

Transocean Ltd.
Form PRE 14A
March 02, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

Transocean Ltd.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:

Edgar Filing: Transocean Ltd. - Form PRE 14A

- o Fee paid previously with preliminary materials.
 - o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:
-

Table of Contents

April , 2011

Dear Shareholder:

The 2011 annual general meeting of Transocean Ltd. will be held on Friday, May 13, 2011 at 4:00 p.m., Swiss time, at the Lorzensaal Cham, Dorfplatz 3, CH-6330 Cham, Switzerland. The invitation to the annual general meeting, the proxy statement and a proxy card are enclosed and describe the matters to be acted upon at the meeting.

It is important that your shares be represented and voted at the meeting whether you plan to attend or not. Please read the enclosed invitation and proxy statement and date, sign and promptly return the proxy card in the enclosed self-addressed envelope.

Sincerely,

Robert E. Rose
Chairman of the Board

Steven L. Newman
President and Chief Executive Officer

This invitation, proxy statement and the accompanying proxy card are first being mailed to our shareholders on or about April , 2011.

Table of Contents

**INVITATION TO ANNUAL GENERAL MEETING OF TRANSOCEAN LTD.
Friday, May 13, 2011
4:00 p.m., Swiss time,
at the Lorzensaal Cham, Dorfplatz 3, CH-6330 Cham, Switzerland**

Agenda Items

- (1) **Approval of the 2010 Annual Report, including the Consolidated Financial Statements of Transocean Ltd. for Fiscal Year 2010 and the Statutory Financial Statements of Transocean Ltd. for Fiscal Year 2010.**

Proposal of the Board of Directors

The Board of Directors proposes that the 2010 Annual Report, including the consolidated financial statements for fiscal year 2010 and the statutory financial statements for fiscal year 2010, be approved.

- (2) **Discharge of the Members of the Board of Directors and the Executive Management From Liability for Activities During Fiscal Year 2010.**

Proposal of the Board of Directors

The Board of Directors proposes that discharge be granted to the members of the Board of Directors and executive management from liability for activities during fiscal year 2010.

- (3) **Appropriation of the Available Earnings for Fiscal Year 2010.
Proposal of the Board of Directors**

The Board of Directors proposes that all available earnings of the Company be carried forward.

	in CHF
Balance brought forward from previous years	36,713,000
Net profit of the year	224,976,369
Total available earnings	261,689,369
Appropriation of available earnings	
Balance to be carried forward on this account	261,689,369

- (4) **Proposed Reallocation of Free Reserve to Legal Reserve, Reserve From Capital Contributions.
Proposal of the Board of Directors**

The Board of Directors proposes that CHF 3,243,051,000 of free reserve be reallocated to legal reserve, reserve from capital contributions.

	in CHF
Free reserve as of December 31, 2010	3,243,051,000
Reallocation to legal reserve, reserve from capital contributions	3,243,051,000
Total legal reserve, reserve from capital contributions	11,168,051,396*

** Prior to the release and allocation of legal reserve, reserve from capital contributions, to the dividend reserve from capital contributions pursuant to the conditional Agenda Item 6.*

(5)

Rescission of the Distribution to Shareholders in the Form of a Par Value Reduction as Approved at the 2010 Annual General Meeting.

Proposal of the Board of Directors

The Board of Directors proposes that the resolution of the 2010 Annual General Meeting (the "2010 Distribution Resolution"), by which the distribution to shareholders in the form of a par value reduction in an amount in Swiss francs equal to USD 3.11 per issued share (including

Table of Contents

treasury shares) to be calculated and paid in U.S. dollars in four quarterly installments (the "2010 Distribution"), was approved, be rescinded. The effect of this Agenda Item 5, if approved, is that the 2010 Distribution will not be made to shareholders, and any steps initiated, or to be initiated, by the Board of Directors to implement the 2010 Distribution Resolution, including, but not limited to, the appeal to the Swiss Federal Supreme Court to achieve the registration of the initial quarterly installment of the 2010 Distribution, will no longer be pursued.

(6)

Conditional Agenda Item: Release and Allocation of Legal Reserve, Reserve From Capital Contributions, to Dividend Reserve From Capital Contributions; Dividend Distribution out of the Dividend Reserve From Capital Contributions.

Note: A vote by shareholders at the 2011 Annual General Meeting on this Agenda Item 6 is contingent on the approval by shareholders at the 2011 Annual General Meeting of the proposals of the Board of Directors under Agenda Item 3 (carry forward of the entire available earnings) and Agenda Item 5 (rescission of the distribution to shareholders in the form of a par value reduction as approved at the 2010 Annual General Meeting). Accordingly, if either Agenda Item 3 or Agenda Item 5 has not been approved at the 2011 Annual General Meeting, there will be no vote on Agenda Item 6 at the 2011 Annual General Meeting.

Proposal of the Board of Directors

The Board of Directors proposes that (A) CHF 1,937,000,000 of legal reserve, reserve from capital contributions, be released and allocated to "dividend reserve from capital contributions" (the "Dividend Reserve") and (B) a dividend in the amount of USD 3.16 per share of the Company be distributed out of, and limited at a maximum to the amount of, such Dividend Reserve and paid in four installments. Dividend payments shall be made with respect to the outstanding share capital of the Company on the record date for the applicable installment, which amount will exclude any shares held by the Company or any of its direct or indirect subsidiaries. The proposed shareholder resolution is included in Annex A.

