TRANSOCEAN INC
Form 424B5
December 02, 2011

Use these links to rapidly review the document
TABLE OF CONTENTS
TABLE OF CONTENTS

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Registration Statement No. 333-169401

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Maximum Aggregate Offering Price	Amount of Registration Fee
5.050% Senior Notes due 2015	$1,000,000,000	99.906%	$114,600
6.50% Senior Notes due 2020	$1,200,000,000	99.946%	$137,520
7.350% Senior Notes due 2041	$300,000,000	99.996%	$34,380
Total	$2,500,000,000		$286,500

Prospectus Supplement to Prospectus dated September 16, 2010.

$1,000,000,000 5.050% Senior Notes due 2016
$1,200,000,000 6.375% Senior Notes due 2021
$300,000,000 7.350% Senior Notes due 2041

Fully and Unconditionally Guaranteed by
Transocean Ltd.

Transocean Inc. will pay interest on each series of notes semi-annually on June 15 and December 15 of each year, commencing on June 15, 2012. The interest rate on the notes of each series may be adjusted under the circumstances described in this prospectus supplement under "Description of the Notes and Guarantees Interest Rate Adjustment." The notes are unsecured and will rank equally with all of Transocean Inc.'s existing and future unsecured and unsubordinated debt. The due and punctual payment of the principal of, premium, if any, interest on and all other amounts due under the notes will be fully and unconditionally guaranteed by Transocean Ltd. The guarantees will rank equally with all other unsecured indebtedness of Transocean Ltd. The notes will be issued only in denominations of $1,000 and integral multiples of $1,000.

Transocean Inc. may redeem all or part of any series of the notes at any time prior to maturity at a price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest and a "make-whole premium," as described under "Description of the Notes and Guarantees Optional Redemption."

See "Risk Factors" beginning on page S-7 of this prospectus supplement and on page 3 of the accompanying prospectus to read about factors you should consider before buying the notes.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Public Offering Price		Underwriting Discount		Proceeds, Before Expenses, to Us	
	Per Note	Total	Per Note	Total	Per Note	Total
5.050% Senior Notes due 2016	99.906%	$ 999,060,000	0.60%	$ 6,000,000	99.306%	$ 993,060,000
6.375% Senior Notes due 2021	99.946%	$ 1,199,352,000	0.65%	$ 7,800,000	99.296%	$ 1,191,552,000
7.350% Senior Notes due 2041	99.996%	$ 299,988,000	0.875%	$ 2,625,000	99.121%	$ 297,363,000
Total		$ 2,498,400,000		$ 16,425,000		$ 2,481,975,000

The initial public offering price set forth above does not include accrued interest, if any. Interest on the notes will accrue from December 5, 2011 and must be paid by the purchasers if the notes are delivered after December 5, 2011.

The underwriters expect to deliver the notes through the facilities of The Depository Trust Company against payment in New York, New York on December 5, 2011.

Joint Book-Running Managers

Barclays Capital
Credit Suisse

Mitsubishi UFJ Securities

Wells Fargo Securities

Citigroup

J.P. Morgan

Co-Managers

Credit Agricole CIB

D NB Markets

Goldman, Sachs & Co.

Standard Chartered Bank

Prospectus Supplement dated November 30, 2011.

Table of Contents

TABLE OF CONTENTS

Transocean Inc. and Transocean Ltd. have not authorized anyone to provide you with information other than the information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus. This prospectus is an offer to sell only the notes offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus is current only as of its date.

This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of the notes and adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into the prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, gives more general information, some of which does not apply to the notes offered hereby. If the description of the notes varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

Table of Contents

The notes will not be listed on the SIX Swiss Exchange and, therefore, this prospectus supplement has been prepared without regard to the disclosure standards of the listing rules (including any additional Listing Rules or prospectus schemes) of the SIX Swiss Exchange. The notes will not be publicly offered in Switzerland and, therefore, this prospectus supplement has been prepared without regard to the disclosure standards for issuance prospectuses under article 652a or article 1156 of the Swiss Code of Obligations. Neither this document nor any other offering or marketing material relating to these securities or the offering may be publicly distributed or otherwise made publicly available in Switzerland. This document has not been and will not be filed with or approved by any Swiss regulatory authority. In particular, this document has not and will not be filed with the Swiss Financial Market Supervisory Authority FINMA.

This communication is only being distributed to and is only directed at (1) persons who are outside the United Kingdom or (2) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (3) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Limitations on Comparability

As discussed in Note 8 to the unaudited condensed consolidated financial statements included in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2011, in connection with our efforts to dispose of non-strategic assets: (a) in March 2011, we engaged an unaffiliated advisor to coordinate the sale of the assets of our oil and gas properties reporting unit, and (b) in February 2011, we sold our former subsidiary that owns the High-Specification Jackup *Trident 20*, located in the Caspian Sea. As a result of these developments, we have reclassified the assets and liabilities and operating results associated with these discontinued operations in the unaudited consolidated financial statements included in our Quarterly Reports on Form 10-Q for the periods ended March 31, 2011, June 30, 2011 and September 30, 2011, which are incorporated by reference in this prospectus supplement. The audited consolidated financial statements included in our 2010 Annual Report on Form 10-K, which are also incorporated by reference in this prospectus supplement, have not been recast to reflect these discontinued operations. These differences limit comparability of data across the relevant periods.

Table of Contents

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The statements included in this prospectus supplement and the documents incorporated by reference in the accompanying prospectus regarding future financial performance and results of operations and other statements that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements include, but are not limited to, statements about the following subjects:

- the impact of the Macondo well incident and related matters,
- the offshore drilling market, including the impact of the drilling moratorium and new regulations in the United States ("U.S.") Gulf of Mexico, supply and demand, utilization rates, dayrates, out of service and unplanned downtime, customer drilling programs, commodity prices, stacking of rigs, reactivation of rigs, effects of new rigs on the market and effects of declines in commodity prices and the downturn in the global economy or market outlook for our various geographical operating sectors and classes of rigs,
- customer contracts, including contract backlog, force majeure provisions, contract commencements, contract extensions, contract terminations, contract option exercises, contract revenues, contract awards and rig mobilizations,
- newbuild, upgrade, shipyard and other capital projects, including completion, delivery and commencement of operation dates, expected downtime and lost revenue, the level of expected capital expenditures and the timing and cost of completion of capital projects,
- liquidity and adequacy of cash flow for our obligations, including our ability and the expected timing to access certain investments in highly liquid instruments,
- our results of operations and cash flow from operations, including revenues and expenses,
- uses of excess cash, including the payment of dividends and other distributions and debt retirement,
- the cost, timing and integration of acquisitions and the proceeds and timing of dispositions,
- tax matters, including, but not limited to, our effective tax rate, changes in tax laws, treaties and regulations, tax assessments and liabilities for tax issues, including those associated with our activities in Brazil, Norway and the U.S.,
- legal and regulatory matters, including results and effects of legal proceedings and governmental audits and assessments, outcomes and effects of internal and governmental investigations, customs and environmental matters,
- insurance matters, including adequacy of insurance, renewal of insurance, insurance proceeds and cash investments of our wholly owned captive insurance company,

debt levels, including impacts of the financial and economic downturn,

effects of accounting changes and adoption of accounting policies, and

investments in recruitment, retention and personnel development initiatives, pension plan and other postretirement benefit plan contributions, the timing of severance payments and benefit payments.

Table of Contents

Forward-looking statements included or incorporated by reference in this prospectus supplement and the accompanying prospectus are identifiable by use of the following words and other similar expressions, among others:

"anticipates"	"may"
"believes"	"might"
"budgets"	"plans"
"could"	"predicts"
"estimates"	"projects"
"expects"	"scheduled"
"forecasts"	"should"
"intends"	

Such statements are subject to numerous risks, uncertainties and assumptions, including, but not limited to:

- those described under "Risk Factors" in this prospectus supplement and the accompanying prospectus and in Transocean Ltd.'s filings with the Securities and Exchange Commission (the "SEC"),
- the adequacy of and access to sources of liquidity,
- our inability to obtain contracts for our rigs that do not have contracts,
- our inability to renew contracts at comparable dayrates,
- operational performance,
- the impact of regulatory changes,
- the cancellation of contracts currently included in our reported contract backlog,
- increased political and civil unrest,

the effect and results of litigation, tax audits and contingencies, and

other factors discussed in this prospectus supplement, the accompanying prospectus and in Transocean Ltd.'s filings with the SEC, which are available free of charge on the SEC's website at *www.sec.gov*. Information on Transocean Ltd.'s website or any other website is not incorporated by reference in this prospectus supplement or the accompanying prospectus and does not constitute a part of this prospectus supplement or the accompanying prospectus.

The foregoing risks and uncertainties are beyond our ability to control, and in many cases, we cannot predict the risks and uncertainties that could cause our actual results to differ materially from those indicated by the forward looking statements. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated.

All subsequent written and oral forward-looking statements attributable to Transocean Ltd. or Transocean Inc. or to persons acting on their behalf are expressly qualified in their entirety by reference to these risks and uncertainties. You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement, and Transocean Ltd. and Transocean Inc. undertake no obligation to publicly update or revise any forward-looking statements, except as required by law.

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

Transocean Ltd. files annual, quarterly and current reports, proxy statements and other information with the SEC. You can read and copy these materials at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You can obtain information about the operation of the SEC's public reference room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains information Transocean Ltd. has filed electronically with the SEC, which you can access over the Internet at http://www.sec.gov. You can also obtain information about Transocean Ltd. at the offices of the NYSE Euronext, 11 Wall Street, 5th Floor, New York, New York 10005.

Transocean Ltd.'s website is located at http://www.deepwater.com. Transocean Ltd.'s Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings with the SEC are available, free of charge, through its website, as soon as reasonably practicable after those reports or filings are electronically filed with or furnished to the SEC. Information on Transocean Ltd.'s website or any other website is not incorporated by reference in this prospectus supplement or the accompanying prospectus and does not constitute a part of this prospectus supplement or the accompanying prospectus.

This prospectus supplement and the accompanying prospectus are part of a registration statement Transocean Ltd. and Transocean Inc. have filed with the SEC relating to the securities the issuers may offer. As permitted by SEC rules, this prospectus supplement and the accompanying prospectus do not contain all of the information included in the registration statement and the accompanying exhibits and schedules. You may refer to the registration statement, exhibits and schedules for more information about Transocean Ltd., Transocean Inc. and the securities. The registration statement, exhibits and schedules are available at the SEC's public reference room or through its website.

