management and members of the Transocean Board.

Table of Contents

Corporate restructuring activity, divestitures, acquisitions and other business combinations and reorganizations could adversely affect the Group's ability to achieve the Group's strategic goals

The Group has undertaken and continues to seek appropriate opportunities for restructuring the Group's organization, engaging in strategic acquisitions, divestitures and other business combinations in order to optimize the Group's fleet and strengthen the Group's competitiveness. The Group faces risks arising from these activities, which could adversely affect the Group's ability to achieve its strategic goals. For example:

- the Group may be unable to realize the growth or investment opportunities, improvement of the Group's financial position and other expected benefits by these activities in the expected time period or at all;
- transactions may not be completed as scheduled or at all due to legal or regulatory requirements, market conditions or contractual and other conditions to which such transactions are subject;
- unanticipated problems could also arise in the integration or separation processes, including unanticipated restructuring or separation expenses and liabilities, as well as delays or other difficulties in transitioning, coordinating, consolidating, replacing and integrating personnel, information and management systems, and customer products and services; and
- the diversion of management and key employees' attention may detract from the Group's ability to increase revenues and minimize costs.

Certain transactions may result in other unanticipated adverse consequences.

Failure to recruit and retain key personnel could hurt the Group's operations

The Group depends on the continuing efforts of key members of the Group's management, as well as other highly skilled personnel, to operate and provide technical services and support for the Group's business worldwide. Historically, competition for the personnel required for drilling operations has intensified as the number of rigs activated, added to worldwide fleets or under construction increased, leading to shortages of qualified personnel in the industry and creating upward pressure on wages and higher turnover. The Group may experience a reduction in the experience level of the Group's personnel as a result of any increased turnover and ongoing staff reduction initiatives, which could lead to higher downtime and more operating incidents, which in turn could decrease revenues and increase costs. If increased competition for qualified personnel were to intensify in the future the Group may experience increases in costs or limits on operations.

Significant part or equipment shortages, supplier capacity constraints, supplier production disruptions, supplier quality and sourcing issues or price increases could increase the Group's operating costs, decrease the Group's revenues and adversely impact the Group's operations

The Group's reliance on third-party suppliers, manufacturers and service providers to secure equipment, parts, components and sub-systems used in the Group's operations exposes the Group to volatility in the quality, prices and availability of such items. A disruption in the deliveries from third-party suppliers, manufacturers or service providers, capacity constraints, production disruptions, price increases, quality control issues, recalls or other decreased availability of parts and equipment could adversely affect the Group's ability to meet its commitments to customers, adversely impact the Group's operations and revenues or increase the Group's operating costs.

The Group's labor costs and the operating restrictions under which the Group operates could increase as a result of collective bargaining negotiations and changes in labor laws and regulations

Approximately 28% of the Group's total workforce, working primarily in Angola, Brazil, Norway and the U.K. are represented by, and some of the Group's contracted labor work under, collective bargaining agreements, substantially all of which are subject to annual salary negotiation. These negotiations could result in higher personnel expenses, other increased costs or increased operational restrictions as the outcome of such negotiations apply to all offshore employees not just the union members. Legislation has been introduced in the U.S. Congress that could encourage additional unionization efforts in the U.S., as well as increase the chances that such efforts succeed. Additional unionization efforts,

34

Table of Contents

if successful, new collective bargaining agreements or work stoppages could materially increase the Group's labor costs and operating restrictions.

Failure to comply with anti-bribery statutes, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010, could result in fines, criminal penalties, drilling contract terminations and an adverse effect on the Group's business

The U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act 2010 ("Bribery Act") and similar anti-bribery laws in other jurisdictions, generally prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business. The Group operates in many parts of the world that have experienced corruption to some degree and, in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. If the Group is found to be liable for violations under the FCPA, the Bribery Act or other similar laws, either due to the Group's acts or omissions or due to the acts or omissions of others, including the Group's partners in various joint ventures, the Group could suffer from civil and criminal penalties or other sanctions, which could have a material adverse effect on the Group's business, financial condition and results of operations. In addition, investors could negatively view potential violations, inquiries or allegations of misconduct under the FCPA, the Bribery Act or similar laws, which could adversely affect the Group's reputation and the market for the Group's shares.

The Group could also face fines, sanctions and other penalties from authorities in the relevant jurisdictions, including prohibition of the Group's participation in or curtailment of business operations in those jurisdictions and the seizure of rigs or other assets. Additionally, the Group could also face other third-party claims by agents, shareholders, debt holders, or other interest holders or constituents of the Group. Further, disclosure of the subject matter of any investigation could adversely affect the Group's reputation and the Group's ability to obtain new business from potential customers or retain existing business from the Group's current customers, to attract and retain employees and to access the capital markets. The Group's customers in relevant jurisdictions could seek to impose penalties or take other actions adverse to the Group's interests, and the Group may be required to dedicate significant time and resources to investigate and resolve allegations of misconduct, regardless of the merit of such allegations.