Proposed Release and Allocation of Legal Reserve, Reserve From Capital Contributions to Dividend Reserve

	in CHF
Legal reserve, reserve from capital contributions, as of December 31, 2010	7,925,000,396
Less release to dividend reserve from capital contributions	(1,937,000,000)
CHF 3,243,051,000 allocated to legal reserve, reserve from capital contributions pursuant to Agenda Item 4	3,243,051,000
Remaining legal reserve, reserve from capital contributions	9,231,051,396

(7)

New Authorized Share Capital.

Proposal of the Board of Directors

The Board of Directors proposes that its authority to issue shares out of the Company's authorized share capital, which expired on December 18, 2010, be readopted for a new two-year period, expiring on May 13, 2013. Under the proposal, the Board of Directors' authority to issue new shares in one or several steps will be limited to a maximum of 67,047,057 new shares, or 19.99% of the currently existing stated share capital of the Company. The proposed amendments to the Articles of Association are included in Annex B.

(8)

Reduction of the Maximum Number of Members of the Board of Directors to 12.

Proposal of the Board of Directors

The Board of Directors proposes that article 22 of the Articles of Association be amended such that the maximum number of the members of the Board of Directors be reduced to 12. The proposed amendment to article 22 of the Articles of Association is included in Annex C.

Table of Contents

(9)

Election of Three New Directors Jagjeet S. Bindra, Steve Lucas and Tan Ek Kia; Reelections.

Proposal of the Board of Directors

The Board of Directors proposes that the nominees set forth below be elected as Class III Directors for a three-year term:

Jagjeet S. Bindra; and

Steve Lucas.

The Board of Directors further proposes that the nominee set forth below be elected as a Class I Director for a one-year term:

Tan Ek Kia.

The Board of Directors further proposes that the directors set forth below be reelected as Class III Directors for a three-year term:

Martin B. McNamara; and

Ian C. Strachan.

(10)

**Appointment of Ernst & Young LLP as the Company's Independent Registered Public Accounting Firm for Fiscal Year 2011 and Reelection of Ernst & Young Ltd., Zurich, as the Company's Auditor for a Further One-Year Term.
Proposal of the Board of Directors**

The Board of Directors proposes that Ernst & Young LLP be appointed as Transocean Ltd.'s independent registered public accounting firm for the fiscal year 2011 and that Ernst & Young Ltd., Zurich, be reelected as Transocean Ltd.'s auditor pursuant to the Swiss Code of Obligations for a further one-year term, commencing on the day of election at the 2011 annual general meeting and terminating on the day of the 2012 annual general meeting.

(11)

Advisory Vote on Executive Compensation.

Proposal of the Board of Directors

The Board of Directors proposes that shareholders be provided with an advisory vote on the compensation of the Company's Named Executive Officers, as disclosed in the Compensation Discussion and Analysis, the accompanying compensation tables and the related narrative disclosure in this proxy statement.

(12)

Advisory Vote on Frequency of Executive Compensation Vote.

Proposal of the Board of Directors

The Board of Directors proposes that shareholders be provided with an advisory vote on whether the advisory vote on the compensation of the Company's Named Executive Officers should occur every one, two or three years.

Table of Contents

Organizational Matters

A copy of the proxy materials, including a proxy and admission card, has been sent to each shareholder registered in Transocean Ltd.'s share register as of March 16, 2011. Any additional shareholders who are registered in Transocean Ltd.'s share register on April 26, 2011 will receive a copy of the proxy materials after April 26, 2011. Shareholders not registered in Transocean Ltd.'s share register as of April 26, 2011 will not be entitled to attend, vote or grant proxies to vote at, the 2011 annual general meeting. No shareholder will be entered in Transocean Ltd.'s share register as a shareholder with voting rights between the close of business on April 26, 2011 and the opening of business on the day following the annual general meeting. BNY Mellon Shareowner Services, which maintains Transocean Ltd.'s share register, will, however, continue to register transfers of Transocean Ltd. shares in the share register in its capacity as transfer agent during this period.

Shareholders registered in Transocean Ltd.'s share register as of April 26, 2011 have the right to attend the annual general meeting and vote their shares (in person or by proxy), or may grant a proxy to vote on each of the proposals in this invitation and any other matter properly presented at the meeting for consideration to either Transocean Ltd. (as corporate proxy) or the independent representative, Rainer Hager, by marking the proxy card appropriately, executing it in the space provided, dating it and returning it either to:

Transocean Ltd.
Vote Processing
c/o Broadridge
51 Mercedes Way
Edgewood, NY 11717
USA

or, if granting a proxy to the independent representative
Rainer Hager
Attorney at Law and Notary
Schweiger, Advokatur/Notariat
Dammstrasse 19
CH-6300
Zug, Switzerland

We urge you to return your proxy card by 4 p.m. Eastern Daylight Time (EDT), 10 p.m. Swiss time, on May 12, 2011 to ensure that your proxy card is timely submitted.