The SEC allows the issuers to "incorporate by reference" the information Transocean Ltd. has filed with it, which means that the issuers can disclose important information to you by referring you to those documents. The information the issuers incorporate by reference is an important part of this prospectus supplement, and later information that Transocean Ltd. files with the SEC will automatically update and supersede this information. Transocean Ltd. and Transocean Inc. incorporate by reference the documents listed below and any future filings Transocean Ltd. makes with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (other than information "furnished" and not "filed" with the SEC, unless the issuers specifically provide that such "furnished" information is to be incorporated by reference) after the date of this prospectus supplement and until all of the notes offered hereby are sold. The documents the issuers incorporate by reference are:

Transocean Ltd.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2010, as amended by Transocean Ltd.'s Annual Report on Form 10-K/A filed with the SEC on November 25, 2011;

Transocean Ltd.'s Quarterly Reports on Form 10-Q for the periods ended March 31, 2011, June 30, 2011 and September 30, 2011;

Transocean Ltd.'s Current Reports on Form 8-K filed with the SEC on January 18, 2011, February 3, 2011, February 14, 2011, May 18, 2011, June 17, 2011, June 30, 2011, July 20, 2011, August 4, 2011, August 15, 2011, August 17, 2011, November 4, 2011, November 23, 2011 and November 30, 2011; and

Transocean Ltd.'s Current Report on Form 8-K/A filed with the SEC on August 17, 2011.

Table of Contents

You may request a copy of these filings, other than an exhibit to these filings unless the issuers have specifically incorporated that exhibit by reference into the filing, at no cost, by writing or calling:

Transocean Ltd.
c/o Transocean Offshore Deepwater Drilling Inc.
4 Greenway Plaza
Houston, Texas 77046
Attention: Vice President, Investor Relations
Telephone: (713) 232-7500

Table of Contents

ENFORCEABILITY OF CIVIL LIABILITIES AGAINST FOREIGN PERSONS

Transocean Inc. is a Cayman Islands exempted company and Transocean Ltd. is a Swiss corporation. Certain of their respective officers and directors may be residents of various jurisdictions outside the U.S. All or a substantial portion of the assets of Transocean Inc. and Transocean Ltd. and the assets of these persons may be located outside the U.S. As a result, it may be difficult for investors to effect service of process within the U.S. upon these persons or to enforce any U.S. court judgment obtained against these persons that is predicated upon the civil liability provisions of U.S. federal securities laws. Transocean Inc. has agreed to be served with process with respect to actions based on offers and sales of the notes. To bring a claim against Transocean Inc., you may serve Transocean Ltd.'s Corporate Secretary, c/o Transocean Offshore Deepwater Drilling Inc., 4 Greenway Plaza, Houston, Texas 77046, the U.S. agent appointed for that purpose.

Ogier, Transocean Inc.'s Cayman Islands legal counsel, has advised Transocean Inc. that it is uncertain that Cayman Islands courts would enforce (1) judgments of U.S. courts obtained in actions against Transocean Inc. or other persons that are predicated upon the civil liability provisions of the U.S. federal securities laws or (2) original actions brought against Transocean Inc. or other persons predicated upon the Securities Act. There is no treaty between the United States and the Cayman Islands providing for enforcement of judgments, and there are grounds upon which Cayman Islands courts may not enforce judgments of U.S. courts. In general, Cayman Islands courts would not enforce any remedies if they are deemed to be penalties, fines, taxes or similar remedies.

Homburger AG, Transocean Ltd.'s Swiss legal counsel, has advised Transocean Ltd. that it is uncertain that Swiss courts would enforce (1) judgments of U.S. courts obtained in actions against Transocean Ltd. or other persons that are predicated upon the civil liability provisions of U.S. federal securities laws or (2) original actions brought against Transocean Ltd. or other persons predicated upon the Securities Act. The enforceability in Switzerland of a foreign judgment rendered against Transocean Ltd. or such other persons is subject to the limitations set forth in such international treaties by which Switzerland is bound and the Swiss Federal Private International Law Act. In particular, and without limitation to the foregoing, a judgment rendered by a foreign court may only be enforced in Switzerland if:

such foreign court had jurisdiction,

such judgment has become final and nonappealable,

the court procedures leading to such judgment followed the principles of due process of law, including proper service of process, and

such judgment does not violate Swiss law principles of public policy.

In addition, enforceability of a judgment by a non-Swiss court in Switzerland may be limited if Transocean Ltd. can demonstrate that it or such other persons were not effectively served with process.

Table of Contents

SUMMARY

This summary may not contain all of the information that is important to you. You should read this entire prospectus supplement and the accompanying prospectus, including the documents incorporated by reference, before making an investment decision. In sections of this prospectus supplement that describe the business of Transocean Ltd., when we use the terms "we," "us" or "our," we are referring to Transocean Ltd. together with its consolidated subsidiaries and predecessors, the term "Transocean Ltd." means Transocean Ltd. only, and the term "Transocean Inc." means Transocean Inc. only, unless the context otherwise requires. Transocean Inc. is a direct, wholly owned subsidiary of Transocean Ltd.

About Transocean Inc.

Transocean Inc. is a direct, wholly owned subsidiary of Transocean Ltd. Substantially all of our operations are conducted through subsidiaries of Transocean Inc. Subsequent to September 30, 2011, we have also conducted operations through Transocean Services AS, a direct, wholly owned subsidiary of Transocean Ltd.

Transocean Inc.'s principal executive offices are located at 70 Harbour Drive, Grand Cayman, Cayman Islands KY1-1003, and its telephone number at that address is (345) 745-4500.

About Transocean Ltd.

Transocean Ltd., through its subsidiaries, is the leading international provider of offshore contract drilling services for oil and gas wells. At November 25, 2011, we owned or had partial ownership interests in and operated 135 mobile offshore drilling units. As of this date, our fleet consisted of 50 High-Specification Floaters (Ultra-Deepwater, Deepwater and Harsh Environment semisubmersibles and drillships), 25 Midwater Floaters, nine High-Specification Jackups, 50 Standard Jackups and one swamp barge. We also had two Ultra-Deepwater drillships and four High-Specification Jackups under construction.

We believe our mobile offshore drilling fleet is one of the most modern and versatile fleets in the world. Our primary business is to contract our drilling rigs, related equipment and work crews predominantly on a dayrate basis to drill oil and gas wells. We specialize in technically demanding regions of the offshore drilling business with a particular focus on deepwater and harsh environment drilling services. We also provide oil and gas drilling management services on either a dayrate basis or a completed-project, fixed-price (or "turnkey") basis, as well as drilling engineering and drilling project management services.

Transocean Ltd. is a Swiss corporation with its registered office at Turmstrasse 30, CH-6300 Zug, Switzerland, and its principal executive offices located at Chemin de Blandonnet 10, CH-1214 Vernier, Switzerland. Transocean Ltd.'s telephone number at that address is +41 22 930 9000. Transocean Ltd.'s shares are listed on the New York Stock Exchange under the symbol "RIG" and on the SIX Swiss Exchange under the symbol "RIGN."

Recent Developments

Recent Equity Offering. On November 29, 2011, Transocean Ltd. priced an offering of 26,000,000 shares (the "Equity Offering") at $40.50 per share. Transocean Ltd. granted the underwriters a 30-day option to purchase up to 3,900,000 additional shares to cover over-allotments, if any. Transocean Ltd. expects to receive net proceeds from the Equity Offering of approximately $1,008 million (or $1,159 million if the underwriters exercise their option to purchase 3,900,000 additional shares in full). The Equity Offering is expected to settle and close on December 5, 2011, subject to customary closing conditions. This offering and the Equity Offering are not contingent upon each other.

Table of Contents

Transocean Ltd. intends to use the net proceeds from the Equity Offering to partially fund the expected repurchase of Transocean Inc.'s 1.50% Series B Convertible Senior Notes due December 2037 (the "Series B Convertible Senior Notes").

Five-Year Revolving Credit Facility. On November 1, 2011, we entered into the Five-Year Revolving Credit Facility Agreement for a $2.0 billion, five-year revolving credit facility (the "Credit Facility"), thereby replacing the five-year revolving credit facility under the Credit Facility Agreement dated November 27, 2007. Throughout the term of the Credit Facility, we will pay a facility fee on the daily amount of the underlying commitment, whether used or unused, which ranges from 0.10 percent to 0.30 percent, based on our debt rating. At November 1, 2011, we had $24 million in letters of credit issued and outstanding, $1.9 billion available borrowing capacity and no borrowings outstanding under the Credit Facility.

Market Update. Our revenues are impacted by various items, but most significantly by out of service time and unplanned downtime. As disclosed in our November 15, 2011 fleet status report, we expect an increase in out of service days in the fourth quarter of 2011 as compared to that projected in the October 17, 2011 fleet status report. This increase in out of service days could have an impact that we estimate to be between $160 million and $200 million on our revenues for the fourth quarter of 2011. Changes in estimated out of service time are based on a variety of factors, some of which are not within our control, including (1) modifications or upgrades to a rig as a result of contract or regulatory requirements (2) performance of our significant suppliers, (3) changes in customers' operating schedules, and (4) changes to scheduled shipyards, surveys, repairs and regulatory inspections or other scheduled service or work on the rig. For the nine months ended September 30, 2011, our revenues were negatively impacted by significant unplanned downtime. While we have engaged in efforts to reduce unplanned downtime, there can be no assurance that such efforts will have a material impact on our revenues for the fourth quarter of 2011.

Our annual effective tax rate for the nine-month period ended September 30, 2011 was 34.1% as compared to 17.0% in the comparable period in 2010. This increase was primarily due to reduced profitability in certain jurisdictions where activities are either taxed on a deemed profit basis or subject to lower tax rates. Actual revenues that are significantly lower than those expected at the time of our October 17, 2011 fleet status report could materially increase our annual effective tax rate for the year ending December 31, 2011.

Aker Drilling Credit Facility

In connection with our acquisition of Aker Drilling ASA ("Aker"), the outstanding debt under Aker's credit facility will become due and payable on December 30, 2011 unless we obtain consents, which must not be unreasonably withheld, from each lender with respect to its commitment. We are currently in discussions to obtain the necessary waivers from each of the lenders. As of November 1, 2011, approximately $600 million was outstanding under Aker's credit facility.

Description of Share Capital

Issued Share Capital. As of November 29, 2011, after giving effect to the Equity Offering, our share capital registered in the Commercial Register of the Canton of Zug was CHF 5,418,529,470, divided into 361,235,298 shares with a par value of CHF 15.00 each. Our issued shares are fully paid, non-assessable, and rank *pari passu* with each other and all other shares.