Regulation of greenhouse gases and climate change could have a negative impact on the Group's business

A number of scientific studies suggests that emissions of certain gases, including greenhouse gases, carbon dioxide and methane, may be contributing to warming of the earth's atmosphere and other climatic changes. In response to such studies, the issue of climate change and the effect of greenhouse gas emissions, in particular emissions from fossil fuels, are attracting increasing attention worldwide.

In the U.S., the U.S. Environmental Protection Agency has begun adopting and implementing a comprehensive suite of regulations to restrict emissions of greenhouse gases under existing provisions of the Clean Air Act. In addition, a number of other federal, state and regional efforts have focused on tracking or reducing greenhouse gas emissions. Efforts have also been made and continue to be made in the international community toward the adoption of international treaties or protocols that would address global climate change issues. In December 2015, the U.S. joined the international community at the 21st Conference of the Parties of the United Nations Framework Convention on Climate Change in Paris, France, however at the date of this Prospectus the U.S.' participation in such arrangement is in doubt. Nevertheless, the resulting Paris Agreement calls for the parties to undertake "ambitious efforts" to limit the average global temperature and to conserve and enhance sinks and reservoirs of greenhouse gases. The Paris Agreement, if ratified, establishes a framework for the parties to cooperate and report actions to reduce greenhouse gas emissions.

Because the Group's business depends on the level of activity in the offshore oil and gas industry, existing or future laws, regulations, treaties or international agreements related to greenhouse gases and climate change, including incentives to conserve energy or use alternative energy sources, could have a negative impact on the Group's business if such laws, regulations, treaties or international agreements reduce the worldwide demand for oil and gas or limit drilling opportunities. In addition, such laws, regulations, treaties or international agreements could result in increased compliance costs or additional operating restrictions, which may have a negative impact on the Group's business.

35

Table of Contents

The Group is subject to litigation that, if not resolved in the Group's favor and not sufficiently insured against, could have a material adverse effect on the Group

The Group is subject to a variety of disputes, investigations and litigation. Certain of the companies in the Group are named as defendants in numerous lawsuits alleging personal injury as a result of exposure to asbestos or toxic fumes or resulting from other occupational diseases, such as silicosis, and various other medical issues that can remain undiscovered for a considerable amount of time. Some of these companies in the Group that have been put on notice of potential liabilities have no assets. Further, the Group's patent for dual-activity technology has been successfully challenged in certain jurisdictions, and the Group has been accused of infringing other patents. Other companies in the Group are subject to litigation relating to environmental damage. The Group cannot predict the outcome of the cases involving those companies or the potential costs to resolve them. Insurance may not be applicable or sufficient in all cases, insurers may not remain solvent, policies may not be located, and liabilities associated with the Macondo well incident may exhaust some or all of the insurance available to cover certain claims. Suits against non-asset-owning companies in the Group have and may in the future give rise to alter ego or successor-in-interest claims against the Group and the Group's asset-owning subsidiaries to the extent a Group Company is unable to pay a claim or insurance is not available or sufficient to cover the claims. The Group is subject to litigation with certain of the Group's customers. The Group is also subject to a number of significant tax disputes. To the extent that one or more pending or future litigation matters is not resolved in the Group's favor and is not covered by insurance, a material adverse effect on the Group's financial results and condition could result.

The Group's information technology systems are subject to cybersecurity risks and threats

The Group depends on digital technologies to conduct the Group's offshore and onshore operations, to collect payments from customers and to pay vendors and employees. Threats to the Group's information technology systems associated with cybersecurity risks and cyber-incidents or attacks continue to grow. In addition, breaches to the Group's systems could go unnoticed for some period of time. Risks associated with these threats include disruptions of certain systems on the Group's rigs; other impairments of the Group's ability to conduct the Group's operations; loss of intellectual property, proprietary information or customer data; disruption of the Group's customers' operations; loss or damage to the Group's customer data delivery systems; and increased costs to prevent, respond to or mitigate cybersecurity events. If such a cyber-incident were to occur, it could have a material adverse effect on the Group's business, financial condition, cash flows and results of operations.

Public health threats could have a material adverse effect on the Group's operations and its financial results

Public health threats, such as Severe Acute Respiratory Syndrome, severe influenza and other highly communicable viruses or diseases, outbreaks of which have already occurred in various parts of the world in which the Group operates, could adversely impact the Group's operations, the operations of the Group's customers and the global economy, including the worldwide demand for oil and natural gas and the level of demand for the Group's services. Quarantine of personnel or inability to access the Group's offices or rigs could adversely affect the Group's operations. Travel restrictions or operational problems in any part of the world in which the Group operates, or any reduction in the demand for drilling services caused by public health threats in the future, may materially impact operations and adversely affect the Group's financial results.