Shares of holders who have timely submitted a properly executed proxy card and specifically indicated their votes will be voted as indicated. Shares of holders who have timely submitted a properly executed proxy card and have not specifically indicated their votes (irrespective of whether a proxy has been granted to Transocean Ltd. or the independent representative or neither is specified) will be voted in the manner recommended by the Board of Directors and Transocean Ltd. will act as such holders' proxy. Any proxy card marked to grant a proxy to both Transocean Ltd. (as corporate proxy) and the independent representative will be counted as a proxy granted to Transocean Ltd. only.

If any other matters are properly presented at the meeting for consideration, Transocean Ltd. and the independent representative, as applicable, will, in the absence of specific instructions to the contrary, have the discretion to vote on these matters in the manner recommended by the Board of Directors in the name and on behalf of shareholders who have timely submitted a properly executed proxy card.

Shareholders who hold their shares in the name of a bank, broker or other nominee should follow the instructions provided by their bank, broker or nominee when voting their shares. Shareholders who hold their shares in the name of a bank, broker or other nominee and wish to vote in person at the meeting must obtain a valid proxy from the organization that holds their shares.

Table of Contents

We may accept a proxy by any form of communication permitted by Swiss law and our Articles of Association.

Please note that shareholders attending the annual general meeting in person or by proxy are required to show their admission card on the day of the annual general meeting. In order to determine attendance correctly, any shareholder leaving the annual general meeting early or temporarily is requested to present such shareholder's admission card upon exit.

Proxy Holders of Deposited Shares

Institutions subject to the Swiss Federal Law on Banks and Savings Banks and professional asset managers who hold proxies for beneficial owners who did not grant proxies to Transocean Ltd. or the independent representative are kindly asked to inform Transocean Ltd. of the number and par value of the registered shares they represent as soon as possible, but no later than May 13, 2011, 12 p.m. Swiss time, at the admission office for the annual general meeting.

Annual Report, Consolidated Financial Statements, Statutory Financial Statements

A copy of the 2010 Annual Report (including the consolidated financial statements for fiscal year 2010, the statutory financial statements of Transocean Ltd. for fiscal year 2010 and the audit reports on such consolidated and statutory financial statements) is available for physical inspection at Transocean Ltd.'s registered office, Turmstrasse 30, CH-6300 Zug, Switzerland. Copies of these materials may be obtained without charge by contacting our Corporate Secretary, at our registered office, Turmstrasse 30, CH-6300 Zug, Switzerland, telephone number +41 (041) 749 0500, or Investor Relations at our offices in the United States, at 4 Greenway Plaza, Houston, Texas 77046.

On behalf of the Board of Directors,

Robert E. Rose
Chairman of the Board

Zug, Switzerland
April , 2011

YOUR VOTE IS IMPORTANT

You may designate proxies to vote your shares by mailing the enclosed proxy card. Please review the instructions in the proxy statement and on your proxy card regarding voting.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL GENERAL MEETING TO BE HELD ON MAY 13, 2011.

Our proxy statement and 2010 Annual Report are available at
<http://www.deepwater.com/proxymaterials.cfm>.

Table of Contents

TABLE OF CONTENTS

	Page
<u>Information about the Meeting And Voting</u>	<u>P-1</u>
<u>Agenda Item 1. Approval of the 2010 Annual Report, the Consolidated Financial Statements of Transocean Ltd. for Fiscal Year 2010 and the Statutory Financial Statements of Transocean Ltd. for Fiscal Year 2010</u>	<u>P-6</u>
<u>Agenda Item 2. Discharge of the Board of Directors and Executive Management from Liability for Activities During Fiscal Year 2010</u>	<u>P-7</u>
<u>Agenda Item 3. Appropriation of the Available Earnings for Fiscal Year 2010</u>	<u>P-8</u>
<u>Agenda Item 4. Reallocation of Free Reserve to Legal Reserve, Reserve From Capital Contributions</u>	<u>P-9</u>
<u>Agenda Item 5. Rescission of the Distribution to Shareholders in the Form of a Par Value Reduction as Approved at the 2010 Annual General Meeting</u>	<u>P-10</u>
<u>Agenda Item 6. Conditional Agenda Item: Release and Allocation of Legal Reserve, Reserve From Capital Contributions, to Dividend Reserve From Capital Contributions; Dividend Distribution out of the Dividend Reserve From Capital Contributions</u>	<u>P-11</u>
<u>Agenda Item 7. New Authorized Share Capital</u>	<u>P-13</u>
<u>Agenda Item 8. Reduction of the Maximum Number of Members of the Board of Directors to 12</u>	<u>P-15</u>
<u>Agenda Item 9. Election of Three New Directors Jagjeet S. Bindra, Steve Lucas and Tan Ek Kia; Reelections</u>	<u>P-16</u>
<u>Corporate Governance</u>	<u>P-21</u>
<u>Board Meetings and Committees</u>	<u>P-26</u>
<u>2010 Director Compensation</u>	<u>P-29</u>
<u>Audit Committee Report</u>	<u>P-31</u>
<u>Security Ownership of Certain Beneficial Owners</u>	<u>P-32</u>
<u>Security Ownership of Directors and Executive Officers</u>	<u>P-33</u>
<u>Compensation Discussion and Analysis</u>	<u>P-34</u>
<u>Executive Compensation Committee Report</u>	<u>P-56</u>
<u>Executive Compensation</u>	<u>P-57</u>
<u>Summary Compensation Table</u>	<u>P-57</u>
<u>Grants of Plan-Based Awards for Fiscal Year 2010</u>	<u>P-60</u>
<u>Outstanding Equity Awards at Fiscal Year-End 2010</u>	<u>P-61</u>
<u>Option Exercises and Shares Vested for Fiscal Year 2010</u>	<u>P-63</u>
<u>Pension Benefits for Fiscal Year 2010</u>	<u>P-63</u>
<u>Nonqualified Deferred Compensation for Fiscal Year 2010</u>	<u>P-67</u>
<u>Potential Payments Upon Termination or Change of Control</u>	<u>P-68</u>
<u>Certain Transactions</u>	<u>P-74</u>

