Plaintiff, Donald P. Foley ("Plaintiff" or "Mr. Foley"), by his attorneys, alleges the following upon personal knowledge as to himself and his own acts and upon information and belief based upon the investigation of Plaintiff's attorneys as to all other matters. Plaintiff believes that further substantial evidentiary support exists for the allegations set forth below, that will be revealed after a reasonable opportunity for discovery.

**NATURE OF THE ACTION**

1. This is a securities fraud class action on behalf of all persons who purchased or otherwise acquired Transocean Ltd. ("Transocean" or the "Company") securities between August 5, 2009, to June 1, 2010, inclusive (the "Class Period"), and who were damaged as a result, seeking to pursue remedies under the Securities Exchange Act of 1934 (the "Exchange Act").

2. Transocean provides the mobile offshore drilling units and services that oil companies worldwide use to find and develop oil and natural gas reserves. The Company promotes itself as "the world's largest offshore drilling contractor." Transocean's common stock trades on the New York Stock Exchange ("NYSE") under the ticker symbol "RIG."
3. Transocean designed, owned, operated, and controlled the now-defunct Deepwater Horizon, an ultra-deepwater dynamic-positioned, semi-submersible mobile oil drilling rig valued at $560 million. During the Class Period, Transocean leased the Deepwater Horizon to BP, p.l.c., BP America, Inc., BP Products North America, Inc., BP America Production Company, and BP Exploration & Production Inc. (collectively “BP”) for a term continuing through September 2013. As part of its agreement with BP, Transocean operated the Deepwater Horizon at the well at the “Macondo Prospect,” in Mississippi Canyon Block 252, which lies approximately 41 miles off the Louisiana coast and on the outer continental shelf in the Gulf of Mexico (the “Gulf’). Deepwater Horizon was operating under a drilling contract that was valued at approximately $590 million.

4. On April 20, 2010, the Deepwater Horizon, which had been conducting contract drilling operations in the Gulf of Mexico since January 2010, exploded, killing 11 men - 9 of whom were Transocean employees, injuring 17 others, and spilling massive amounts of oil into the Gulf (the “Gulf Spill”).

5. On April 22, 2010, the Deepwater Horizon sank into the Gulf of Mexico, approximately 41 miles offshore from Louisiana, and was declared a total loss by Transocean. The failure of the Deepwater Horizon’s safety mechanisms, including the failure of the blowout preventer (“BOP”), a key “failsafe” safety device for offshore wells, is believed to have led to the colossal ongoing oil spill that has affected an estimated surface area of thousands of square miles. According to BP Chief Executive Officer (“CEO”), Tony Hayward, Transocean’s BOP failed to operate before the explosion. The resultant oil spill has caused, and will continue for some time to cause severe environmental and economic damage to the Gulf area.
6. Throughout the Class Period, the Company made materially false and misleading statements, and/or omissions, concerning the Company’s safety protocols for its oil drilling products, the nature and correction of design issues for these products, recurring BOP problems, the Company’s operating and safety record, and the true impact of the Gulf Spill disaster.

7. Before and during the Class Period, Defendants were aware of, but did not disclose the safety implications and risks associated with the spills, fires and other serious incidents experienced on the Deepwater Horizon, which was issued citations for “acknowledged pollution source” by the U.S. Coast Guard at least 18 times in the past 11 years. Defendants did not disclose to the investing public that in violation of federal regulations, the ten-year old BOP on the Deepwater Horizon was not recalibrated, maintained, and/or tested appropriately. In addition, Defendants were also made aware on several occasions of the serious safety hazards associated with Transocean’s use of its BOPs on ultra-deepwater drilling engagements. Instead of disclosing such material information, Defendants falsely represented that Transocean had addressed and remedied its past safety problems, falsely claiming that the Company’s BOP problems “have all been resolved,” that certain BOP issues were “anomalies,” and that the Company was closely monitoring its operations and equipment, and was conducting operations in a safe manner.

8. As a result of Defendants’ false and misleading statements, and/or omissions, Transocean securities traded at inflated levels during the Class Period. As the truth about the full extent of the disaster is absorbed by the market following the explosion and oil spill, Transocean shares have fallen almost $45 per share from the Class Period high of $94.88 on January 11, 2010, to close at $50.04 on June 1, 2010, an approximate 47% drop, wiping out $13.4 billion in market value as of June 1, 2010.
JURISDICTION AND VENUE

9. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act [15 U.S.C. §§ 78j(b) and 78t(a)], and Rule 10b-5 promulgated thereunder by the Securities Exchange Commission ("SEC") [17 C.F.R. § 240.10b-5].

10. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331 and 1337 and Section 27 of the Exchange Act [15 U.S.C. § 78aa].

11. Venue is proper in this District pursuant to Section 27 of the Exchange Act, and 28 U.S.C. § 1391(b). Transocean’s common stock was traded on the NYSE, a securities exchange headquartered within this District.

12. In connection with the acts alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications, and the facilities of the NYSE.

PARTIES

A. Plaintiff.

13. Plaintiff Foley purchased shares of the Company during the Class Period, as detailed in the Certification appended to this Complaint, and has been damaged by Defendants’ conduct.

B. Defendants.

14. Defendant Transocean started as a Louisiana company in 1919 under the name Danciger Oil & Refining Company. After many name changes, ownership changes, and business combinations, Transocean is currently a Swiss company based in Vernier, Switzerland, that has a U.S. office in Texas. Transocean is listed and trades on the NYSE located in New York, and its transfer agent and registrar (The Bank of New York Mellon) is also located in New York.
15. Defendant Steven L. Newman ("Newman") has served as CEO since March 1, 2010, a member of the Company’s Board of Directors (the “Board”) since May 14, 2010, and President of the Company since May 2008. Newman also served as Chief Operating Officer ("COO") from May 2008 until November 2009 and resumed those duties from December 2009 until February 2010. Newman served as Executive Vice President ("EVP"), Performance, from November 2007 until May 2008, leading the Company’s three business units and focusing on client service delivery and performance improvement across the Company’s worldwide fleet. Newman previously served in senior management roles, including: EVP and COO from October 2006 until November 2007; Senior Vice President ("SVP") of Human Resources and Information Process Solutions from May 2006 until October 2006; SVP of Human Resources, Information Process Solutions and Treasury from March 2005 until May 2006; and Vice President ("VP") of Performance and Technology from August 2003 until March 2005. He also has served as Regional Manager for the Asia and Australia Region and in international field and operations management positions, including Project Engineer, Rig Manager, Division Manager, Region Marketing Manager and Region Operations Manager. Newman joined the Company in 1994 in the Corporate Planning Department.

16. Defendant Robert L. Long ("Long") served as CEO and was a member of the Board from October 2002 until February 28, 2010, when he retired and was replaced by Newman. Prior to being named as Transocean’s CEO in October 2006, Long served in various executive-level positions since October 2002. Long was elected VP in 1987, SVP in 1990, SVP and CFO in 1996, SVP, Treasurer and CFO in 1997, Executive Vice President, Treasurer and CFO in 2000, President in 2001 and President and COO in 2002. He joined the company in 1976 as Corporate Planning Manager.
17. Defendants Newman and Long are hereafter referred to collectively as the "Individual Defendants."

18. Defendants Transocean, Newman and Long are referred to collectively as the "Defendants."

19. It is appropriate to treat the Individual Defendants as a group for pleading purposes and to presume that the false, misleading and incomplete information conveyed in the Company’s public filings, press releases and other publications as alleged herein are the collective actions of the narrowly defined group of defendants identified above. Each of the above officers of Transocean, by virtue of their high-level positions with the Company, directly participated in the management of the Company, was directly involved in the day-to-day operations of the Company at the highest levels and was privy to confidential proprietary information concerning the Company and its business, operations, products, safety protocols for its products, the nature and correction of design issues for these products, recurring BOP problems, and the Company’s operating and safety records, as alleged herein. The Individual Defendants were involved in drafting, producing, reviewing and/or disseminating the false and misleading statements and information alleged herein, were aware or recklessly disregarded, that the false and misleading statements were being issued regarding the Company, and approved or ratified these statements, in violation of the federal securities laws.

20. As officers and controlling persons of a publicly held company whose common stock was, and is, registered with the SEC pursuant to the Exchange Act, traded on the NYSE during the Class Period, and governed by the provisions of the federal securities laws, the Individual Defendants each had a duty to disseminate promptly, accurate and truthful information with respect to the Company’s financial condition and performance, growth,
operations, financial statements, business, products, safety protocols for its products, the nature and correction of design issues for these products, recurring BOP problems, and the Company's operating and safety records, markets, management, earnings and present and future business prospects, and to correct any previously issued statements that had become materially misleading or untrue, so that the market price of the Company's publicly traded securities would be based upon truthful and accurate information. The Individual Defendants' misrepresentations and omissions during the Class Period violated these specific requirements and obligations.

