SEWARD & KISSEL LLP

Seward & Kissel advises Ocean Rig on its Merger with Transocean Ltd.

Seward & Kissel's Business Transactions Group *Focusing on the Middle Market*

December 5, 2018 — Offshore oil and gas drilling contractors Transocean Ltd. (NYSE:RIG) and Ocean Rig UDW Inc. (NASDAQ:ORIG) announced that they have completed a cash and stock merger transaction valued at approximately $2.7 billion. Seward & Kissel was pleased to represent Ocean Rig in this transaction.

The merger consideration consisted of 1.6128 Transocean shares plus $12.75 in cash for each Ocean Rig share, giving Ocean Rig's shareholders approximately 21% ownership of the combined company. The transaction enhances Transocean's position as the leader in ultra deepwater and harsh environment drilling, with a fleet of 57 rigs.

Seward & Kissel LLP (www.sewkis.com) is a leading New York law firm, originally established in 1890, offering legal advice emphasizing business, financial and commercial law and related litigation. The firm's Business Transactions Group handles middle-market M&A, private equity, venture capital and joint venture transactions involving a wide variety of industries. The firm is ranked as Highly Regarded for Corporate/M&A by Chambers USA and is recommended by The Legal 500 in the middle-market M&A category, stating that Seward & Kissel "advises on market-leading transactions within the industries where the firm has an international reputation, namely investment management and shipping" and "also handles complex middle-market deals in the media industry and international sell-side M&A."

The company's press release describing this transaction is reproduced below for your information.

OCEAN RIG

Grand Cayman, Cayman Islands

has merged with

Transocean

Steinhausen, Switzerland

Seward & Kissel acted as counsel to Ocean Rig.

SEWARD & KISSEL LLP

December 2018

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Transocean Ltd. Announces Agreement to Acquire Ocean Rig

September 4, 2018

- Enhances Transocean's position as the leader in ultra-deepwater and harsh environment drilling;

- Adds nine high-specification ultra-deepwater drillships, two harsh environment semisubmersibles, and two high-specification ultra-deepwater drillships currently under construction;

- Results in a combined fleet of 57 floaters, with 17 of the top 50 and 31 of the top 100 ultra-deepwater drillships in the industry[(1)];

- Enhances Transocean's exposure to, and ability to capitalize on, the ultra-deepwater market recovery;

- Increases Transocean's industry-leading contract backlog by $743 million for a combined total of $12.5 billion, at an average dayrate of $413,000;

- Expected annual cost synergies of approximately $70 million;

- The transaction has been unanimously approved by the board of directors of each company; and

- The top four Ocean Rig shareholders (representing approximately 48% of Ocean Rig's outstanding shares), all of Ocean Rig's directors that own shares of Ocean Rig, and Transocean's third largest shareholder, Perestroika (Cyprus) Ltd., controlled by current Transocean board member, have executed voting and support agreements.

STEINHAUSEN, Switzerland and Grand Cayman, Cayman Islands, Sept. 04, 2018 (GLOBE NEWSWIRE) – Transocean Ltd. ("Transocean" or the "Company") (NYSE: RIG) and Ocean Rig UDW Inc. ("Ocean Rig") (NASDAQ: ORIG) announced today that they have entered into a definitive merger agreement under which Transocean will acquire Ocean Rig in a cash and stock transaction valued at approximately $2.7 billion, inclusive of Ocean Rig's net debt.

The transaction consideration is comprised of 1.6128 newly issued shares of Transocean plus $12.75 in cash for each share of Ocean Rig's common stock, for a total implied value of $32.28 per Ocean Rig share, based on the closing price on August 31, 2018. This represents a 20.4% premium to Ocean Rig's ten-day volume weighted average share price. The transaction has been unanimously approved by the board of directors of each company.

Transocean intends to fund the cash portion of the transaction consideration through a combination of cash on hand and fully committed financing provided by Citi. The merger is not subject to any financing condition.

Upon completion of the merger, Transocean's and Ocean Rig's shareholders will own approximately 79% and approximately 21%, respectively, of the combined company.