Authorized Share Capital. At our annual general meeting of shareholders held on May 13, 2011 (the "2011 AGM"), shareholders approved a new authorized share capital. Our board of directors is authorized to issue new shares at any time during a two-year period ending May 13, 2013 and thereby increase the share capital, without shareholder approval, by a maximum amount of CHF 1,005,705,855

Table of Contents

through the issuance of a maximum of 67,047,057 shares with a par value of CHF 15.00 each. After the expiration of this initial two-year period, and each subsequent two-year period, if any, authorized share capital will be available to the board of directors for issuance of additional shares only if the authorization is reapproved by our shareholders. Our authorized share capital expires on May 13, 2013.

On November 18, 2011, our board of directors resolved, based on our authorized share capital contained in our articles of association dated May 13, 2011 and the resolutions adopted at our 2011 AGM, to increase our share capital through the issuance of up to 30,000,000 new, fully paid-in shares. On November 29, 2011, in connection with the Equity Offering, our share capital was increased from CHF 5,028,529,470 by CHF 390,000,000 to CHF 5,418,529,470, divided into 361,235,298 shares (of which 319,894,914 were outstanding on November 25, 2011) with a par value of CHF 15.00 each. In addition, if the underwriters in the Equity Offering exercise their option to purchase additional shares in full, our share capital will be increased by CHF 58,500,000 through the issuance of 3,900,000 shares with a par value of CHF 15.00 each. Accordingly, our authorized share capital was reduced by CHF 390,000,000 (or will be reduced by CHF 448,500,000 if the underwriters in the Equity Offering exercise their option to purchase additional shares in full), resulting in an authorized share capital of CHF 615,705,855 (or CHF 557,205,855 if the underwriters in the Equity Offering exercise their option to purchase additional shares in full), authorizing our board of directors to issue up to 41,047,057 new shares (or 37,147,057 new shares if the underwriters exercise their option to purchase additional shares in full) at any time during a two-year period ending May 13, 2013.

Table of Contents

The Offering

Issuer	Transocean Inc.
Guarantor	Transocean Ltd.
Notes Offered	$1,000,000,000 principal amount of 5.050% Senior Notes due 2016, which we refer to as the 2016 notes. $1,200,000,000 principal amount of 6.375% Senior Notes due 2021, which we refer to as the 2021 notes. $300,000,000 principal amount of 7.350% Senior Notes due 2041, which we refer to as the 2041 Notes. We refer to the 2016 notes, the 2021 notes and the 2041 notes, collectively, as the "notes."
Maturity Date	December 15, 2016 for the 2016 notes. December 15, 2021 for the 2021 notes. December 15, 2041 for the 2041 notes.
Interest Payment Dates	Semi-annually on June 15 and December 15 of each year, commencing on June 15, 2012.
Interest Rate Adjustment	The interest rate payable on the notes of each series will be subject to adjustment from time to time if Moody's Investors Service, Inc. ("Moody's") or Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P") (or a substitute therefor), downgrades (or downgrades and subsequently upgrades) the credit rating assigned to such series of notes as described under "Description of the Notes and Guarantees Interest Rate Adjustment."
Guarantees	The due and punctual payment of the principal of, premium, if any, interest on and all other amounts due under each series of the notes will be fully and unconditionally guaranteed by Transocean Ltd.
Ranking	The notes will rank equally with all of Transocean Inc.'s existing and future unsecured, unsubordinated debt and senior to any future subordinated debt of Transocean Inc. The guarantees will be the general unsecured obligations of Transocean Ltd. and will rank equally with all existing and future unsecured and unsubordinated debt of Transocean Ltd. The notes and the guarantees will be effectively subordinated to all existing and future indebtedness of the subsidiaries of Transocean Inc. and Transocean Ltd., respectively.

Table of Contents

	As of September 30, 2011, Transocean Inc. had no secured indebtedness, and Transocean Inc.'s subsidiaries and consolidated variable interest entities had aggregate indebtedness of $2.1 billion, excluding intercompany indebtedness. As of September 30, 2011, Transocean Ltd. had no outstanding indebtedness other than its guarantee of an aggregate of $9.0 billion of indebtedness of Transocean Inc. A subsidiary of Transocean Services AS that was acquired subsequent to September 30, 2011 had an aggregate principal amount of indebtedness of $1.8 billion as of October 3, 2011, the acquisition date.
Optional Redemption	Transocean Inc. may redeem all or part of any series of the notes at any time prior to maturity at a price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest and a "make-whole premium," as described under "Description of the Notes and Guarantees Optional Redemption."
Certain Covenants	The indenture relating to the notes contains limitations on Transocean Inc.'s ability to incur debt secured by specified liens, to engage in sale/leaseback transactions and to engage in specified merger, consolidation, scheme of arrangement or reorganization transactions.
No Listing of the Notes	Transocean Inc. does not intend to apply to list the notes on any securities exchange or include them in any automated quotation system.
Additional Notes	Transocean Inc. may, from time to time, without giving notice to or seeking the consent of the existing holders of the notes, issue additional notes having the same ranking, interest rate, maturity and other terms as notes issued in this offering. Any additional notes having such similar terms together with the previously issued notes will constitute a single series of debt securities under the indenture.

Table of Contents

Use of Proceeds	Transocean Inc. intends to use approximately $672 million of the estimated $2,479 million of net proceeds from this offering to fund (after application of the proceeds of the Equity Offering) the expected repurchase of its Series B Convertible Senior Notes that holders of the Series B Convertible Senior Notes may require it to repurchase in December 2011. In addition, Transocean Inc. intends to use a portion of the net proceeds from this offering to refinance all commercial paper notes outstanding under its commercial paper program, which is supported by the Credit Facility (the "Commercial Paper Facility"), as they come due. Transocean Inc. intends to use the remainder of such net proceeds for general corporate purposes in its operations including but not limited to capital expenditures, acquisitions or repayment or refinancing of debt. Pending application of the net proceeds from the sale of the notes, Transocean Inc. intends to invest such proceeds in cash or cash equivalents. See "Use of Proceeds."
Form of the Notes	The notes will be evidenced by one or more global notes deposited with the trustee as custodian for The Depository Trust Company ("DTC"). The global notes will be registered in the name of Cede & Co., as DTC's nominee.
Risk Factors	Transocean Inc. and Transocean Ltd. urge you to consider carefully the risks described in "Risk Factors" beginning on page S-7 of this prospectus supplement, and on page 3 of the accompanying prospectus and in Transocean Ltd.'s SEC filings, which are included or incorporated by reference in this prospectus supplement or the accompanying prospectus, before making an investment decision.
Governing Law	State of New York.

Table of Contents

RISK FACTORS

In considering whether to purchase the notes, you should consider carefully the following matters and those described under "Risk Factors" in the accompanying prospectus, in addition to the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus.

Risks Related to Our Business

Investment in the notes involves various risks. In making an investment decision, you should carefully consider the risks and uncertainties described under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2010 and our Quarterly Reports on Form 10-Q for the periods ended March 31, 2011, June 30, 2011 and September 30, 2011 that are incorporated herein by reference and any future filings made by Transocean Ltd. pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act, prior to the termination of this offering as well as the risk factors below.

Risks Related to the Notes

The notes are obligations exclusively of Transocean Inc. and Transocean Ltd., as guarantor, and not of Transocean Inc.'s subsidiaries or Transocean Ltd.'s other subsidiaries, and payments to holders of the notes will be effectively subordinated to the claims of such subsidiaries' creditors.

The notes are obligations exclusively of Transocean Inc. and Transocean Ltd., as guarantor of the notes, and not of Transocean Inc.'s subsidiaries or Transocean Ltd.'s other subsidiaries. Each of Transocean Inc. and Transocean Ltd. is a holding company and, accordingly, substantially all of their respective operations are conducted through their subsidiaries. As a result, Transocean Inc.'s and Transocean Ltd.'s cash flow and Transocean Inc.'s ability to service its debt, including the notes, and Transocean Ltd.'s ability to satisfy its guarantee obligations are dependent upon the earnings of their respective subsidiaries and on the distribution of earnings, loans or other payments by such subsidiaries to Transocean Inc. and Transocean Ltd. The subsidiaries of Transocean Ltd. are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due on the notes or to make funds available to them to do so. In addition, contractual provisions or laws, as well as such subsidiaries' financial condition and operating requirements, may limit Transocean Inc.'s or Transocean Ltd.'s ability to obtain from such subsidiaries the cash each needs to pay its respective debt service or guarantee obligations, including payments on or with respect to the notes. Transocean Inc., Transocean Ltd. and their respective subsidiaries will be permitted under the terms of the indenture governing the notes to incur additional indebtedness or otherwise enter into agreements that may restrict or prohibit subsidiaries of Transocean Inc. or Transocean Ltd. from the making of distributions, the payment of dividends or the making of loans to Transocean Inc. or Transocean Ltd. Transocean Inc. and Transocean Ltd. cannot assure you that the agreements governing the current and future indebtedness of their respective subsidiaries or other agreements of Transocean Inc., Transocean Ltd. or their respective subsidiaries will permit such subsidiaries to provide Transocean Inc. or Transocean Ltd. with sufficient dividends, distributions or loans to fund payments on the notes when due or, in the case of Transocean Ltd., to satisfy any guarantee obligations. We have agreed to provide the U.S. Department of Justice reasonable prior notice before making substantial cash payments out of certain of our U.S. subsidiaries, other than in the ordinary course of business. In addition, holders of the notes will have a junior position to the claims of creditors and securityholders of our subsidiaries on their assets and earnings, including claims and potential claims against our subsidiaries relating to the Macondo well incident. In addition, the indenture allows Transocean Inc. and Transocean Ltd. to create new subsidiaries and invest in their subsidiaries, all of whose assets you will not have any claim against. As of September 30, 2011, Transocean Inc.'s subsidiaries and consolidated variable interest entities had outstanding approximately $2.1 billion of indebtedness, excluding intercompany indebtedness. A subsidiary of Transocean Services AS that was acquired subsequent to September 30, 2011 had aggregate indebtedness of $1.8 billion as of October 3, 2011, the acquisition date.

Table of Contents

Payments on the notes, including under the guarantees, will be effectively subordinated to claims of secured creditors.