Edgar Filing: Transocean Ltd. - Form PRE 14A

<u>Equity Compensation Plan Information</u>	<u>P-74</u>
<u>Agenda Item 10. Appointment of Ernst & Young LLP as the Company's Independent Registered Public Accounting Firm for Fiscal Year 2011 and Reelection of Ernst & Young Ltd., Zurich, as the Company's Auditor Pursuant to the Swiss Code of Obligations for a Further One-Year Term</u>	<u>P-75</u>
<u>Fees Paid to Ernst & Young</u>	<u>P-75</u>
<u>Audit Committee Pre-Approval of Audit and Non-Audit Services</u>	<u>P-76</u>
<u>Agenda Item 11. Advisory Vote on Executive Compensation</u>	<u>P-77</u>
<u>Agenda Item 12. Advisory Vote on Frequency of Executive Compensation Vote</u>	<u>P-78</u>
<u>Other Matters</u>	<u>P-79</u>

Table of Contents

**PROXY STATEMENT
FOR ANNUAL GENERAL MEETING OF TRANSOCEAN LTD.
MAY 13, 2011**

INFORMATION ABOUT THE MEETING AND VOTING

This proxy statement is furnished in connection with the solicitation of proxies by Transocean Ltd., on behalf of our Board of Directors, to be voted at our annual general meeting to be held on May 13, 2011 at 4:00 p.m., Swiss time, at the Lorzensaal Cham, Dorfplatz 3, CH-6330 Cham, Switzerland.

Agenda Items

At the annual general meeting, shareholders will be asked to vote upon the following agenda items:

Approval of the 2010 Annual Report, including the consolidated financial statements of Transocean Ltd. for fiscal year 2010 and the statutory financial statements of Transocean Ltd. for fiscal year 2010.

Discharge of the members of the Board of Directors and executive management from liability for activities during fiscal year 2010.

Appropriation of the available earnings for fiscal year 2010.

Reallocation of free reserve to legal reserve, reserve from capital contributions.

Rescission of the distribution to shareholders in the form of a par value reduction as approved at the 2010 Annual General Meeting.

Release and allocation of legal reserve, reserve from capital contributions, to dividend reserve from capital contributions; and dividend distribution out of the dividend reserve from capital contributions. This proposal is contingent on shareholder approval of the proposals by the Board of Directors to (a) carry forward the entire available earnings (Agenda Item 3) and (b) rescind the distribution to shareholders in the form of a par value reduction as approved at the 2010 Annual General Meeting (Agenda Item 5).

New authorized share capital.

Reduction of the maximum number of members of the Board of Directors to 12 and respective amendment to article 22 of the Articles of Association of the Company.

Election of three new directors Jagjeet S. Bindra, Steve Lucas and Tan Ek Kia; reelections:
The following nominees are proposed to be elected as Class III Directors for a three-year term:

Jagjeet S. Bindra; and

Edgar Filing: Transocean Ltd. - Form PRE 14A

Steve Lucas.

The following nominee is proposed to be elected as a Class I Director for a one-year term:

Tan Ek Kia.

Each of the directors set forth below is proposed to be reelected as a Class III Director for a three-year term:

Martin B. McNamara; and

Ian C. Strachan.

Appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal year 2011 and reelection of Ernst & Young Ltd., Zurich, as the Company's auditor pursuant to the Swiss Code of Obligations for a further one-year term.

P-1

Table of Contents

Advisory vote on the compensation of the Company's Named Executive Officers as disclosed in the Compensation Discussion and Analysis, the accompanying compensation tables, and the related narrative disclosure in this proxy statement.

Advisory vote on whether the advisory vote on the compensation of the Company's Named Executive Officers should occur every one, two or three years.

Quorum

Our Articles of Association provide that the presence of shareholders, in person or by proxy, holding at least a majority of the shares entitled to vote at the meeting constitutes a quorum for purposes of this annual general meeting. Our Articles of Association further provide that the presence of shareholders, in person or by proxy, holding at least two-thirds of the share capital recorded in the commercial register constitutes a quorum for purposes of amending article 22 of our Articles of Association. This higher quorum will therefore be the applicable quorum in relation to Agenda Item 8 regarding the proposed reduction of the maximum number of members of the Board of Directors. Abstentions and "broker nonvotes" will be counted as present for purposes of determining whether there is a quorum at the meeting.