Ocean Rig's fleet is comprised of nine high-specification ultra-deepwater drillships and two harsh environment semisubmersibles. Additionally, its fleet includes two high-specification ultra-deepwater drillships currently under construction at Samsung Heavy Industries with favorable shipyard financing terms. These two newbuilds are expected to be delivered in the third quarter of 2019 and the third quarter of 2020, respectively.

"The proposed acquisition of Ocean Rig provides us with a unique opportunity to continue enhancing our fleet of ultra-deepwater and harsh environment floaters, without compromising our liquidity or overall balance sheet flexibility," said Transocean's President and Chief Executive Officer, Jeremy Thigpen. "The combination of constructive and stable oil prices over the last several quarters, streamlined offshore project costs, and undeniable reserve replacement challenges has driven a material increase in offshore contracting activity. As such, adding Ocean Rig's premium assets to our industry-leading fleet provides us with an increased number of the modern and highly efficient ultra-deepwater drillships preferred by our customers, and better positions us to capitalize on what, we believe, is an imminent recovery in the ultra-deepwater market."

Thigpen continued, "This combination with Ocean Rig further strengthens our relationships with strategic customers, while expanding our presence in the key markets of Brazil, West Africa and Norway. It also enables us to reduce our cost per active rig, as we believe that we can efficiently merge the Ocean Rig operations into our existing structure with limited incremental shore-based expense. Further, we are confident that we can realize meaningful synergies through our OEM agreements, our overall approach to maintenance and our fleet-wide insurance coverage, among other opportunities."

Thigpen concluded, "Including the five rigs under construction, and considering the two additional rigs that we have recently decided to recycle, Transocean's pro forma fleet will be comprised of 57 floaters, including many of the most technically capable ultra-deepwater floaters, and harsh environment semisubmersibles in the industry. With this unparalleled fleet, the offshore drilling industry's largest and most profitable backlog totaling $12.5 billion, and approximately $3.7 billion in liquidity, we are well-equipped for the market recovery."

Pankaj Khanna, President and Chief Executive Officer of Ocean Rig UDW Inc. commented: "This strategic combination of Ocean Rig and Transocean creates a world-class fleet perfectly positioned for the market recovery while reducing fragmentation that currently exists in offshore drilling. By adding our high-specification floaters to Transocean's industry-leading fleet, the combined company will have the offshore industry's largest and most technically capable fleet of ultra-deepwater and harsh environment floaters. Upon consummation, this transaction will be of significant benefit to the stakeholders of both companies."

No changes to Transocean's board of directors, executive management team, or corporate structure are anticipated as a result of the acquisition. The Company will remain headquartered in Steinhausen, Switzerland, with significant operating presence in Houston, Texas, Aberdeen, Scotland and Stavanger, Norway.

The transaction, which is expected to be completed during the first quarter of 2019, is subject to the approval of both Transocean and Ocean Rig shareholders and the satisfaction of customary closing conditions, including applicable regulatory approvals. The merger is not subject to any financing condition.

Also, consistent with the Company's strategy of recycling less competitive rigs, Transocean will retire two of its floaters, the ultra-deepwater drillship C.R. Luigs and the midwater floater Songa Delta. The rigs will be classified as held for sale and will be recycled in an environmentally responsible manner. Both floaters are currently stacked. Transocean anticipates re-ranking the combined fleet, which may result in additional rigs being recycled.

(1) Per Transocean's internal rig ranking model

About Seward & Kissel LLP

Seward & Kissel LLP, founded in 1890, is a leading U.S. law firm with an international reputation for excellence. We have offices in New York City and Washington, D.C.

Our practice primarily focuses on corporate, litigation and restructuring/bankruptcy work for clients seeking legal expertise in the financial services, corporate finance and capital markets areas. The Firm is particularly well known for its representation of major commercial banks, investment banking firms, investment advisers and related investment funds (including mutual funds and hedge funds), master servicers, servicers, investors, distressed trade brokers, liquidity providers, hedge fund administrators, broker-dealers, institutional investors and transportation companies (particularly in the shipping area).

Notices