The notes represent unsecured obligations of Transocean Inc. Accordingly, any secured creditor of Transocean Inc. will have claims that are superior to your claims as holders of the notes to the extent of the value of the assets securing that other indebtedness. Similarly, the guarantees of the notes will not be secured by any assets of Transocean Ltd. and will effectively rank junior to any secured debt of Transocean Ltd., as the guarantor, to the extent of the value of the assets securing the debt. In the event of any distribution or payment of assets of Transocean Inc. or Transocean Ltd. in any foreclosure, dissolution, winding-up, liquidation, reorganization, bankruptcy or similar proceeding, secured creditors of Transocean Inc. and Transocean Ltd., respectively, will have a superior claim to their respective collateral. If any of the foregoing events occur, we cannot assure you that there will be sufficient assets to pay amounts due on the notes or with respect to any guarantee. Holders of the notes will participate ratably with all holders of unsecured senior indebtedness of Transocean Inc. and Transocean Ltd., and with all of Transocean Inc.'s and Transocean Ltd.'s other general senior creditors, based upon the respective amounts owed to each holder or creditor, in the remaining assets of Transocean Inc. and Transocean Ltd. As a result, holders of notes may receive less, ratably, than secured creditors of Transocean Inc. and Transocean Ltd. The terms of the indenture limit Transocean Inc.'s ability to create, assume or allow to exist any debt secured by a lien upon the drilling rigs or drillships of Transocean Inc. However, these limitations are subject to numerous exceptions. See "Description of the Notes and Guarantees Certain Covenants." In addition, the terms of the indenture do not limit Transocean Ltd.'s ability to create, assume or allow to exist any liens on assets of Transocean Ltd. to secure any debt. As of September 30, 2011, Transocean Ltd. and Transocean Inc. had no outstanding secured debt, and Transocean Inc.'s consolidated variable interest entities had aggregate secured debt obligations of $693 million. A subsidiary of Transocean Services AS that was acquired subsequent to September 30, 2011 had outstanding secured debt obligations of an aggregate of $1.7 billion as of October 3, 2011, the acquisition date.

No market currently exists for the notes, and an active trading market for the notes may not develop.

Each series of the notes comprises a new issue of securities for which there is currently no public market. If the notes are traded after their initial issuance, they may trade at a discount from their initial public offering price, depending on prevailing interest rates, the market for similar securities, the interest of securities dealers in making a market and the number of available buyers, our performance and financial condition and other factors. To the extent that an active trading market for the notes does not develop, the liquidity and trading prices for the notes may be harmed. Thus, you may not be able to liquidate your investment rapidly, or at all.

We could enter into various transactions that could increase the amount of our outstanding debt, adversely affect our capital structure or credit ratings or otherwise adversely affect holders of the notes.

The terms of the notes do not prevent us from incurring indebtedness, paying dividends and other distributions, repurchasing securities or entering into a variety of acquisition, change-of-control, refinancing, recapitalization or other highly leveraged transactions. As a result, we could enter into a variety of transactions that could increase the total amount of our outstanding indebtedness, adversely affect our capital structure or credit ratings or otherwise adversely affect the holders of the notes. Standard & Poor's and Fitch Ratings each recently downgraded their ratings of our senior unsecured debt with a negative outlook. In addition, Moody's Investors Service recently placed our credit rating on review for possible downgrade. We cannot assure you that our credit ratings will not be downgraded in the future. A negative change in our credit ratings could have an adverse effect on the trading price of the notes. See "Risk Factors Our overall debt level and/or market conditions could lead the credit

Table of Contents

rating agencies to lower our corporate credit ratings below current levels and possibly below investment grade" in the accompanying prospectus.

To service our indebtedness, we will use a significant amount of cash. Our ability to generate cash to service our indebtedness depends on many factors beyond our control.

Our ability to make payments on our indebtedness, including the notes, and to fund planned capital expenditures will depend on our ability to generate cash in the future. This ability, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control, and the costs and liabilities associated with the Macondo well incident. We cannot assure you that cash flow generated from our business will be sufficient to enable us to pay our indebtedness, including the notes, and to fund our other liquidity needs or that other sources of cash, including future borrowings by us under our existing revolving credit facility, will be available to us on attractive terms or at all to provide any required liquidity.

Table of Contents

USE OF PROCEEDS

The net proceeds to Transocean Inc. from this offering, after deducting underwriting discounts and estimated offering expenses, are estimated to be approximately $2,479 million. Transocean Inc. intends to use approximately $672 million of the net proceeds from this offering together with the net proceeds from the Equity Offering to fund the expected repurchase of its Series B Convertible Senior Notes that holders of the Series B Convertible Senior Notes may require it to repurchase in December 2011. As of September 30, 2011, the aggregate principal amount of Series B Convertible Senior Notes outstanding was $1.7 billion. This offering and the Equity Offering are not contingent upon each other. In addition, Transocean Inc. intends to use approximately $46 million of the net proceeds from this offering to refinance all commercial paper notes outstanding under the Commercial Paper Facility as they come due. Transocean Inc. intends to use the remainder of such net proceeds for general corporate purposes in its operations including but not limited to capital expenditures, acquisitions or repayment or refinancing of debt. Pending application of the net proceeds from the sale of the notes, Transocean Inc. intends to invest such proceeds in cash and cash equivalents.

The Series B Convertible Senior Notes will mature on December 15, 2037. Holders of Series B Convertible Senior Notes will have the right to require Transocean Inc. to repurchase their notes on December 15, 2011. In light of current market conditions, we currently anticipate substantially all of such notes will be submitted for repurchase as of such date.

At November 30, 2011, $46 million in commercial paper was outstanding under the Commercial Paper Facility at a weighted-average interest rate of 0.9 percent, including commissions.

Table of Contents

RATIO OF EARNINGS TO FIXED CHARGES

The following table presents our historical ratio of earnings to fixed charges for the nine-month period ended September 30, 2011 and for each of the years in the five-year period ended December 31, 2010 and pro forma ratio of earnings to fixed charges for the nine months ended September 30, 2011 and for the year ended December 31, 2010. In 2011, in connection with our efforts to dispose of non-strategic assets, we sold the subsidiary that owns the High-Specification Jackup *Trident 20*, located in the Caspian Sea, and we engaged an unaffiliated advisor to coordinate the sale of the assets of our oil and gas properties operating segment. As a result, we reclassified the operating results of these components of our contract drilling services segment and our other operations segment to discontinued operations beginning with the Quarterly Report on Form 10-Q for the period ended March 31, 2011. The historical ratios of earnings to fixed charges for each of the years in the five-year period ended December 31, 2010 and the pro forma ratio of earnings to fixed charges for the year ended December 31, 2010 have not been restated to reflect the operating results of our Caspian Sea and oil and gas operations as discontinued operations.

	Pro forma		Historical					
				Years ended December 31,				
	Nine months ended September 30, 2011	Year ended December 31, 2010	Nine months ended September 30, 2011	2010	2009	2008	2007	2006
Ratio of earnings to fixed charges	1.74x	2.51x	2.01x	2.77x	6.36x	6.67x	12.95x	12.28x

We have computed the ratios of earnings to fixed charges shown above by dividing earnings by fixed charges. For this purpose, "earnings" is the amount resulting from adding (a) income from continuing operations before income tax expense, (b) fixed charges, (c) amortization of capitalized interest, and (d) distributed earnings of unconsolidated affiliates; and then subtracting (1) capitalized interest, (2) equity in earnings or losses of unconsolidated affiliates, and (3) the noncontrolling interest in pre-tax income of subsidiaries that have not incurred fixed charges. "Fixed charges" is the amount resulting from adding (a) interest expense, (b) amortization of debt discount or premium, (c) capitalized interest and (d) an estimate of the interest component of rent expense. Interest expense excludes interest on unrecognized tax benefits related to uncertain tax positions, as such amounts are recognized in income tax expense and are immaterial.

The pro forma information presented above assumes the following as of January 1 of each period presented: (1) the issuance of $1.0 billion of our 5.050% Senior Notes due November 2016, $1.2 billion of our 6.375% Senior Notes due November 2021 and $300 million of our 7.350% Senior Notes due August 2041, (2) the repurchase of $1.7 billion of our 1.50% Series B Convertible Senior Notes due December 2037 and (3) the repayment of $46 million of the remaining commercial paper notes outstanding under our commercial paper program. The effect is an increase of pro forma interest expense in the amounts of $50 million and $49 million for the nine months ended September 30, 2011 and for the year ended December 31, 2010, respectively.

Our ratios of earnings to fixed charges and preferred stock dividends for the nine-month period ended September 30, 2011 and for each of the years in the five-year period ended December 31, 2010 are the same as the ratios of earnings to fixed charges because we had no preferred stock outstanding for any of the periods presented.

Table of Contents

CAPITALIZATION

The following table sets forth our capitalization as of September 30, 2011, on an actual basis and on an as adjusted basis to give effect to the completion of this offering and the Equity Offering and the application of the net proceeds of this offering and the Equity Offering as described under "Use of Proceeds", as well as the anticipated repurchase of all outstanding Series B Convertible Senior Notes and the refinancing of all commercial paper notes outstanding under the Commercial Paper Facility. This offering and the Equity Offering are not contingent upon each other. The carrying amounts of our debt are presented net of unamortized discounts, premiums and fair value adjustments.

You should read this table in conjunction with the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Transocean Ltd.'s Annual Report on Form 10-K for the year ended December 31, 2010 and in its Quarterly Report on Form 10-Q for the quarter ended September 30, 2011 and its consolidated financial statements and related notes incorporated by reference in this prospectus supplement.

	September 30, 2011	
	Actual[a]	As Adjusted
	(In millions)	
Debt		
Commercial paper program[b]	$ 146	$ 100
5.00% Notes due February 2013	254	254
5.25% Senior Notes due March 2013	510	510
TPDI Credit Facilities due March 2015	490	490
4.95% Senior Notes due November 2015	1,121	1,121
ADDCL Credit Facilities due December 2017	230	230
6.00% Senior Notes due March 2018	997	997
7.375% Senior Notes due April 2018	247	247
TPDI Notes due October 2019	148	148
6.50% Senior Notes due November 2020	899	899
8% Debentures due April 2027	57	57
7.45% Notes due April 2027	96	96
7% Notes due June 2028	312	312
Capital lease contract due August 2029	681	681
7.5% Notes due April 2031	598	598
1.50% Series B Convertible Senior Notes due December 2037[b]	1,667	
1.50% Series C Convertible Senior Notes due December 2037	1,648	1,648
6.80% Senior Notes due March 2038	999	999
5.050% Senior Notes Due December 2016 offered hereby		999
6.375% Senior Notes Due December 2021 offered hereby		1,199
7.350% Senior Notes Due December 2041 offered hereby		300

Total Debt	$ 11,100	$ 11,885
Less debt due within one year	1,926	213
Total long-term debt	9,174	11,672
Total Equity[c]	20,812	21,807
Total capitalization	$ 31,912	$ 33,692

[a] Subsequent to September 30, 2011, we completed our acquisition of 100 percent of the outstanding shares of Aker. In connection with the acquisition of Aker, we assumed an aggregate principal amount of debt obligations of $1.8 billion, which are not reflected in the historical amounts stated