A change in tax laws, treaties or regulations, or their interpretation, of any country in which the Group has operations, are incorporated or are resident could result in a higher tax rate on the Group's worldwide earnings, which could result in a significant negative impact on the Group's earnings and cash flows from operations

The Group operates worldwide. Consequently, the Group is subject to changes in applicable tax laws, treaties or regulations in the jurisdictions in which the Group operates, which could include laws or policies directed toward companies organized in jurisdictions with low tax rates. A material change in the tax laws, treaties or regulations, or their interpretation or application, of any country in which the Group has significant operations, or in which the Group is incorporated or resident, could result in a higher effective tax rate on the Group's worldwide earnings and such change could be significant to the Group's financial results.

In the U.S., major tax reform is under consideration. Recently, a bill was introduced in the U.S. House of Representatives that, if enacted, would impose a 20% excise tax on certain deductible payments (including bareboat charter hire) made by a U.S. corporation to a foreign affiliate if such payments were subject to a reduced rate of U.S. withholding tax under a

Table of Contents

U.S. income tax treaty. In addition, legislative tax proposals intending to eliminate some perceived tax advantages of companies that have legal domiciles outside the U.S., but have certain U.S. connections, have repeatedly been introduced in the U.S. Congress. Recent examples include, but are not limited to, legislative proposals that would broaden the circumstances in which a non-U.S. company would be considered a U.S. resident, including the use of “management and control” provisions to determine corporate residency, and proposals that could override certain tax treaties and limit treaty benefits on certain payments by U.S. subsidiaries to non-U.S. affiliates. Any material change in tax laws or policies, or their interpretation, resulting from such legislative proposals or inquiries could result in a higher effective tax rate on the Group’s worldwide earnings and such change could have a material adverse effect on the Group’s consolidated statement of financial position, results of operations or cash flows.

In a referendum held on February 12, 2017, Swiss voters rejected a corporate tax legislative proposal that would have abolished certain cantonal tax privileges as well as implement other significant changes to existing tax laws and practices starting in 2019. These legislative proposals were in response to certain guidance from and demands by the European Union and the Organization for Economic Co-operation and Development (the “OECD”). Switzerland must now give consideration to a revised corporate tax reform proposal. Switzerland’s implementation of any material change in tax laws or policies or its adoption of new interpretations of existing tax laws and rulings could result in a higher effective tax rate on the Group’s worldwide earnings and such change could have a material adverse effect on the Group’s consolidated statement of financial position, results of operations or cash flows.

Similarly, in October 2015, the OECD issued its action plan of tax reform measures that called for member states to take action to prevent “base erosion and profit shifting.” Some of these measures impact transfer pricing, requirements to qualify for tax treaty benefits, and the definition of permanent establishments depending on each jurisdiction’s adoption and interpretation of such proposals. The European Union issued its Anti-Tax Avoidance Directive in 2016 that required its member states to adopt specific tax reform measures by 2019. Any material change in tax laws or policies, or their interpretation, resulting from such legislative proposals or inquiries could result in a higher effective tax rate on the Group’s worldwide earnings and such change could have a material adverse effect on the Group’s consolidated statement of financial position, results of operations or cash flows.

Other tax jurisdictions in which the Group operates may consider implementing similar legislation. The implementation of such legislation, any other material changes in tax laws or policies or the adoption of new interpretations of existing tax laws and rulings could result in a higher effective tax rate on the Group’s worldwide earnings and any such change could have a material adverse effect on the Group’s consolidated statement of financial position, results of operations or cash flows.

A loss of a major tax dispute or a successful tax challenge to the Group’s operating structure, intercompany pricing policies or the taxable presence of the Group’s key subsidiaries in certain countries could result in a higher tax rate on the Group’s worldwide earnings, which could result in a significant negative impact on the Group’s earnings and cash flows from operations

The Company is a Swiss corporation that operates through the Company’s various subsidiaries in a number of countries throughout the world. Consequently, the Company is subject to tax laws, treaties and regulations in and between the countries in which the Group operates. The Group’s income taxes are based upon the applicable tax laws and tax rates in effect in the countries in which the Group operates and earns income, as well as upon the Group’s operating structures in these countries.

The Group’s income tax returns are subject to review and examination. The Group’s does not recognize the benefit of income tax positions the Group believes are more likely than not to be disallowed upon challenge by a tax authority. If

any tax authority successfully challenges the Group's operational structure, intercompany pricing policies or the taxable presence of the Group's key subsidiaries in certain countries; or if the terms of certain income tax treaties are interpreted in a manner that is adverse to the Group's structure; or if the Group loses a material tax dispute in any country, particularly in the U.S., Norway, India or Brazil, the Group's effective tax rate on the Group's worldwide earnings could increase substantially and the Group's earnings and cash flows from operations could be materially adversely affected. For example, the Group cannot be certain that the U.S. Internal Revenue Service ("IRS") will not successfully contend that the Group or any of the Group's key subsidiaries were or are engaged in a trade or business in the U.S. or, when applicable, that the Group or any of the Group's key subsidiaries maintained or maintain a permanent establishment in the U.S., since, among other things, such determination involves considerable uncertainty. If the Group or any of its key subsidiaries were

37

Table of Contents

considered to have been engaged in a trade or business in the U.S., when applicable, through a permanent establishment, the Group could be subject to U.S. corporate income and additional branch profits taxes on the portion of the Group's earnings effectively connected to such U.S. business during the period in which this was considered to have occurred, in which case the Group's effective tax rate on worldwide earnings for that period could increase substantially, and the Group's earnings and cash flows from operations for that period could be adversely affected.