21. The Individual Defendants participated in the drafting, preparation, and/or approval of the various public reports and other communications complained of herein and were aware of, or recklessly disregarded, the misstatements contained therein and omissions therefrom, and were aware of their materially false and misleading nature. Because of their Board membership and/or executive and managerial positions with Transocean, each of the Individual Defendants had access to the adverse undisclosed information about the deficiency of the Company's safety protocols, the nature and correction of design issues, recurring BOP problems, and the Company's operating and safety record, as particularized herein, and knew (or recklessly disregarded) that these adverse facts rendered the positive representations made by or about Transocean and its business, issued or adopted by the Company, materially false and misleading.

22. The Individual Defendants, because of their positions of control and authority as officers and/or directors of the Company, were able to and did control the content of the various SEC filings, press releases and other public statements pertaining to the Company during the Class Period. Each Individual Defendant was provided with copies of the documents alleged herein to be misleading prior to or shortly after their issuance and/or had the ability and/or
opportunity to prevent their issuance or cause them to be corrected. Accordingly, each of the Individual Defendants is responsible for the accuracy of the public reports and releases detailed herein and is therefore primarily liable for the representations contained therein.

23. In addition to the involvement described above, each Individual Defendant had knowledge of the problems relating to the safety issues and the extent of the damage caused by the failure of the safety protocols, and was personally motivated to conceal such problems. Each Individual Defendant sought to demonstrate that they could lead the Company successfully.

24. Each of the Defendants is liable as a participant in a fraudulent scheme and course of business that operated as a fraud or deceit on purchasers of Transocean securities by disseminating materially false and misleading statements and/or concealing material adverse facts. Defendants made, or caused to be made, materially false and misleading statements, or omitted to disclose necessary information concerning: (i) Transocean’s deficient safety efforts and safety violations; (ii) the heightened hazards associated with the BOPs used by the Company; (iii) the likelihood that the equipment required to drill at depths such as those encountered by the Deepwater Horizon would render Transocean’s safety protocols, including those relating to the BOPs, ineffective; and (iv) the Company’s significant exposure to liability as a result of these unmitigated hazards. Defendants’ materially false and misleading statements and or omissions, artificially inflated the price of the Company’s securities, and caused Plaintiff and other members of the Class to purchase Transocean securities at artificially inflated prices during the Class Period.

CLASS ACTION ALLEGATIONS

25. Plaintiff brings this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of all persons who purchased or otherwise acquired Transocean securities during the Class Period (the “Class”). Excluded from the Class are
Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

26. The members of the Class are so numerous that joinder of all members is impracticable. The disposition of their claims in a class action will provide substantial benefits to the parties and the Court. During the Class Period, there were approximately 319.93 million shares of Transocean common stock outstanding that were actively traded on the NYSE as of April 27, 2010, according to the Company's Form 10-Q filed with the SEC on May 5, 2010. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Transocean or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

27. There is a well-defined community of interest in the questions of law and fact involved in this case. Questions of law and fact common to the members of the Class that predominate over questions that may affect individual Class members include:

a. whether the federal securities laws were violated by Defendants' acts as alleged herein;

b. whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the business, operations and financial statements of Transocean;

c. whether Defendants omitted and/or misrepresented material facts;
d. whether Defendants’ statements omitted material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading;

e. whether Defendants knew or recklessly disregarded that their statements were false and misleading;

f. whether the price of Transocean securities was artificially inflated; and

g. the extent of damage sustained by Class members and the appropriate measure of damages.

28. Plaintiff’s claims are typical of those of the Class because Plaintiff and the Class sustained damages from Defendants’ wrongful conduct.

29. Plaintiff will adequately protect the interests of the Class and has retained counsel who are experienced in class action securities litigation. Plaintiff has no interests that conflict with those of the Class.

30. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

**STATEMENT OF RELEVANT FACTS**

**General Company and Industry Background**

31. Transocean presents itself as the world’s largest offshore drilling contractor with operations around the globe. Of the many different types of platforms for offshore drilling activities, from shallow-water steel jackets and jackup barges, to floating semi-submersibles and drillships able to operate in very deep waters, Transocean offers deepwater and ultra-deepwater
drilling services. Transocean’s fleet of drilling units consists of 45 High-Specification Floaters (Ultra-Deepwater, Deepwater and Harsh Environment semi-submersibles and drillships), 14 of which are located in the Gulf of Mexico. The Company also provides oil and gas drilling management services and drilling engineering and drilling project management services, and participates in oil and gas exploration and production activities.

**Transocean’s BOP Safety Features**

32. As part of its mission statement, Transocean represents that it adheres to a “safety vision,” stating in relevant part, “[o]ur operations will be conducted in an incident-free workplace, all the time, everywhere.”