Table of Contents

above. The acquired assets of Aker included approximately $907 million of cash investments restricted for the payment of certain of these assumed debt obligations.

b

The as adjusted information presents application of net proceeds from this offering and from the Equity Offering. The as adjusted information assumes the net proceeds of $1.0 billion from the Equity Offering, after underwriting discounts, estimated offering expenses and the Swiss Federal Issuance Stamp Tax, are used to fund a portion of the expected repurchase of the $1.7 billion aggregate principal amount of Series B Convertible Senior Notes that holders may require us to repurchase in December 2011. Additionally, the as adjusted information assumes a portion of net proceeds from this offering are used (1) to repay the remaining $46 million aggregate amount of commercial paper notes outstanding as of November 30, 2011 under the Commercial Paper Facility, as they come due, and (2) to fund the expected repurchase of the remaining $672 million aggregate principal amount of Series B Convertible Senior Notes after application of the net proceeds of the Equity Offering. The as adjusted information includes a $13 million adjustment to shareholders' equity as a result of eliminating unamortized discounts associated with the carrying amount of the repurchased Series B Convertible Senior Notes. The as adjusted information excludes the repayment of $100 million aggregate amount of commercial paper notes that were repaid subsequent to September 30, 2011 using existing cash balances. The as adjusted information excludes application of net proceeds of $151 million we expect to receive if underwriters exercise their option to purchase 3,900,000 additional shares. After application of the net proceeds from this offering and from the Equity Offering, we intend to invest the remaining $1.8 billion of such net proceeds in cash and cash equivalents.

c

In May 2011, at our annual general meeting, our shareholders approved the distribution of additional paid-in capital in the form of a U.S. dollar denominated dividend of $3.16 per outstanding share, payable in four equal installments of $0.79 per outstanding share, subject to certain limitations. Accordingly, we initially recognized a distribution payable in the amount of approximately $1.0 billion, recorded in other current liabilities, with a corresponding entry to additional paid-in capital, included within total capitalization. On June 15, 2011, we paid the first installment in the aggregate amount of $254 million to shareholders of record as of May 20, 2011. On September 21, 2011, we paid the second installment in the aggregate amount of $254 million to shareholders of record as of August 26, 2011. At September 30, 2011, the carrying amount of the unpaid distribution payable was $509 million (without giving effect to amounts payable in respect of the shares offered in the Equity Offering). The third installment in the aggregate amount of $254 million is scheduled to be paid on December 21, 2011 to holders of record as of November 25, 2011. The as adjusted information presents the issuance of 26,000,000 shares in connection with the Equity Offering, but not the issuance of 3,900,000 additional shares that underwriters have the option to purchase up to 30 days from the date of the Equity Offering to cover over-allotments.

Table of Contents

DESCRIPTION OF THE NOTES AND GUARANTEES

The notes will be issued under an indenture dated December 11, 2007, among Transocean Ltd., Transocean Inc. and Wells Fargo Bank, National Association, as trustee, as supplemented, which will be further supplemented by a supplemental indenture dated as of the closing date of this offering. We have summarized selected portions of the indenture, the supplemental indenture and the notes below. This summary is not complete and is subject to, and qualified by reference to, all of the provisions of the indenture, the supplemental indenture and the notes. We urge you to read the indenture, the supplemental indenture and the notes because these documents define your rights as holders of the notes. In this summary, "we," "our" and "us" means Transocean Inc. only, unless we indicate otherwise or the context indicates otherwise.

General

Each series of notes will constitute a single series of senior debt securities under the indenture. The principal amount of the 2016 notes, 2021 notes and 2041 notes will be initially limited to $1,000,000,000, $1,200,000,000 and $300,000,000, respectively. We may, from time to time, without giving notice to or seeking the consent of the existing holders of the notes, issue additional notes having the same ranking, interest rate, maturity and other terms as notes issued in this offering. Any additional notes having such similar terms together with the previously issued notes will constitute a single series of debt securities under the indenture. We may also from time to time repurchase the notes in open market purchases, by tender offer or in negotiated transactions without prior notice to holders.

The 2016 notes will mature on December 15, 2016 and will bear interest at the rate of 5.050% per annum. The 2021 notes will mature on December 15, 2021 and will bear interest at the rate of 6.375% per annum. The 2041 notes will mature on December 15, 2041 and will bear interest at the rate of 7.350% per annum. Interest on each series of notes will accrue from December 5, 2011. Interest on the notes will be paid semi-annually, on June 15 and December 15 of each year, commencing on June 15, 2012, to the holders of record at the close of business on the June 1 and December 1 immediately preceding the applicable interest payment date. Interest on the notes will be computed on the basis of a 360-day year of twelve 30-day months.

If any interest payment date, redemption date or the maturity date of the notes is not a business day at any place of payment, then payment of the principal, premium, if any, and interest may be made on the next business day at that place of payment. In that case, no interest will accrue on the amount payable for the period from and after the applicable interest payment date, redemption date or maturity date, as the case may be.

Principal is payable, and notes may be presented for registration of transfer and exchange, without service charge, at our office or agency in The City of New York, New York or Dallas, Texas, which is initially the office or agency of the trustee in The City of New York, New York or Dallas, Texas. See " Global Notes: Book-Entry Form."

The indenture will not contain any financial covenants or any restrictions on the payment of dividends, the making of investments, the incurrence of indebtedness, the granting of liens or mortgages, or the issuance, redemption or repurchase of securities by us, other than as described below under " Certain Covenants." The indenture will not contain any covenants or other provisions to protect holders of the notes in the event of a highly leveraged transaction or a fundamental change. Transocean Ltd. has irrevocably and unconditionally guaranteed our obligations under the senior indenture and the debt securities issued thereunder, including the notes. The notes will not be obligations of, or guaranteed by, any of our existing or future subsidiaries or any other existing or future subsidiaries of Transocean Ltd.

Table of Contents

The notes will not be subject to a sinking fund provision.

Interest Rate Adjustment

The interest rate payable on the notes of each series will be subject to adjustments from time to time if either Moody's or S&P or, if either Moody's or S&P ceases to rate the notes of that series or fails to make a rating of the notes of that series publicly available for reasons outside of our control, a "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by us as a replacement agency for Moody's or S&P (a "substitute rating agency"), downgrades (or subsequently upgrades) the credit rating assigned to the notes of that series, in the manner described below.

If the rating from Moody's (or any substitute rating agency therefor) of the notes of a series is decreased to a rating set forth in the immediately following table, the interest rate on the notes of that series will increase such that it will equal the interest rate payable on the notes of that series on the date of their initial issuance plus the percentage set forth opposite the ratings from the table below:

Moody's Rating*	Percentage
Ba1	0.25%
Ba2	0.50%
Ba3	0.75%
B1 or below	1.00%

* Including the equivalent ratings of any substitute rating agency.

If the rating from S&P (or any substitute rating agency therefor) of the notes of a series is decreased to a rating set forth in the immediately following table, the interest rate on the notes of that series will increase such that it will equal the interest rate payable on the notes of that series on the date of their initial issuance plus the percentage set forth opposite the ratings from the table below:

S&P Rating*	Percentage
BB+	0.25%
BB	0.50%
BB-	0.75%
B+ or below	1.00%

* Including the equivalent ratings of any substitute rating agency.

If at any time the interest rate on the notes of a series has been adjusted upward and either Moody's or S&P (or, in either case, a substitute rating agency therefor), as the case may be, subsequently increases its rating of the notes of that series to any of the threshold ratings set forth above, the interest rate on the notes of that series will be decreased such that the interest rate for the notes of that series equals the interest rate payable on the notes of that series on the date of their initial issuance plus the percentages set forth opposite the ratings from the tables above in effect immediately following the increase in rating. If Moody's (or any substitute rating agency therefor) subsequently increases its rating of the notes of a series to Baa3 (or its equivalent, in the case of a substitute rating agency) or higher, and S&P (or any substitute rating agency therefor) increases its rating to BBB- (or its equivalent, in the case of a substitute rating agency) or higher, the interest rate on the notes of that series will be decreased to the interest rate payable on the notes of that series on the date of their initial issuance. In addition, the interest rates on the notes of each series will permanently cease to be subject to any adjustment described above (notwithstanding any subsequent decrease in the ratings by either or both rating agencies) if the notes of that series become rated Baa1 and BBB+ (or the equivalent of either such rating, in the case of a substitute rating agency) or higher

Table of Contents

by Moody's and S&P (or, in either case, a substitute rating agency therefor), respectively (or one of these ratings if the notes are only rated by one rating agency).

Each adjustment required by any decrease or increase in a rating set forth above, whether occasioned by the action of Moody's or S&P (or, in either case, a substitute rating agency therefor), shall be made independent of any and all other adjustments. In no event shall (1) the interest rate for the notes of a series be reduced to below the interest rate payable on the notes of that series on the date of their initial issuance or (2) the total increase in the interest rate on the notes of a series exceed 2.00% above the interest rate payable on the notes of that series on the date of their initial issuance.

No adjustments in the interest rate of the notes of a series shall be made solely as a result of a rating agency ceasing to provide a rating of such series of notes. If at any time Moody's or S&P ceases to provide a rating of the notes of a series for a reason beyond our control, we will use our commercially reasonable efforts to obtain a rating of such series of notes from a substitute rating agency, to the extent one exists, and if a substitute rating agency exists, for purposes of determining any increase or decrease in the interest rate on the notes of a series pursuant to the tables above (a) such substitute rating agency will be substituted for the last rating agency to provide a rating of such series of notes but which has since ceased to provide such rating, (b) the relative rating scale used by such substitute rating agency to assign ratings to senior unsecured debt will be determined in good faith by an independent investment banking institution of national standing appointed by us and, for purposes of determining the applicable ratings included in the applicable table above with respect to such substitute rating agency, such ratings will be deemed to be the equivalent ratings used by Moody's or S&P, as applicable, in such table and (c) the interest rate on the notes of such series will increase or decrease, as the case may be, such that the interest rate equals the interest rate payable on the notes of such series on the date of their initial issuance plus the appropriate percentage, if any, set forth opposite the rating from such substitute rating agency in the applicable table above (taking into account the provisions of clause (b) above) (plus any applicable percentage resulting from a decreased rating by the other rating agency). For so long as only one rating agency provides a rating of the notes of a series, any subsequent increase or decrease in the interest rate of such series of notes necessitated by a reduction or increase in the rating by the agency providing the rating shall be twice the percentage set forth in the applicable table above. For so long as none of Moody's, S&P or a substitute rating agency provides a rating of the notes of a series, the interest rate on the notes of such series will increase to, or remain at, as the case may be, 2.00% above the interest rate payable on the notes of such series on the date of their initial issuance. If Moody's or S&P either ceases to rate the notes for reasons within our control or ceases to make a rating of the notes publicly available for reasons within our control, we will not be entitled to obtain a rating from a substitute rating agency and the increase or decrease in the interest rate of the notes shall be determined in the manner described above as if either only one or no rating agency provides a rating of the notes, as the case may be.