As a Swiss corporation, the Company is subject to Swiss legal provisions that may limit its flexibility to swiftly implement certain initiatives or strategies

The Company is required, from time to time, to evaluate the carrying amount of the Company's investments in affiliates, as presented on the Company's Swiss standalone balance sheet of the Company's statutory accounts. Had the Company prepared a Swiss standalone balance sheet as of September 30, 2017 it would have performed such an evaluation. If the Company were to determine that the carrying amount of any such investment exceeded its fair value, the Company may conclude that such investment is impaired. The recognized loss associated with such a non-cash impairment could result in the Company's net assets no longer covering the Company's statutory share capital and statutory capital reserves. Under Swiss law, if the Company's net assets cover less than 50% of the Company's statutory share capital and statutory capital reserves, the Transocean Board must in these circumstances convene a general meeting of shareholders and propose measures to remedy such a capital loss. The appropriate measures depend on the relevant circumstances and the magnitude of the recognized loss and may include seeking shareholder approval for offsetting the aggregate loss, or a portion thereof, with the Company's statutory capital reserves including qualifying additional paid-in capital otherwise available for distributions to shareholders or raising new equity. Depending on the circumstances, the Company may also need to use qualifying additional paid-in capital available for distributions in order to reduce the Company's accumulated net loss and such use might reduce the Company's ability to make distributions without subjecting the Company's shareholders to Swiss withholding tax. These Swiss law requirements could limit the Company's flexibility to swiftly implement certain initiatives or strategies.

The Company is subject to anti-takeover provisions

The Company's Articles of Association and Swiss law contain provisions that could prevent or delay an acquisition of the Company by means of a tender offer, a proxy contest or otherwise. These provisions may also adversely affect prevailing market prices for the Company's shares. These provisions, among other things:

- provide that the Transocean Board is authorized, subject to obtaining shareholder approval every two years, at any time during a maximum two-year period, which under the current authorized share capital of the Company will expire on May 12, 2018, to issue a specified number of shares, which under the current authorized share capital of the Company is approximately 5.6% of the share capital registered in the commercial register, and to limit or withdraw the pre-emptive rights of existing shareholders in various circumstances;
 - provide for a conditional share capital that authorizes the issuance of additional shares up to a maximum amount of approximately 36% of the share capital currently registered in the commercial register without obtaining additional shareholder approval through: (1) the exercise of conversion, exchange, option, warrant or similar rights for the subscription of shares granted in connection with bonds, options, warrants or other securities newly or already issued in national or international capital markets or new or already existing contractual obligations by or of any of the Company's subsidiaries; or (2) in connection with the issuance of shares, options or other share-based awards;
- provide that any shareholder who wishes to propose any business or to nominate a person or persons for election as director at any annual meeting may only do so if advance notice is given to the Company;
-

provide that directors can be removed from office only by the affirmative vote of the holders of at least two-thirds of the shares entitled to vote;

- provide that a merger or demerger transaction requires the affirmative vote of the holders of at least two-thirds of the shares represented at the meeting and provide for the possibility of a so-called “cash-out” or “squeeze-out” merger if the acquirer controls 90% of the outstanding shares entitled to vote at the meeting;

38

Table of Contents

- provide that any action required or permitted to be taken by the holders of shares must be taken at a duly called annual or extraordinary general meeting of shareholders;
- limit the ability of the Company's shareholders to amend or repeal some provisions of the Company's Articles of Association; and
- limit transactions between the Company and an "interested shareholder," which is generally defined as a shareholder that, together with its affiliates and associates, beneficially, directly or indirectly, owns 15% or more of the Company's shares entitled to vote at a general meeting.

Risks Related to the Industry in Which the Group Operates

The global nature of the Group's operations involves additional risks

The Group operates in various regions throughout the world, which may expose the Group to political and other uncertainties, including risks of:

- terrorist acts, war, piracy and civil unrest;
- seizure, expropriation or nationalization of the Group's equipment;
- expropriation or nationalization of the Group's customers' property;
- repudiation or nationalization of contracts;
- imposition of trade or immigration barriers;
- import-export quotas;
- wage and price controls;
- changes in law and regulatory requirements, including changes in interpretation and enforcement;
- involvement in judicial proceedings in unfavorable jurisdictions;
- damage to the Group's equipment or violence directed at the Group's employees, including kidnappings;
- complications associated with supplying, repairing and replacing equipment in remote locations;
- the inability to move income or capital; and
- currency exchange fluctuations and currency exchange restrictions, including exchange or similar controls that may limit the Group's ability to convert local currency into U.S. dollars and transfer funds out of a local jurisdiction.