33. To provide for safety, each Transocean drilling rig is designed to be equipped with certain safety features, including a BOP. A BOP is a five-story-tall, 900,000-pound concrete contraption that serves as a critical “fail-safe” backstop for an offshore oil rig’s valve at the top of a well that may be closed if the drilling crew loses control of formation fluids. By closing this valve, the drilling crew can regain control of the well.

34. Because BOPs are so critical to the safety of the crew, the rig, and the wellbore itself, BOPs are required to be inspected, tested and refurbished at regular intervals determined by a combination of risk assessment, local practice, well type, and legal requirements. BOP tests vary from daily function testing on critical wells to monthly or less frequent testing on low-risk wells. Despite certain representations by Defendants, such testing was not correctly performed on the Deepwater Horizon, and the BOP on the rig failed at a critical moment, leading to the

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1. As reported in the Company’s April 22, 2010, statement, filed with the SEC on Form 8-K on April 23, 2010.

severe environmental and economic damage to the Gulf area, and significant financial losses to Transocean investors who bought at artificially inflated stock prices.

35. While the oil industry, including Transocean, has always touted the BOP as a key to its ability to drill offshore without great risk to the environment, the industry’s actions leading up to and following the Gulf Spill disaster prove otherwise. As Senator Maria Cantwell of Washington, Chairwoman of two key Senate Commerce and Energy Committee subcommittees with oversight over offshore oil drilling, has noted, “[t]here is clear evidence that the oil industry has been well aware for years of the risk that blowout preventers on offshore rigs could fail... despite frequent failures, [the] industry assumed the preventers were fail-safe and, as a result, had no back-up plan for responding to a catastrophe like the one now unfolding in the Gulf.” Despite knowing these risks, Transocean represented that BOP issues that affected performance were “anomalies,” leading investors to believe BOP issues would not pose any significant risk to earnings.

36. However, according to Stephen Stone, a Transocean employee who worked as a roustabout on the platform of the Deepwater Horizon, safety policies were important at Transocean “if you have time... but if it’s a rush, then you kind of overlook it.”

Transocean’s Deepwater Horizon Rig and the Drilling Operation in the Gulf of Mexico

37. The Deepwater Horizon was one of Transocean’s specialized ultra-deepwater, semi-submersible offshore drilling units, with a high-pressure mud pump and a water depth capability of 7,500 feet or greater. It was built by Hyundai Heavy Industries in Ulsan, South

Korea and has a replacement value of $560 million. Construction started in December 1998 and the *Deepwater Horizon* was delivered in February 2001. Since arriving in the Gulf of Mexico, the *Deepwater Horizon* has been under contract to BP Exploration.4

38. Even though the *Deepwater Horizon* had a BOP, its BOP did not have a remote-control shutoff switch known as an “acoustic switch,” which allows a crew to shut down a damaged well by triggering an underwater valve. Transocean uses acoustic switches on several of its rigs in locations such as Norway and Brazil, but did not have one on the *Deepwater Horizon*. The switch is used as a last resort when all other attempts fail, since the primary shutoff systems do not usually work on wells when they are out of control. It can be activated from a lifeboat if an oil platform must be evacuated.

39. On September 3, 2009, BP announced what it characterized as a “giant” new oil discovery more than six miles deep in the Gulf of Mexico, but said it could take years to assess how much crude could actually be recovered. Because of the depth of the find and the fact that the oil and gas in the field were extremely hot and under intense pressure, BP officials noted that the extraction would require advanced wellheads with thick steel and exceptional insulation. Transocean’s *Deepwater Horizon* rig was contracted to drill this well.

**Safety Issues Leading Up to the Gulf Spill Disaster**

40. Contrary to the Company’s purported safety vision and other representations, in practice, Transocean, did not properly inspect, test and maintain its BOP leading it to fail at a critical moment. Indeed, there were a number of safety issues leading up to the disaster as reported in a recent *60 Minutes* news story, told by Mike Williams (“Williams”), Transocean’s

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4 On October 17, 2009, Transocean and BP agreed to extend the *Deepwater Horizon* lease from September 2010 through 2013. The three-year extension would increase costs to BP requiring BP to pay $544 million over the three-year period, or $496,800 per day compared to the prior daily rate of $487,500.
chief electronics technician in charge of the Deepwater Horizon’s computers and electrical systems.