Record Date

Only shareholders of record on April 26, 2011 are entitled to notice of, to attend, and to vote or to grant proxies to vote at, the annual general meeting. No shareholder will be entered in Transocean Ltd.'s share register with voting rights between the close of business on April 26, 2011 and the opening of business on the day following the annual general meeting.

Votes Required

Approval of the proposal with respect to the 2010 Annual Report and the 2010 consolidated financial statements and 2010 statutory financial statements of Transocean Ltd. requires the affirmative vote of a majority of the votes cast in person or by proxy at the annual general meeting, not counting abstentions or blank or invalid ballots.

Approval of the proposal to discharge the members of the Board of Directors and our executive management from liability for activities during fiscal year 2010 requires the affirmative vote of a majority of the votes cast in person or by proxy at the annual general meeting, not counting abstentions or blank or invalid ballots. No member of the Board of Directors or Transocean executive management has voting rights in relation to the proposal to discharge the members of the Board of Directors and our executive management from liability for activities during fiscal year 2010.

Approval of the proposal for the appropriation of available earnings for fiscal year 2010 to be carried forward requires the affirmative vote of a majority of the votes cast in person or by proxy at the annual general meeting, not counting abstentions or blank or invalid ballots.

Approval of the proposal for the reallocation of CHF 3,243,051,000 of free reserve to legal reserve, reserve from capital contributions requires the affirmative vote of a majority of the votes cast in person or by proxy at the annual general meeting, not counting abstentions or blank or invalid ballots.

Approval of the proposal for the rescission of the distribution to shareholders in the form of a par value reduction as approved at the 2010 Annual General Meeting requires the affirmative vote of a majority of the votes cast in person or by proxy at the annual general meeting, not counting abstentions or blank or invalid ballots.

Approval of the proposal for (1) the release and allocation of legal reserve, reserve from capital contributions, to dividend reserve from capital contributions, and (2) the dividend distribution out

Table of Contents

of the dividend reserve from capital contributions requires the affirmative vote of a majority of the votes cast in person or by proxy at the annual general meeting, not counting abstentions or blank or invalid ballots.

Note: A vote by shareholders at the 2011 Annual General Meeting on this Agenda Item 6 is contingent on the approval by shareholders at the 2011 Annual General Meeting of the proposals of the Board of Directors under Agenda Item 3 (carry forward of the entire available earnings) and Agenda Item 5 (rescission of the distribution to shareholders in the form of a par value reduction as approved at the 2010 Annual General Meeting). Accordingly, if either Agenda Item 3 or Agenda Item 5 is not approved at the 2011 Annual General Meeting, there will be no vote on Agenda Item 6 at the 2011 Annual General Meeting.

Approval of the proposal for a new authorized share capital requires the affirmative vote of two-thirds of the votes represented at the annual general meeting. An abstention or blank or invalid ballot will have the effect of a vote "against" this proposal.

Approval of the proposal to reduce the maximum number of members of the Board of Directors requires the affirmative vote of two-thirds of the shares recorded in the commercial register and entitled to vote at the annual general meeting. An abstention or blank or invalid ballot will have the effect of a vote "against" this proposal.

Approval of the proposal to elect three nominees and reelect two nominees named in the proxy statement as directors requires the affirmative vote of a plurality of the votes cast in person or by proxy at the annual general meeting. The plurality requirement means that the director nominee with the most votes for a board seat is elected to that board seat. You may vote "for" or "against" or "abstain" with respect to the election of each director. Only votes "for" or "against" are counted in determining whether a plurality has been cast in favor of a director. Abstentions and broker non-votes are not counted for purposes of the election of directors. As described later in this proxy statement, our Corporate Governance Guidelines set forth our procedures if a director nominee is elected but does not receive more votes cast "for" than "against" the nominee's election.

Approval of the proposal to appoint Ernst & Young LLP as the Company's independent registered public accounting firm for 2011 and to reelect Ernst & Young Ltd. as the Company's auditor pursuant to the Swiss Code of Obligations for a further one-year term requires the affirmative vote of holders of a majority of the votes cast in person or by proxy at the annual general meeting on the proposal. Abstentions and blank or invalid ballots are not counted for purposes of this proposal.

Approval of the advisory vote on the compensation of the Company's Named Executive Officers as disclosed in the Compensation Discussion and Analysis, the accompanying compensation tables, and the related narrative disclosure in this proxy statement requires the affirmative vote of a majority of the votes cast in person or by proxy at the annual general meeting, not counting abstentions, broker non-votes or blank or invalid ballots. The vote is advisory and therefore not binding on the Company.

For the purposes of the proposal included in Agenda Item 12, which provides for an advisory vote on whether the advisory vote on the compensation of our Named Executive Officers should occur every one, two, or three years, the approval of an alternative requires the affirmative vote of a majority of the votes cast in person or by proxy at the annual general meeting, not counting abstentions, broker non-votes or blank or invalid ballots. If none of the alternatives (one year, two years or three years) receive a majority vote, we will consider the alternative with the highest number of votes cast by shareholders to be the alternative that has been selected by shareholders.