Any interest rate increase or decrease described above will take effect from the first day of the interest period commencing after the date on which a rating change occurs that requires an adjustment in the interest rate. If Moody's or S&P (or, in either case, a substitute rating agency therefor) changes its rating of the notes of a series more than once during any particular interest period, the last change by such agency will control for purposes of any interest rate increase or decrease with respect to the notes of such series described above relating to such rating agency's action.

If the interest rate payable on the notes is increased as described above the term "interest," as used with respect to the notes, will be deemed to include any such additional interest unless the context otherwise requires.

Table of Contents

Ranking; Guarantees; Additional Debt

The notes will be our general unsecured obligations and will rank:

- senior in right of payment to all of our existing and future indebtedness that is expressly subordinated in right of payment to the notes,
- equally in right of payment with all of our existing and future unsecured indebtedness that is not so subordinated, and
- effectively junior to any of our secured indebtedness, to the extent of the assets securing such indebtedness, and will be structurally subordinated to all secured and unsecured liabilities of our subsidiaries.

The due and punctual payment of the principal of, premium, if any, interest on and all other amounts due under the notes will be fully and unconditionally guaranteed by Transocean Ltd. The guarantees will be the general unsecured obligations of Transocean Ltd. and will rank equally with all existing and future unsecured and unsubordinated debt of Transocean Ltd.

The indenture does not limit the amount of debt that we, Transocean Ltd. or any of our or its subsidiaries may incur or issue, nor does it restrict transactions between us, Transocean Ltd. and our or its affiliates or dividends and other distributions by us, Transocean Ltd. or our or its subsidiaries. We may issue debt securities under the indenture from time to time in the same or separate series, each up to the aggregate amount we authorize from time to time for that series. As of September 30, 2011, we had no secured indebtedness, and our subsidiaries and consolidated variable interest entities had aggregate indebtedness of $2.1 billion, excluding intercompany indebtedness. As of September 30, 2011, Transocean Ltd. had no outstanding indebtedness other than its guarantee of an aggregate of $9.0 billion of indebtedness of Transocean Inc. A subsidiary of Transocean Services AS that was acquired subsequent to September 30, 2011 had an aggregate principal amount of indebtedness of $1.8 billion as of October 3, 2011, the acquisition date.

Optional Redemption

Each series of notes will be redeemable, at our option, at any time or from time to time, in whole or in part, on any date prior to maturity in principal amounts of $1,000 or any integral multiple of $1,000 at a price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on an Interest Payment Date that is on or prior to the redemption date), plus a make-whole premium, if any is required to be paid. The redemption price will never be less than 100% of the principal amount of the notes plus accrued interest to the redemption date.

For each series of notes, the amount of the make-whole premium with respect to any note (or portion of a note) to be redeemed will be equal to the excess, if any, of:

(i) the sum of the present values, calculated as of the redemption date, of:

(A) the remaining scheduled payments of interest on the notes to be redeemed that would be due after the related redemption date but for such redemption (except that, if such redemption date is not an interest payment date, the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued thereon to the redemption date), and

(B) the principal amount that, but for the redemption, would have been payable at the final maturity of the note (or its portion) being redeemed;

over

(ii) the principal amount of the note (or its portion) being redeemed.

Table of Contents

The present values of interest and principal payments referred to in clause (i) above will be determined in accordance with generally accepted principles of financial analysis. Those present values will be calculated by discounting the amount of each payment of interest or principal from the date that each payment would have been payable, but for the redemption, to the Redemption Date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at a discount rate equal to the Treasury Rate (as defined below) plus (A) 50 basis points in the case of the 2016 notes, (B) 50 basis points in the case of the 2021 notes, and (C) 50 basis points in the case of the 2041 notes.

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity (computed by us as of the second business day immediately preceding such redemption date) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the notes of the relevant series. "Independent Investment Banker" means one of the Reference Treasury Dealers appointed by us.

"Comparable Treasury Price" means, with respect to any redemption date, (1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third business day preceding such redemption date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "H.15(519) Selected Interest Rates" or (2) if such release (or any successor release) is not published or does not contain such prices on such business day, (a) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (b) if the trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all Reference Treasury Dealer Quotations obtained.

"Reference Treasury Dealer" means Barclays Capital Inc., Credit Suisse Securities (USA) LLC and a Primary Treasury Dealer selected by Mitsubishi UFJ Securities (USA), Inc. and their successors and two other nationally recognized investment banking firms that are Primary Treasury Dealers specified from time to time by us, except that if any of the foregoing ceases to be a primary U.S. Government securities dealer in New York City (a "Primary Treasury Dealer"), we are required to designate as a substitute another nationally recognized investment banking firm that is a Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by such Reference Treasury Dealer as of 3:30 p.m., New York City time, on the third business day preceding such redemption date.

On and after any redemption date, interest will cease to accrue on the notes called for redemption. Prior to any redemption date, we are required to deposit with a paying agent money sufficient to pay the redemption price of the notes to be redeemed on such date. If we are redeeming less than all the notes of a series, the trustee under the indenture must select the notes to be redeemed by such method as the trustee deems fair and appropriate.

We will mail a notice of redemption at least 30 days but not more than 60 days before the redemption date to each holder of notes to be redeemed. The trustee may select for redemption notes and portions of notes in amounts of integral multiples of $1,000. Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the notes or portions thereof called for redemption.

Table of Contents

Certain Covenants

In the following discussion, "we" or "our" means Transocean Inc. and its subsidiaries, unless the context indicates otherwise. When we refer to our "drilling rigs and drillships," we mean any drilling rig or drillship (or the stock or indebtedness of any subsidiary owning a drilling rig or drillship) that we lease or own, either entirely or in part, and that our board of directors deems to be of material importance to us. No drilling rig or drillship that has a gross book value of less than 2% of our consolidated net tangible assets will be deemed to be of material importance. When we refer to "consolidated net tangible assets," we mean the total amount of our assets (less reserves and other properly deductible items) after deducting current liabilities (other than those that are extendable at our option to a date more than 12 months after the date the amount is determined), goodwill and other intangible assets shown in our most recent consolidated balance sheet prepared in accordance with GAAP.

Limitation on Liens

In the supplemental indenture, we have agreed that we will not create, assume or allow to exist any debt secured by a lien upon any of our drilling rigs or drillships, unless we secure the notes equally and ratably with the secured debt. This covenant has exceptions that permit:

liens already existing on the date the notes are issued,

liens already existing on a particular drilling rig or drillship at the time we acquire that drilling rig or drillship, and liens already existing on drilling rigs or drillships of a corporation or other entity at the time it becomes our subsidiary,

liens securing debt incurred to finance the acquisition, completion of construction and commencement of commercial operation, alteration, repair or improvement of any drilling rig or drillship, if the debt was incurred prior to, at the time of or within 12 months after that event, and liens securing debt in excess of the purchase price or cost if recourse on the debt is only against the drilling rig or drillship in question,

liens securing intercompany debt,

liens in favor of a governmental entity to secure either (1) payments under any contract or statute, or (2) industrial development, pollution control or similar indebtedness,

liens imposed by law such as mechanics' or workmen's liens,

governmental liens under contracts for the sale of products or services,

liens under workers compensation laws or similar legislation,

liens in connection with legal proceedings or securing taxes or assessments,

good faith deposits in connection with bids, tenders, contracts or leases,

deposits made in connection with maintaining self-insurance, to obtain the benefits of laws, regulations or arrangements relating to unemployment insurance, old age pensions, social security or similar matters or to secure surety, appeal or customs bonds, and

any extensions, renewals or replacements of the above-described liens if both of the following conditions are met:

(1) the amount of debt secured by the new lien does not exceed the amount of debt secured by the existing lien, plus any additional debt used to complete a specific project, and

(2) the new lien is limited to all or a part of the drilling rigs or drillships (plus any improvements) secured by the original lien.

Table of Contents

In addition, without securing the notes as described above, we may create, assume or allow to exist secured debt that would otherwise be prohibited, in an aggregate amount that does not exceed a "basket" equal to 10% of our consolidated net tangible assets. When determining whether secured debt is permitted by this exception, we must include in the calculation of the "basket" amount all of our other secured debt that would otherwise be prohibited and the present value of lease payments in connection with sale and lease-back transactions that would be prohibited by the "Limitation on Sale and Lease-Back Transactions" covenant described below if this exception did not apply.

Limitation on Sale and Lease-Back Transactions

We have agreed that we will not enter into a sale and lease-back transaction covering any drilling rig or drillship, unless one of the following applies:

- we could incur debt secured by the leased property in an amount at least equal to the present value of the lease payments in connection with that sale and lease-back transaction without violating the "Limitation on Liens" covenant described above, or

- within six months of the effective date of the sale and lease-back transaction, we apply an amount equal to the present value of the lease payments in connection with the sale and lease-back transaction to (1) the acquisition of any drilling rig or drillship, or (2) the retirement of long-term debt ranking at least equally with the notes.

When we use the term "sale and lease-back transaction," we mean any arrangement by which we sell or transfer to any person any drilling rig or drillship that we then lease back from them. This term excludes leases shorter than three years, intercompany leases, leases executed within 12 months of the acquisition, construction, improvement or commencement of commercial operation of the drilling rig or drillship, and arrangements pursuant to any provision of law with an effect similar to the former Section 168(f)(8) of the Internal Revenue Code of 1954 (which permitted the lessor to recognize depreciation on the property).

Events of Default

The occurrence of any of the events described in the accompanying prospectus under "Description of Transocean Inc. Debt Securities and Transocean Ltd. Guarantee Events of Default" shall constitute a default for the notes.

Tax Additional Amounts

Transocean Inc. will pay any amounts due with respect to the notes and Transocean Ltd. will pay any amounts due with respect to the guarantees without deduction or withholding for any and all present and future withholding taxes, levies, imposts and charges (a "withholding tax") imposed by or for the account of the Cayman Islands, Switzerland or any other jurisdiction in which either Transocean Inc. or Transocean Ltd. is a resident for tax purposes or any political subdivision or taxing authority of such jurisdiction (the "Taxing Jurisdiction"), unless such withholding or deduction is required by law. If such deduction or withholding is at any time required, Transocean Inc. or Transocean Ltd., as applicable, will, to the fullest extent allowed by law (subject to compliance by you with any relevant administrative requirements), pay you additional amounts as will result in your receipt of such amounts as you would have received had no such withholding or deduction been required.