The Group's non-U.S. contract drilling operations are subject to various laws and regulations in certain countries in which the Group operates, including laws and regulations relating to the import and export, equipment and operation of drilling units, currency conversions and repatriation, oil and gas exploration and development, taxation and social contributions of offshore earnings and earnings of expatriate personnel. The Group is also subject to the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") and other U.S. laws and regulations governing the Group's international operations. In addition, various state and municipal governments, universities and other investors have proposed or adopted divestment and other initiatives regarding investments including, with respect to state governments, by state retirement systems in companies that do business with countries that have been designated as state sponsors of terrorism by the U.S. State Department. Failure to comply with applicable laws and regulations, including those relating to sanctions and export

Table of Contents

restrictions, may subject the Group to criminal sanctions or civil remedies, including fines, denial of export privileges, injunctions or seizures of assets. Investors could view any potential violations of OFAC regulations negatively, which could adversely affect the Group's reputation and the market for the Company's shares.

Governments in some countries have become increasingly active in regulating and controlling the ownership of concessions and companies holding concessions, the exploration for oil and gas and other aspects of the oil and gas industries in their countries, including local content requirements for participating in tenders for certain drilling contracts. Many governments favor or effectively require the awarding of drilling contracts to local contractors or require non-local contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or require use of a local agent. In addition, government action, including initiatives by the Organisation of the Petroleum Exporting Countries ("OPEC"), may continue to cause oil or gas price volatility. In some areas of the world, this governmental activity has adversely affected the amount of exploration and development work by major oil companies and may continue to do so.

A substantial portion of the Group's drilling contracts are partially payable in local currency. Those amounts may exceed the Group's local currency needs, leading to the accumulation of excess local currency, which, in certain instances, may be subject to either temporary blocking or other difficulties converting to U.S. dollars, the Group's functional currency, or to other currencies in which the Group operates. Excess amounts of local currency may be exposed to the risk of currency exchange losses.

The shipment of goods, services and technology across international borders subjects the Group to extensive trade laws and regulations. The Group's import and export activities are governed by unique customs laws and regulations in each of the countries where the Group operates. Moreover, many countries, including the U.S., control the import and export of certain goods, services and technology and impose related import and export recordkeeping and reporting obligations. Governments also may impose economic sanctions against certain countries, persons and other entities that may restrict or prohibit transactions involving such countries, persons and entities, and the Group is also subject to the U.S. anti-boycott law.

The laws and regulations concerning import and export activity, recordkeeping and reporting, import and export control and economic sanctions are complex and constantly changing. These laws and regulations may be enacted, amended, enforced or interpreted in a manner materially impacting the Group's operations. Ongoing economic challenges may increase some governments' efforts to enact, enforce, amend or interpret laws and regulations as a method to increase revenue. Shipments can be delayed and denied import or export for a variety of reasons, some of which are outside the Group's control and some of which may result from failure to comply with existing legal and regulatory regimes. Shipping delays or denials could cause unscheduled operational downtime.

An inability to obtain visas and work permits for the Group's employees on a timely basis could impact the Group's operations and have an adverse effect on the Group's business. The Group's ability to operate worldwide depends on the Group's ability to obtain the necessary visas and work permits for the Group's personnel to travel in and out of, and to work in, the jurisdictions in which the Group operates. Governmental actions in some of the jurisdictions in which the Group operates may make it difficult for the Group to move its personnel in and out of these jurisdictions by delaying or withholding the approval of these permits. If the Group is not able to obtain visas and work permits for the employees needed to operate its rigs on a timely basis, the Group might not be able to perform its obligations under the Group's drilling contracts, which could allow the Group's customers to cancel the contracts. If the Group's customers cancel some of the Group's drilling contracts, and the Group is unable to secure new drilling contracts on a timely basis and on substantially similar terms, it could adversely affect the Group's consolidated statement of financial position, results of operations or cash flows.

Compliance with or breach of environmental laws can be costly and/or expose the Group to liability and could limit the Group's operations

The Group's business in the offshore drilling industry is affected by laws and regulations relating to the energy industry and the environment, including international conventions and treaties, and regional, national, state, and local laws and regulations. The offshore drilling industry depends on demand for services from the oil and gas exploration and production industry, and, accordingly, the Group is directly affected by the adoption of laws and regulations that, for economic, environmental or other policy reasons, curtail exploration and development drilling for oil and gas. Compliance with such laws, regulations and standards, where applicable, may require the Group to make significant capital expenditures, such

40

Table of Contents

as the installation of costly equipment or operational changes, and may affect the resale values or useful lives of the Group's rigs.