As of March 16, 2011, there were _____ shares outstanding. Only registered holders of our shares on April 26, 2011, the record date established for the annual general meeting, are entitled to notice of, to attend and to vote at, the meeting. Holders of shares on the record date are entitled to one vote for each share held.

Table of Contents

Proxies

A proxy card is being sent to each record holder of shares as of March 16, 2011. In addition, a proxy card will be sent to each additional record holder of shares as of the record date, April 26, 2011. If you are registered as a shareholder in Transocean Ltd.'s share register as of April 26, 2011, you may grant a proxy to vote on each of the proposals and any other matter properly presented at the meeting for consideration to either Transocean Ltd. or the independent representative, Rainer Hager, by marking your proxy card appropriately, executing it in the space provided, dating it and returning it either to:

Transocean Ltd.
Vote Processing
c/o Broadridge
51 Mercedes Way
Edgewood, NY 11717
USA

or, if granting a proxy to the independent representative
Rainer Hager
Attorney at Law and Notary
Schweiger, Advokatur/Notariat
Dammstrasse 19
CH-6300
Zug, Switzerland

We urge you to return your proxy card by 4 p.m. Eastern Daylight Time (EDT), 10 p.m. Swiss time, on May 12, 2011 to ensure that your proxy card is timely submitted. Proxies granted to Transocean Ltd. will not be exercised by an executive officer or director of Transocean Ltd. at the annual general meeting.

Please sign, date and mail your proxy card in the envelope provided. If you hold your shares in the name of a bank, broker or other nominee, you should follow the instructions provided by your bank, broker or nominee when voting your shares.

Under New York Stock Exchange rules, brokers who hold shares in street name for customers, such that the shares are registered on the books of the Company as being held by the brokers, have the authority to vote on "routine" proposals when they have not received instructions from beneficial owners, but are precluded from exercising their voting discretion with respect to proposals for "non-routine" matters. Proxies submitted by brokers without instructions from customers for these non-routine matters are referred to as "broker non-votes." Agenda Item 9 for the election of directors, as well as Agenda Items 11 and 12, are non-routine matters under New York Stock Exchange rules. If you hold your shares in "street name," your broker may not be able to vote your shares in the election of directors unless the broker receives appropriate instructions from you. We recommend that you contact your broker.

If you were a holder on the record date and have timely submitted a properly executed proxy card and specifically indicated your votes, your shares will be voted as indicated. If you were a holder on the record date and you have timely submitted a properly executed proxy card and have not specifically indicated your votes (irrespective of whether a proxy has been granted to Transocean Ltd. or the independent representative or neither is specified), your shares will be voted in the manner recommended by the Board of Directors and Transocean Ltd. will act as your proxy. Any proxy card marked to grant a proxy to both Transocean Ltd. (as corporate proxy) and the independent representative will be counted as a proxy granted to Transocean Ltd. only.

There are no other matters that the Board of Directors intends to present, or has received proper notice that others will present, at the annual general meeting. If any other matters are properly presented at the meeting for consideration, Transocean Ltd. and the independent representative, as applicable, will, in the absence of specific instructions to the contrary, vote any proxies submitted to them on these matters in the manner recommended by the Board of Directors.

Table of Contents

You may revoke your proxy card at any time prior to its exercise by:

giving written notice of the revocation to our Corporate Secretary at Transocean Ltd., Turmstrasse 30, CH-6300 Zug, Switzerland, with respect to proxies granted to Transocean Ltd., or to the independent representative at the address set forth above, with respect to proxies granted to the independent representative;

appearing at the meeting, notifying our Corporate Secretary, with respect to proxies granted to Transocean Ltd., or the independent representative, with respect to proxies granted to the independent representative, and voting in person; or

properly completing and executing a later-dated proxy and timely delivering it to our Corporate Secretary or the independent representative.

Your presence without voting at the meeting will not automatically revoke your proxy, and any revocation during the meeting will not affect votes previously taken. If you hold your shares in the name of a bank, broker or other nominee, you should follow the instructions provided by your bank, broker or nominee in revoking your previously granted proxy.

We may accept a proxy by any form of communication permitted by Swiss law and our Articles of Association. Please note that shareholders attending the annual general meeting in person or by proxy are required to show their admission card on the day of the annual general meeting. In order to determine attendance correctly, any shareholder leaving the annual general meeting early or temporarily is requested to present such shareholder's admission card upon exit.