If the Taxing Jurisdiction requires Transocean Inc. or Transocean Ltd. to deduct or withhold any of these taxes, levies, imposts or charges, Transocean Inc. or Transocean Ltd., as applicable, will, to the fullest extent allowed by law (subject to compliance by the holder of a note with any relevant administrative requirements), pay these additional amounts in respect of principal amount, redemption price and interest (if any), in accordance with the terms of the notes and the indenture, as may be

Table of Contents

necessary so that the net amounts paid to the holder or the trustee after such deduction or withholding will equal the principal amount, redemption price and interest (if any), on the notes. However, neither Transocean Inc. nor Transocean Ltd. will pay any additional amounts in the following instances:

- if any withholding would not be payable or due but for the fact that (1) the holder of a note (or a fiduciary, settlor, beneficiary of, member or shareholder of, the holder, if the holder is an estate, trust, partnership or corporation), is a domiciliary, national or resident of, or engaging in business or maintaining a permanent establishment or being physically present in, the Taxing Jurisdiction or otherwise having some present or former connection with the Taxing Jurisdiction other than the holding or ownership of the note or the collection of principal amount, redemption price, repurchase price and interest (if any), in accordance with the terms of the notes and the indenture, or the enforcement of the note or (2) where presentation is required, the note was presented more than 30 days after the date such payment became due or was provided for, whichever is later,

- if any withholding tax is attributable to any estate, inheritance, gift, sales, transfer, excise, personal property or similar tax, levy, impost or charge,

- if any withholding tax is attributable to any tax, levy, impost or charge which is payable otherwise than by withholding from payment of principal amount, redemption price, repurchase price and interest (if any),

- if any withholding tax would not have been imposed but for the failure to comply with certification, information, documentation or other reporting requirements concerning the nationality, residence, identity or connections with the relevant tax authority of the holder or beneficial owner of the note, if this compliance is required by statute or by regulation as a precondition to relief or exemption from such withholding tax,

- to the extent a holder of a note is entitled to a refund or credit in such Taxing Jurisdiction of amounts required to be withheld by such Taxing Jurisdiction, or

- any combination of the instances described in the preceding bullet points.

With respect to the fifth bullet point listed above, in the absence of evidence satisfactory to us we may conclusively presume that a holder of a note is entitled to a refund or credit of all amounts required to be withheld. We also will not pay any additional amounts to any holder who is a fiduciary or partnership or other than the sole beneficial owner of the note to the extent that a beneficiary or settlor with respect to such fiduciary, or a member of such partnership or a beneficial owner thereof, would not have been entitled to the payment of such additional amounts had such beneficiary, settlor, member or beneficial owner been the holder of the note.

Global Notes: Book-Entry Form

The notes of each series will be represented by one or more global securities. A global security is a special type of indirectly held security. Each global security will be deposited with, or on behalf of, DTC and be registered in the name of a nominee of DTC. Except under the circumstances described below, the notes will not be issued in definitive form in the name of individual holders.

Investors may hold interests in the notes outside the United States through Euroclear or Clearstream if they are participants in those systems, or indirectly through organizations which are participants in those systems. Euroclear and Clearstream will hold interests on behalf of their participants through customers' securities accounts in Euroclear's and Clearstream's names on the books of their respective depositaries which in turn will hold such positions in customers' securities accounts in the names of the nominees of the depositaries on the books of DTC. All securities in

Table of Contents

Euroclear or Clearstream are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

Upon the issuance of a global security, DTC will credit on its book-entry registration and transfer system the accounts of persons designated by the underwriters with the respective principal amounts of the notes represented by the global security. Ownership of beneficial interests in a global security will be limited to DTC participants (i.e., persons that have accounts with DTC or its nominee) or persons that may hold interests through DTC participants including Euroclear and Clearstream. Ownership of beneficial interests in a global security will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (except with respect to persons that are themselves DTC participants).

So long as DTC or its nominee is the registered owner of a global security, DTC or the nominee will be considered the sole owner or holder of the notes represented by that global security under the indenture. Except as described below, owners of beneficial interests in a global security will not be entitled to have notes represented by that global security registered in their names, will not receive or be entitled to receive physical delivery of notes in definitive form and will not be considered the owners or holders of the notes under the indenture. Principal and interest payments on notes registered in the name of DTC or its nominee will be made to DTC or the nominee, as the registered owner. Neither Transocean Inc., Transocean Ltd., the trustee, any paying agent or the registrar for the notes will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial interests in a global security or for maintaining, supervising or reviewing any records relating to such beneficial interests. The laws of some states require that certain purchasers of securities take physical delivery of such securities in definitive form. Those limits and laws may impair the ability to transfer beneficial interests in a global security.

We expect that DTC or its nominee, upon receipt of any payment of principal or interest, will credit immediately the participants' accounts with payments in amounts proportionate to their beneficial interests in the principal amount of the relevant global security as shown on the records of DTC or its nominee. We also expect that payments by participants to owners of beneficial interests in a global security held through those participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of those participants.

If DTC is at any time unwilling or unable to continue as a depositary and a successor depositary is not appointed by us within 90 days, we will issue notes in definitive form in exchange for the entire global security for the notes. If an event of default has occurred with respect to the notes and is continuing and the registrar has received a request from the depositary to issue notes in definitive form in exchange for all or a portion of a global security, we will do so within 30 days of such request. In addition, we may at any time choose not to have notes represented by a global security and will then issue notes in definitive form in exchange for the entire global security relating to the notes. In any such instance, an owner of a beneficial interest in a global security will be entitled to physical delivery in definitive form of notes represented by the global security equal in principal amount to that beneficial interest and to have the notes registered in its name. Notes so issued in definitive form will be issued as registered notes in denominations of $1,000 and integral multiples thereof, unless otherwise specified by us.

Notices

Notices to holders of notes will be given by mail to the holder's address as it appears in the notes register.

Information Regarding the Trustee

Wells Fargo Bank, National Association, as trustee under the indenture, has been appointed by us as paying agent, registrar and custodian with regard to the notes. The trustee and its affiliates provide and may from time to time in the future provide banking and other services to us in the ordinary course of their business.

Governing Law

The indenture and the notes will be governed by, and construed in accordance with, the law of the State of New York.

Table of Contents

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

Scope of Discussion

The following discussion summarizes the material U.S. federal income tax consequences relating to the purchase, ownership and disposition of the notes and is the opinion of Baker Botts L.L.P. insofar as it describes legal conclusions with respect to matters of U.S. federal income tax law. This discussion is based upon the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations promulgated under the Code, court decisions, published positions of the Internal Revenue Service (the "IRS") and other applicable authorities, all as in effect on the date of this document and all of which are subject to change or differing interpretations, possibly with retroactive effect. This discussion is limited to holders of the notes who purchase the notes in the initial offering at their "issue price" and hold the notes as "capital assets" within the meaning of Section 1221 of the Code. For this purpose only, the "issue price" of the notes is the first price at which a substantial amount of the notes are sold for cash to persons other than bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers. For purposes of this discussion, "holder" means either a U.S. holder (as defined below) or a non-U.S. holder (as defined below) or both, as the context may require.

This discussion does not address all of the U.S. federal income tax consequences that may be relevant to holders in light of their particular circumstances or to holders who may be subject to special treatment under U.S. federal income tax laws, such as:

- a financial institution (including a bank),
- a tax-exempt organization,
- an S corporation, an entity or arrangement treated as a partnership or any other pass-through entity for U.S. federal income tax purposes,
- an insurance company,
- a mutual fund,
- a dealer in stocks and securities, or foreign currencies,
- a trader in securities who elects the mark-to-market method of accounting for its securities,
- a holder who is subject to the alternative minimum tax provisions of the Code,
- any person who actually or constructively owns 10% or more of the total combined voting power of all classes of Transocean Ltd. stock entitled to vote,
- certain expatriates or former long-term residents of the United States,
- a U.S. holder that has a functional currency other than the U.S. dollar,

a personal holding company,

a regulated investment company,

a real estate investment trust,

a controlled foreign corporation that is related to Transocean Ltd., within the meaning of the Code, or

a holder who holds the notes as part of a hedge, conversion or constructive sale transaction, straddle, wash sale, or other risk reduction transaction.

If a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of notes, the tax treatment of a partner will generally

Table of Contents

depend upon the status of the partner, the activities of the partnership and certain determinations made at the partner level. Partners of partnerships that are beneficial owners of notes should consult their tax advisors.

This discussion does not address any aspect of non-income taxation or state, local or foreign taxation. In addition, this discussion does not address (1) the tax consequences of an investment in the notes arising under the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010 or (2) potential reporting obligations arising under the Hiring Incentives to Restore Employment Act. No ruling has been or will be obtained from the IRS regarding the U.S. federal tax consequences relating to the purchase, ownership or disposition of the notes. As a result, no assurance can be given that the IRS will not assert, or that a court will not sustain, a position contrary to the conclusions set forth below.

THIS SUMMARY IS NOT A SUBSTITUTE FOR AN INDIVIDUAL ANALYSIS OF THE TAX CONSEQUENCES RELATING TO THE PURCHASE, OWNERSHIP OR DISPOSITION OF THE NOTES. WE URGE YOU TO CONSULT A TAX ADVISOR REGARDING THE PARTICULAR FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES RELATING TO THE PURCHASE, OWNERSHIP OR DISPOSITION OF THE NOTES IN LIGHT OF YOUR OWN SITUATION.

U.S. Holders

The following is a discussion of the material U.S. federal income tax consequences that will apply to U.S. holders of the notes. The discussion is subject to the assumptions and limitations set forth above in "Material U.S. Federal Income Tax Considerations Scope of Discussion." As used in this discussion, a "U.S. holder" is a beneficial owner of a note who, for U.S. federal income tax purposes, is:

- an individual U.S. citizen or resident alien,
- a corporation or other entity created or organized under U.S. law (federal or state, including the District of Columbia) and treated as a corporation for U.S. federal income tax purposes,
- an estate whose worldwide income is subject to U.S. federal income tax, or
- a trust if (1) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust or (2) the trust has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

Payments of Interest on the Notes

Subject to the discussion under " Interest Rate Adjustments" below, a U.S. holder generally will be required to include interest received on a note as ordinary income at the time it accrues or is received in accordance with the holder's regular method of accounting for U.S. federal income tax purposes.