The Group may also incur additional costs in order to comply with other existing and future regulatory obligations, including, but not limited to, costs relating to air emissions, including greenhouse gases, the management of ballast waters, maintenance and inspection, development and implementation of emergency procedures and insurance coverage or other financial assurance of the Group's ability to address pollution incidents. Offshore drilling in certain areas has been curtailed and, in certain cases, prohibited because of concerns over protection of the environment. These costs could have a material adverse effect on the Group's consolidated statement of financial position, results of operations or cash flows. A failure to comply with applicable laws and regulations may result in administrative and civil penalties, criminal sanctions or the suspension or termination of the Group's operations.

To the extent new laws are enacted or other governmental actions are taken that prohibit or restrict offshore drilling or impose additional environmental protection requirements that result in increased costs to the oil and gas industry, in general, or the offshore drilling industry, in particular, the Group's business or prospects could be materially adversely affected. The operation of the Group's drilling rigs will require certain governmental approvals. These governmental approvals may involve public hearings and costly undertakings on the Group's part. The Group may not obtain such approvals or such approvals may not be obtained in a timely manner. If the Group fails to timely secure the necessary approvals or permits, the Group's customers may have the right to terminate or seek to renegotiate their drilling contracts to the Group's detriment. The amendment or modification of existing laws and regulations or the adoption of new laws and regulations curtailing or further regulating exploratory or development drilling and production of oil and gas could have a material adverse effect on the Group's business, operating results or financial condition. Compliance with any such new legislation or regulations could have an adverse effect on the Group's statements of operations and cash flows.

As an operator of mobile offshore drilling units in some offshore areas, the Group may be liable for damages and costs incurred in connection with oil spills or waste disposals related to those operations, and the Group may also be subject to significant fines in connection with spills. For example, an oil spill could result in significant liability, including fines, penalties and criminal liability and remediation costs for natural resource damages, as well as third-party damages, to the extent that the contractual indemnification provisions in the Group's drilling contracts are not enforceable or otherwise sufficient, or if the Group's customers are unwilling or unable to contractually indemnify the Group from these risks. Additionally, the Group may not be able to obtain such indemnities in the Group's future drilling contracts, and the Group's customers may not have the financial capability to fulfill their contractual obligations to the Company. Also, these indemnities may be held to be unenforceable in certain jurisdictions, as a result of public policy or for other reasons. For example, one of the courts in the litigation related to the Macondo well incident has refused to enforce aspects of the Group's indemnity with respect to certain environmental-related liabilities. Laws and regulations protecting the environment have become more stringent in recent years, and may in some cases impose strict liability, rendering a person liable for environmental damage without regard to negligence. These laws and regulations may expose the Group to liability for the conduct of or conditions caused by others or for acts that were in compliance with all applicable laws at the time they were performed. The application of these requirements or the adoption of new requirements or measures could have a material adverse effect on the Group's consolidated statement of financial position, results of operations or cash flows. In addition, the Consent Decree (as defined below) and probation arising out of certain Group subsidiaries' cooperation guilty plea agreement by and among the U.S. Department of Justice (the "DOJ") and certain of the Group's affiliates (the "Plea Agreement"), add to these regulations, requirements and liabilities. One Group subsidiary's guilty plea to negligently discharging oil into the U.S. Gulf of Mexico, in violation of the Clean Water Act, in connection with the Macondo well incident caused the Company to incur liabilities under the environmental laws relating to the Macondo well incident. The Company

may be subject to additional liabilities and penalties.

The continuing effects of the enhanced regulations enacted following the Macondo well incident and of agreements applicable to the Group could materially and adversely affect the Group's worldwide operations

Following the Macondo well incident, enhanced governmental safety and environmental requirements applicable to both deepwater and shallow water operations were adopted for drilling in the U.S. Gulf of Mexico. In order to obtain drilling permits, operators must submit applications that demonstrate compliance with the enhanced regulations, which require independent third-party inspections, certification of well design and well control equipment and emergency response plans in the event of a blowout, among other requirements. Operators have previously had, and may in the future have, difficulties obtaining drilling permits in the U.S. Gulf of Mexico. In addition, the oil and gas industry has adopted new

41

Table of Contents

equipment and operating standards, such as the American Petroleum Institute Standard 53 related to the installation and testing of well control equipment. These new safety and environmental guidelines and standards and any further new guidelines or standards the U.S. government or industry may issue or any other steps the U.S. government or industry may take, could disrupt or delay operations, increase the cost of operations, increase out-of-service time or reduce the area of operations for drilling rigs in the U.S. and non-U.S. offshore areas.