Background of Transocean

In December 2008, Transocean Ltd. completed a transaction pursuant to an Agreement and Plan of Merger among Transocean Ltd., Transocean Inc., which was our former parent holding company, and Transocean Cayman Ltd., a company organized under the laws of the Cayman Islands that was a wholly-owned subsidiary of Transocean Ltd., pursuant to which Transocean Inc. merged by way of schemes of arrangement under Cayman Islands law with Transocean Cayman Ltd., with Transocean Inc. as the surviving company (the "Redomestication Transaction"). In the Redomestication Transaction, Transocean Ltd. issued one of its shares in exchange for each ordinary share of Transocean Inc. In addition, Transocean Ltd. issued 16 million of its shares to Transocean Inc. for future use to satisfy Transocean Ltd.'s obligations to deliver shares in connection with awards granted under our incentive plans, warrants or other rights to acquire shares of Transocean Ltd. The Redomestication Transaction effectively changed the place of incorporation of our parent holding company from the Cayman Islands to Zug, Switzerland. As a result of the Redomestication Transaction, Transocean Inc. became a direct, wholly-owned subsidiary of Transocean Ltd. In connection with the Redomestication Transaction, we also relocated our principal executive offices to Vernier, Switzerland.

References to "Transocean," the "Company," "we," "us" or "our" include Transocean Ltd. together with its subsidiaries and predecessors, unless the context requires otherwise.

Table of Contents

AGENDA ITEM 1.

Approval of the 2010 Annual Report, including the Consolidated Financial Statements of Transocean Ltd. for Fiscal Year 2010 and the Statutory Financial Statements of Transocean Ltd. for Fiscal Year 2010

Proposal

The Board of Directors proposes that the 2010 Annual Report, including the consolidated financial statements of Transocean Ltd. for fiscal year 2010 and the statutory financial statements for fiscal year 2010, be approved.

Explanation

The consolidated financial statements of Transocean Ltd. for fiscal year 2010 and the Swiss statutory financials for fiscal year 2010 are contained in the 2010 Annual Report, which was made available to all registered shareholders with this invitation and proxy statement. In addition, these materials will be available for physical inspection at the Company's registered office, Turmstrasse 30, CH-6300 Zug, Switzerland. The 2010 Annual Report also contains information on the Company's business activities and our business and financial situation, information relating to corporate governance as required by the SIX Swiss Exchange directive on corporate governance, and the reports of Ernst & Young Ltd., Zurich, the Company's auditors pursuant to the Swiss Code of Obligations, on the Company's consolidated financial statements for fiscal year 2010 and statutory financial statements for fiscal year 2010. In its reports, Ernst & Young Ltd., the Company's auditors pursuant to the Swiss Code of Obligations, recommended without qualification that the Company's consolidated financial statements and statutory financial statements for the year ended December 31, 2010 be approved. Ernst & Young Ltd. expresses its opinion that the "consolidated financial statements for the years ended December 31, 2010 and 2009 present fairly, in all material respects, the financial position, the results of operations and the cash flows in accordance with accounting principles generally accepted in the United States of America (US GAAP) and comply with Swiss law." Ernst & Young Ltd. further expresses its opinion and confirms that the statutory financial statements for the year ended December 31, 2010 and the proposed appropriation of available earnings comply with Swiss law and the Articles of Association of the Company.

Under Swiss law, the 2010 Annual Report and the consolidated financial statements and Swiss statutory financials must be submitted to shareholders for approval at each annual general meeting.

If the shareholders do not approve this proposal, the Board of Directors may call an extraordinary general meeting of shareholders for reconsideration of this proposal by shareholders.

Voting Requirement to Approve Proposal

The affirmative "FOR" vote of a majority of the votes cast in person or by proxy at the annual general meeting, not counting abstentions or blank or invalid ballots.

Recommendation

The Board of Directors recommends a vote "FOR" approval of the 2010 Annual Report, the consolidated financial statements and the Swiss statutory financials.

Table of Contents

AGENDA ITEM 2.

Discharge of the Members of the Board of Directors and Executive Management from Liability for Activities during Fiscal Year 2010.

Proposal of the Board of Directors

The Board of Directors proposes that shareholders discharge the members of the Board of Directors and our executive management from liability for activities during fiscal year 2010.

Explanation

As is customary for Swiss corporations and in accordance with article 698, para. 2, item 5 of the Swiss Code of Obligations, shareholders are requested to discharge the members of the Board of Directors and our executive management from liability for their activities during fiscal year 2010. This release is only effective with respect to facts that have been disclosed to shareholders (including through any publicly available information, whether or not included in our filings with the SEC) and binds shareholders who either voted in favor of the proposal or who subsequently acquired shares with knowledge of the resolution. In addition, shareholders who vote against this proposal, abstain from voting on this proposal, do not vote on this proposal, or acquire their shares without knowledge of the approval of this resolution, must bring, as a plaintiff, any claims in a future shareholder derivative suit within six months after the approval of this resolution. After the expiration of this six-month period, such shareholders will generally no longer have the right to bring, as a plaintiff, claims in shareholder derivative suits against our directors and executive management.

By voting for this proposal, you may be giving up the right to be a plaintiff in the pending shareholder derivative suits related to the Macondo incident described in Item 3 of our Annual Report on Form 10-K for the year ended December 31, 2010, if you are currently a plaintiff in any such proceedings, as well as giving up the ability to bring, as a plaintiff, claims in future shareholder derivative suits that have not been brought to date. The pending shareholder derivative claims allege the breach by our directors of their fiduciary duties based on allegations that our directors failed to monitor safety risks, including risks related to the Company's blowout preventers, and made misleading statements regarding the Company's safety risks, the safety of the blowout preventers, and the Company's financial condition. In addition, other allegations have been made against us in investigations and other contexts that are publicly available and could form the basis of similar claims against our directors and executive management.