Interest Rate Adjustments

In certain circumstances (see "Description of the Notes and Guarantees Interest Rate Adjustment"), we may be obligated to pay additional interest as a result of adjustments to the credit ratings assigned to the notes. Special rules, including rules for variable rate debt instruments ("VRDIs") and for contingent payment debt instruments ("CPDIs"), apply to debt instruments that provide for payments that vary or are contingent upon a specified event, including an interest rate that varies based on the credit quality of the issuer. It is unclear how these rules apply to the notes. We

Table of Contents

intend to take the position, and Baker Botts L.L.P. is of the opinion, that the notes should be treated as VRDIs rather than CPDIs, and the discussion below assumes that the notes will be treated as VRDIs. It is possible, however, that the IRS could assert that the notes should be treated as CPDIs, which could materially and adversely affect the amount, timing and character of income, gain or loss with respect to a U.S. holder's investment in the notes. Under the CPDI rules, a U.S. holder might be required to accrue income at a higher rate than the coupon on the notes, subject to certain adjustments based on the difference between amounts actually received in a taxable year and projected payments, and to treat any gain on a disposition of the notes as ordinary income rather than capital gain. The CPDI rules are complex. Accordingly, prospective purchasers of the notes are urged to consult their own tax advisors regarding the tax consequences of the purchase, ownership and disposition of the notes.

Sale, Exchange, Redemption or Other Taxable Disposition of the Notes

Generally, the sale, exchange, redemption or other taxable disposition of a note will result in taxable gain or loss to a U.S. holder equal to the difference between (1) the amount of cash plus the fair market value of any other property received by the holder in the sale, exchange, redemption or other taxable disposition (excluding amounts attributable to accrued but unpaid interest, which will be taxed as described under " Payments of Interest on the Notes," above) and (2) the holder's adjusted tax basis in the note. A U.S. holder's adjusted tax basis in a note will generally equal the holder's original purchase price for the note.

Gain or loss recognized on the sale, exchange, redemption or other taxable disposition of a note will generally be capital gain or loss and will be long-term capital gain or loss if the note is held for more than one year. A reduced tax rate on capital gain generally will apply to long term capital gain of a non-corporate U.S. holder. There are limitations on the deductibility of capital losses.

Non-U.S. Holders

The following is a discussion of the material U.S. federal income tax consequences that will apply to non-U.S. holders of the notes. The discussion is subject to the assumptions and limitations set forth above in "Material U.S. Federal Income Tax Considerations Scope of Discussion." As used in this discussion, a "non-U.S. holder" is a beneficial owner of the notes (other than a partnership) who is not a U.S. holder.

Payments of Interest on the Notes

Subject to the next paragraph and the discussion in " Backup Withholding and Information Reporting," below, a non-U.S. holder will not be subject to U.S. federal income or withholding tax on the payment of interest on a note.

We may, in our discretion, request a non-U.S. holder to establish eligibility for the "portfolio interest" exemption from withholding tax. A non-U.S. holder could generally establish eligibility for this exemption by certifying to us or certain intermediaries on IRS Form W-8BEN, or other applicable IRS form, that the holder is not a U.S. person. If a non-U.S. holder fails to establish eligibility for an exemption from withholding tax, then payments of interest to that holder may be subject to withholding tax at the 30% statutory rate.

Table of Contents

Gain on Disposition of the Notes

A non-U.S. holder generally will not be subject to U.S. federal income or withholding tax on gain realized on the sale, exchange or retirement of a note unless:

- the non-U.S. holder is an individual present in the United States for 183 days or more in the year of such sale, exchange or retirement and certain other conditions are met,
- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States (and, if a treaty applies, the income is attributable to a permanent establishment maintained by the non-U.S. holder in the United States), or
- the holder does not qualify for an exemption from backup withholding, as discussed in " Backup Withholding and Information Reporting," below.

However, in some instances a non-U.S. holder may be required to establish an exemption from U.S. federal income and withholding tax with respect to amounts attributable to accrued and unpaid interest on the notes. See " Payments of Interest on the Notes."

Backup Withholding and Information Reporting

U.S. Holders

Interest on the notes paid within the United States or through certain U.S.-related financial intermediaries is subject to information reporting and may be subject to backup withholding (currently at a 28% rate through December 31, 2012) unless the holder (1) is a corporation or other exempt recipient or (2) provides a taxpayer identification number and satisfies certain certification requirements. Information reporting requirements and backup withholding may also apply to the cash proceeds of a sale of the notes.

In addition to being subject to backup withholding, if a U.S. holder of the notes does not provide us (or our paying agent) with the holder's correct taxpayer identification number or other required information, the holder may be subject to penalties imposed by the IRS. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against the holder's U.S. federal income tax liability, provided that the holder furnishes certain required information to the IRS.

Non-U.S. Holders

Non-U.S. holders of notes should consult their tax advisors regarding the application of information reporting and backup withholding in their particular situations, the availability of exemptions, and the procedure for obtaining such an exemption, if available. Any amount withheld from a payment to a non-U.S. holder under the backup withholding rules will be allowable as a credit against the holder's U.S. federal income tax, provided that the required information is furnished to the IRS.

Table of Contents

CAYMAN ISLANDS TAX CONSEQUENCES

According to our Cayman Islands counsel, Ogier, there is currently no Cayman Islands income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by a holder in respect of any income, gain or loss derived from holding notes. We have obtained an undertaking from the Governor in Cabinet of the Cayman Islands under the Tax Concessions Law (as amended) that, in the event that any legislation is enacted in the Cayman Islands imposing tax computed on profits or income, or computed on any capital assets, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, that tax will not until May 31, 2019 apply to us or to any of our operations or our shares, notes, debentures or other obligations. Therefore, there should be no Cayman Islands tax consequences with respect to holding notes; however, if notes are taken into the Cayman Islands in original form, they will be subject to stamp duty up to CI $250.00 per note.

MATERIAL SWISS TAX CONSEQUENCES

The following is a general description of the material Swiss tax considerations relating to the notes. It does not purport to be a complete description of all tax considerations relating to the notes. Prospective purchasers of notes should consult their professional advisers.

Withholding Tax

Payments by Transocean Inc., or by Transocean Ltd. as guarantor, of interest on, and repayment of principal of, the notes, will not be subject to Swiss federal withholding tax, even though the notes are guaranteed by Transocean Ltd. as guarantor, provided that Transocean Inc. uses the proceeds from the offering and sale of the notes outside of Switzerland unless use in Switzerland is permitted under the Swiss taxation laws in force from time to time without payments in respect of the notes becoming subject to withholding for Swiss withholding tax as a consequence of such use of proceeds in Switzerland. Although Transocean Ltd. will guarantee the notes, none of the proceeds are expected to be used in Switzerland. Consequently, no Swiss withholding tax should be due with respect to the notes.

On August 24, 2011, the Swiss Federal Council issued draft legislation, which, if enacted, may require a paying agent in Switzerland to deduct Swiss withholding tax at a rate of 35 percent on any payment of interest in respect of a note to an individual resident in Switzerland or to a person resident outside of Switzerland.

Stamp Taxes

The issue and redemption of notes by Transocean Inc. and the issue of the guarantee by Transocean Ltd. as guarantor are not subject to Swiss federal stamp duty on the issue of securities, even though the notes are guaranteed by Transocean Ltd. as guarantor, provided that Transocean Inc. uses the proceeds from the offering and sale of the notes outside of Switzerland, unless use in Switzerland is permitted under the Swiss taxation laws in force from time to time without payments in respect of the notes (retroactively) becoming subject to Swiss issue stamp tax as a consequence of such use of proceeds in Switzerland. Although Transocean Ltd. will guarantee the notes, none of the proceeds are expected to be used in Switzerland. Consequently, no Swiss stamp tax should be due with respect to the notes.

Purchases or sales of debt securities with a maturity in excess of 12 months where a Swiss domestic bank or a Swiss domestic securities dealer (as defined in the Swiss federal stamp duty act) is a party, or acts as an intermediary, to the transaction may be subject to Swiss federal stamp duty on dealings in securities at a rate of up to 0.3 percent of the purchase price of the debt securities. Where both the seller and the purchaser of the debt securities are non-residents of Switzerland or the Principality of Liechtenstein, no Swiss federal stamp duty on dealing in securities is payable.

Table of Contents

European Directive 2003/48/EC

On October 26, 2004, the European Community and Switzerland entered into an agreement on the taxation of savings income pursuant to which Switzerland will adopt measures equivalent to those of the European Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments. The agreement came into force as of July 1, 2005.

On the basis of that agreement, Switzerland has introduced a withholding tax on interest payments and other similar income paid by a paying agent within Switzerland to an individual resident in an EU member state. The withholding tax is withheld at a rate of 35%, with the option of such individual to have the paying agent and Switzerland provide to the tax authorities of that member state details of the payments in lieu of the withholding. The beneficial owner of the interest payments may be entitled to a tax credit or refund of the withholding, if any, provided that certain conditions are met.

Income Taxation on Principal or Interest

Notes held by non-Swiss holders

Payments by Transocean Inc., or by Transocean Ltd. as guarantor, of interest and repayment of principal to, and gain realized on the sale or redemption of notes by, a holder of notes who is not a resident of Switzerland and who during the relevant taxation year has not engaged in a trade or business through a permanent establishment or a fixed place of business in Switzerland to which the notes are attributable and who is not subject to income taxation in Switzerland for any other reason will not be subject to any Swiss federal, cantonal or communal income tax.

Debt securities held by Swiss holders as private assets

Debt securities without a "predominant one-time interest payment": individuals who reside in Switzerland and who hold debt securities without a predominant one-time interest payment as private assets are required to include all payments of interest in respect of the debt securities by Transocean Inc., or by Transocean Ltd. as guarantor, in their personal income tax return and will be taxable on any net taxable income (including the payments of interest in respect of the debt securities) for the relevant tax period. Debt securities without a predominant one-time interest payment are debt securities the yield-to-maturity of which predominantly derives from periodic interest payments and not from a one-time-interest-payment.

Debt securities with a "predominant one-time interest payment": if the yield-to-maturity of debt securities predominantly derives from a one-time-interest-payment, such as an original issue discount or a repayment premium, and not from periodic interest payments, then a person who is an individual resident in Switzerland holding the debt securities as a private asset, is required to include in his or her personal income tax return for the relevant tax period any periodic interest payments in respect of the debt securities received from Transocean Inc., or Transocean Ltd. as guarantor, and, in addition, any amount realized on the sale or redemption of such debt securities equal to the difference between the value of the debt security at redemption or sale, as applicable, and the value of the debt security at issuance or secondary market purchase, as applicable, and converted into Swiss Francs at the exchange rate prevailing at the time of sale or redemption, issuance or purchase, respectively, and will be taxable on any net taxable income (including such amounts) for the relevant tax period. Any value decreases realized on such debt securities on sale or redemption may be offset by such person against any gains (including periodic interest payments) realized by him or her within the same tax period from other instruments with a predominant one-time interest payment.

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