Other governments could take similar actions related to implementing new safety and environmental regulations in the future. Additionally, some of the Group's customers have elected to voluntarily comply with some or all of the new inspections, certification requirements and safety and environmental guidelines on rigs operating outside of the U.S. Gulf of Mexico. Additional governmental regulations and requirements concerning licensing, taxation, equipment specifications and training requirements or the voluntary adoption of such requirements or guidelines by the Group's customers could increase the costs of the Group's operations, increase certification and permitting requirements, increase review periods and impose increased liability on offshore operations. The requirements applicable to the Group under the Group's settlement with the DOJ cover safety, environmental, reporting, operational and other matters (the "Consent Decree") and are in addition to the regulations applicable to other industry participants and may require additional agreements and corporate compliance resources that, together with the Plea Agreement could cause the Group to incur additional costs and liabilities. The continuing effects of the enhanced regulations may also decrease the demand for drilling services, negatively affect day rates and increase out-of-service time, which could ultimately have a material adverse effect on the Group's revenues and profitability.

The offshore drilling industry is highly competitive and cyclical, with intense price competition

The offshore contract drilling industry is highly competitive with numerous industry participants, none of which has a dominant market share. Drilling contracts are traditionally awarded on a competitive bid basis. Although rig availability, service quality and technical capability are drivers of customer contract awards, bid pricing and intense price competition are often key determinants for which a qualified contractor is awarded a job.

The offshore drilling industry has historically been cyclical and is impacted by oil and natural gas price levels and volatility. There have been periods of high customer demand, limited rig supply and high day rates, followed by periods of low customer demand, excess rig supply and low day rates. Changes in commodity prices can have a dramatic effect on rig demand, and periods of excess rig supply may intensify competition in the industry and result in the idling of older and less technologically advanced equipment. The Group has idled and stacked rigs, and may in the future idle or stack additional rigs or enter into lower day rate drilling contracts in response to market conditions. The Group cannot predict when or if any idled or stacked rigs will return to service.

During prior periods of high day rates and rig utilization rates, the Group and other industry participants have responded to increased customer demand by increasing the supply of rigs through ordering the construction of new units. In periods of low oil and natural gas price levels, growth in new construction has historically resulted in an oversupply of rigs and has caused a subsequent decline in day rates and rig utilization rates, sometimes for extended periods of time. Presently, there are numerous recently constructed high-specification floaters and other drilling units capable of competing with the Group's rigs that have entered the global market, and there are more that are under construction.

The entry into service of these new units has increased and will continue to increase supply. The increased supply has contributed to and may continue to contribute to a reduction in day rates as rigs are absorbed into the active fleet and has led to accelerated stacking of the existing fleet.

Two of the Group's three ultra-deepwater drillships currently under construction have not been contracted for work. Combined with the rapid increase in the number of rigs in the global market completing contracts and becoming idle, the number of new units expected to be delivered without contracts has intensified and may further intensify price competition. Any further increase in construction of new units would likely exacerbate the negative impact of increased supply on day rates and utilization rates. Additionally, lower market day rates and intense price competition may drive customers to demand renegotiation of existing contracts to lower day rates in exchange for longer contract terms. In an oversupplied market, the Group may have limited bargaining power to negotiate on more favorable terms. Lower day rates and rig utilization rates could adversely affect the Group's revenues and profitability.

Table of Contents

The Group may not be able to renew or obtain new drilling contracts for rigs whose contracts are expiring or are terminated or obtain drilling contracts for the Group's uncontracted newbuilds, which could adversely affect the Group's consolidated statements of operations

The Group's ability to renew expiring drilling contracts or obtain new drilling contracts will depend on the prevailing market conditions at the time. If the Group is unable to obtain new drilling contracts in direct continuation with existing contracts or for the Group's uncontracted newbuild units, or if new drilling contracts are entered into day rates substantially below the existing day rates or on terms otherwise less favorable compared to existing contract terms, the Group's revenues and profitability could be adversely affected.

The offshore drilling markets in which the Group compete experience fluctuations in the demand for drilling services. A number of existing drilling contracts for the Group's drilling rigs that are currently operating are scheduled to expire before December 31, 2017. Two of the ultra-deepwater drillships the Group currently has under construction as part of the Group's newbuild program are being constructed without customer drilling contracts. The Group will attempt to secure drilling contracts for these units prior to their completion. The Group may be unable to obtain drilling contracts for the Group's rigs that are currently operating upon the expiration or termination of such contracts or obtain drilling contracts for the Group's newbuilds, and there may be a gap in the operation of the rigs between the current contracts and subsequent contracts. In particular, if oil and natural gas prices remain low, as is currently the case, or it is expected that such prices will decrease in the future, at a time when the Group is seeking drilling contracts for the Group's rigs, the Group may be unable to obtain drilling contracts at attractive day rates or at all.