For purposes of this proposal, the members of management included in the executive management group are the same as the Company's executive officers, as defined by the Securities Exchange Act of 1934.

Voting Requirement to Approve Proposal

The affirmative "FOR" vote of a majority of the votes cast in person or by proxy at the annual general meeting, not counting abstentions or blank or invalid ballots. No member of the Board of Directors or Transocean executive officer has voting rights in relation to the proposal.

Recommendation

The Board of Directors recommends a vote "FOR" the proposal to discharge the members of the Board of Directors and our executive management from liability for activities during fiscal year 2010.

Table of Contents**AGENDA ITEM 3.****Appropriation of the Available Earnings for Fiscal Year 2010.****Proposal of the Board of Directors**

The Board of Directors proposes that all available earnings of the Company be carried forward.

	in CHF
Appropriation of the Company's Available Earnings	
Balance brought forward from previous years	36,713,000
Net profit of the year	224,976,369
Total available earnings	261,689,369
Appropriation of Available Earnings	
Balance to be carried forward on this account	261,689,369
Explanation	

Under Swiss law, the appropriation of available earnings as set forth in the Swiss statutory financial statements must be submitted to shareholders for approval at each Annual General Meeting. The available earnings at the disposal of the Company's shareholders at the 2011 Annual General Meeting are the earnings of the Transocean group parent company, on a stand-alone basis.

The Board of Directors proposes that CHF 261,689,369 (the entire available earnings balance) be carried forward in available earnings.

The Board of Directors does not propose that a dividend be distributed out of the available earnings. Instead, the Board of Directors is submitting Agenda Item 6 regarding the distribution of a dividend out of additional paid-in capital, which agenda item is contingent on the approval by shareholders at the Annual General Meeting of the proposals of the Board of Directors under Agenda Item 3 (carry forward of the entire available earnings) and Agenda Item 5 (rescission of the distribution to shareholders in the form of a par value reduction as approved at the 2010 Annual General Meeting). If this Agenda Item 3 is not approved as proposed by the Board of Directors, then there will be no vote on Agenda Item 6 and, as a result, no dividend out of qualifying additional paid-in capital will be authorized by shareholders at the Annual General Meeting. Unlike a dividend distributed out of available earnings, a dividend paid out of additional paid-in capital is not subject to any Swiss federal withholding tax.

Voting Requirement to Approve Proposal

The affirmative "FOR" vote of a majority of the votes cast in person or by proxy at the annual general meeting, not counting abstentions or blank or invalid ballots.

Recommendation

The Board of Directors recommends a vote "FOR" this proposal.

Table of Contents

AGENDA ITEM 4.

Reallocation of Free Reserve to Legal Reserve, Reserve From Capital Contributions

Proposal of the Board of Directors

The Board of Directors proposes that CHF 3,243,051,000 of free reserve be reallocated to legal reserve, reserve from capital contributions.

	in CHF
Free reserve as of December 31, 2010	3,243,051,000
Reallocation to legal reserve, reserve from capital contributions	3,243,051,000
Total legal reserve, reserve from capital contributions	11,168,051,396*

*

Prior to the release and allocation of legal reserve, reserve from capital contributions, to the dividend reserve from capital contributions pursuant to the conditional Agenda Item 6.

Explanation

At the 2009 annual general meeting of the Company, shareholders approved the release of CHF 3.5 billion of additional paid-in capital, which had been booked in the Swiss statutory standalone balance sheet in the account "legal reserve," to the account "free reserve." The Board of Directors had submitted the respective proposal for approval by shareholders in accordance with then-prevailing Swiss practice in view of the concurrently proposed CHF 3.5 billion share repurchase program. Under the 2009 shareholder resolution, which approved the share repurchase program, we have repurchased, as of March 1, 2011, 2,863,267 of our shares for an aggregate purchase price of approximately CHF 257 million. The amount of free reserves as of December 31, 2010 was CHF 3,243,051,000.

On January 1, 2011, a new tax law regarding the distribution of qualifying additional paid-in capital came into force. Under the new tax law, distributions of qualifying additional paid-in capital in the form of a dividend are no longer subject to Swiss federal withholding tax. The Swiss federal tax authorities require Swiss companies to present qualifying additional paid-in capital in their statutory financial statements as a sub-item to the "legal reserve" account and designate it as "legal reserve, reserve from capital contributions."

The proposed reallocation of CHF 3,243,051,000 from free reserve to legal reserve, reserve from capital contributions, is intended to ensure (1) compliance with the requirements of the Swiss federal tax authorities, and (2) that such amount, which as of December 31, 2010 had been booked as "free reserve," continues to be available for share repurchases in the future without any incurrence of Swiss federal withholding tax.

Voting Requirement to Approve Proposal

The affirmative "FOR" vote of a majority of the votes cast in person or by proxy at the annual general meeting, not counting abstentions or blank or invalid ballots.

Recommendation

The Board of Directors recommends a vote "FOR" this proposal.