The Group's business depends on the level of activity in the offshore oil and gas industry, which is significantly affected by volatile oil and gas prices and other factors

The Group's business depends on the level of activity in oil and gas exploration, development and production in offshore areas worldwide. Demand for the Group's services depends on oil and natural gas industry activity and expenditure levels that are directly affected by trends in oil and, to a lesser extent, natural gas prices. Oil and gas prices are extremely volatile and are affected by numerous factors, including the following:

- worldwide demand for oil and gas, including economic activity in the U.S. and other large energy-consuming markets;
- the ability of OPEC to set and maintain production levels, productive spare capacity and pricing;
- the level of production in non-OPEC countries;
- the policies of various governments regarding exploration and development of their oil and gas reserves;
- international sanctions on oil-producing countries, or the lifting of such sanctions;
- advances in exploration, development and production technology;
- the further development of shale technology to exploit oil and gas reserves;
- the discovery rate of new oil and gas reserves;
- the rate of decline of existing oil and gas reserves;
- laws and regulations related to environmental matters, including those addressing alternative energy sources and the risks of global climate change;
- the development and exploitation of alternative fuels;
- accidents, adverse weather conditions, natural disasters and other similar incidents relating to the oil and gas industry; and

Table of Contents

· the worldwide security and political environment, including uncertainty or instability resulting from an escalation or outbreak of armed hostilities, civil unrest or other crises in the Middle East or other geographic areas or acts of terrorism.

Demand for the Group's services is particularly sensitive to the level of exploration, development and production activity of, and the corresponding capital spending by, oil and natural gas companies, including national oil companies. Any prolonged reduction in oil and natural gas prices could depress the immediate levels of exploration, development and production activity. Perceptions of longer term lower oil and natural gas prices by oil and gas companies could similarly reduce or defer major expenditures given the long-term nature of many large-scale development projects. Lower levels of activity result in a corresponding decline in the demand for the Group's services, which could have a material adverse effect on the Group's revenue and profitability. Oil and gas prices and market expectations of potential changes in these prices significantly affect this level of activity. However, increases in near-term commodity prices do not necessarily translate into increased offshore drilling activity since customers' expectations of longer-term future commodity prices typically drive demand for the Group's rigs. The current commodity pricing environment has had a negative impact on demand for the Group's services, and it could continue. The price of crude oil as reported on the New York Mercantile Exchange has weakened significantly and, despite recent price improvements, has not returned to the higher levels experienced prior to December 31, 2014. Consequently, customers have delayed or cancelled many exploration and development programs, resulting in reduced demand for the Group's services. Also, increased competition for customers' drilling budgets could come from, among other areas, land-based energy markets worldwide. The availability of quality drilling prospects, exploration success, relative production costs, the stage of reservoir development and political and regulatory environments also affect customers' drilling campaigns. Worldwide military, political and economic events have contributed to oil and gas price volatility and are likely to do so in the future.

Acts of terrorism, piracy and political and social unrest could affect the markets for drilling services, which may have a material adverse effect on the Group's results of operations

Acts of terrorism and social unrest, brought about by world political events or otherwise, have caused instability in the world's financial and insurance markets in the past and may occur in the future. Such acts could be directed against companies of the Group. In addition, acts of terrorism, piracy and social unrest could lead to increased volatility in prices for crude oil and natural gas and could affect the markets for drilling services. Insurance premiums could increase and coverage may be unavailable in the future. Government regulations may effectively preclude the Group from engaging in business activities in certain countries. These regulations could be amended to cover countries where the Group currently operates or where the Group may wish to operate in the future. The Group's drilling contracts do not generally provide indemnification against loss of capital assets or loss of revenues resulting from acts of terrorism, piracy or political or social unrest. The Group has limited insurance for the Group's assets providing coverage for physical damage losses resulting from risks, such as terrorist acts, piracy, vandalism, sabotage, civil unrest, expropriation and acts of war, and the Group does not carry insurance for loss of revenues resulting from such risks.

Financial Risks

The Group has identified a material weakness in its internal control over financial reporting, and the Group's business and stock price may be adversely affected if the Group's internal control over financial reporting is not effective

Under Section 404 of the Sarbanes-Oxley Act of 2002 and rules promulgated by the SEC, the Group is required to conduct a comprehensive evaluation of the Group's internal control over financial reporting. To complete this evaluation, the Group is required to document and test the Group's internal control over financial reporting; management is required to assess and issue a report concerning the Group's internal control over financial reporting;

and the Group's independent registered public accounting firm is required to attest to the effectiveness of the Group's internal control over financial reporting. The Group's internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be prevented or detected timely. Even effective internal control over financial reporting can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements.

Table of Contents

In the course of the external audit of the consolidated financial statements for the year ended December 31, 2016 the Group identified a material weakness in the Group's controls over income tax accounting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Group's annual or interim financial statements will not be prevented or detected on a timely basis. A more complete description of the recently identified errors and the resulting material weakness is included in "Item 8. Financial Statements and Supplementary Data—Notes to Consolidated Financial Statements—Note 4—Correction of Errors in Previously Reported Consolidated Financial Statements" of the 2016 Annual Report