41. Reported safety lapses included the hiring and premature dismissal of a top oilfield service company to test the strength of cement linings on the Deepwater Horizon’s well. These service specialists were engaged to perform a final check, which normally takes 9-to-12-hours, called a “cement bond log.” A top cementing company executive has characterized the cement bond log as “the only test that can really determine the actual effectiveness” of the well’s seal. However, on April 20, 2010, the specialists were sent home 11 hours before the rig exploded even though a final check was not completed.

42. Transocean also took excessive risk in operating the rig at depths exceeding government allowances. At the time of the explosion, unknown to the public, drilling was being conducted at depths of 22,000 to 25,000 feet – in violation of the maximum allowed by the permits issued by the U.S. Minerals Management Service (“MMS”).

43. According to Williams, the BOP utilized on the exploded rig, had a damaged gasket. Investigators have found the BOP also had a hydraulic leak and a weak battery. Although Transocean employees had adequate information to question the reliability of the BOP, managers ignored warning signs and proceeded with operations.

44. In addition, investigators have also since discovered that the gas sensors and the shutoff systems that would have been connected to them, were not operating in the engine room of the Deepwater Horizon rig. As reported by ProPublica, in sworn testimony before a Deepwater Horizon Joint Investigation panel in New Orleans in May 2010, Deepwater Horizon mechanic Douglas Brown (“Brown”) said that the backstop mechanism that should have prevented the engines from running wild apparently failed, and so did the air intake valves that
were supposed to close if gas enters the engine room. According to Brown, the influx of gas from the well gave the engines "a more volatile form of burning mixture," and caused them to rev out of control. Another system was supposed to kick in and shut the engines down, but that system also failed. Brown reported that the engine room was not equipped with a gas alarm system that could have shut off the power, even though such gas sensors are critical to preventing an explosion, because they can shut down a rig engine before an explosion occurs.

45. According to Congressional investigations, in the days following the explosion, BP engineers tried to activate the BOP but failed because the device had been so altered that diagrams that BP received from Transocean did not match the device. According to Rep. Bart Stupak, D-Mich., chairman of the House Energy and Commerce Committee’s Subcommittee on Oversight and Investigations, “[a]n entire day’s worth of precious time had been spent engaging rams that closed the wrong way,” because the device had been modified. Transocean and BP have accused each other of ordering the alterations, however, both were responsible for assuring that the diagrams for the BOP device was up to date.

Transocean Knew of the Inherent Dangers of Ultra Deepwater Drilling in the Gulf of Mexico

46. Transocean has been aware of, but has not fully disclosed to the public, the problems associated with the BOPs used on its rigs due to the Company’s long history of BOP-related problems pre-dating the Class Period and the April 2010 explosion on the Deepwater Horizon. The Company’s internal reports reveal that the Company was aware of BOP problems since at least 2003.

47. In 2003, a Transocean internal report titled “Deepwater BOP Control Systems” highlighted problems due to poor BOP reliability and BOPs rushed into the field with limited testing. The report warned that the industry was not taking the time necessary to identify and
repair the problems that commonly plagued BOPs. According to the 2003 Report, the offshore exploration and production industry was so focused on drilling that it was willing to pay higher maintenance costs to keep rigs operating and avoid downtime rather than address some of the known problems associated with the BOPs.

48. According to the 2003 report, “floating drilling rig downtime due to poor BOP reliability is a common and very costly issue confronting all offshore drilling contractors,” and each major disruption could cost $1 million. The 2003 Report said the reliability issues were directly related to the fact that drilling companies did not have detailed design and functional specifications to give BOP manufacturing companies. The BOPs were being rushed into the field with limited testing, and even in the event of malfunction, the pressure to keep drilling limited the repair to immediate concerns, with little time spent studying what had caused the malfunction in the first place. The 2003 Report provided in relevant part:

Because of the pressure on getting the equipment back to work, root cause analysis of the failures is generally not performed. In many operations, high maintenance is accepted as a necessary evil to prevent downtime.

High maintenance can be a tool to reduce failures in operation. However, this is a very expensive approach, and it is also an opportunity to introduce human error into the system. Also, this method does not establish reliability based on a failure rate.

In general, operating reliability is maintained on rigs mostly through regular maintenance intervals rather than specifying a reliability of a system or component to minimize maintenance.

49. In 2008, a Transocean internal report on ultra-deep drilling highlighted BOP problems associated with deepwater drilling.\(^5\) Specifically, as a result of the high-strength, high-

\(^5\) This report, entitled “Ultradeep Drilling Pushes Drillstring Technology Innovations,” co-authored by Jeff S. Shepard, manager of Transocean’s Subject Matter Team, was published in the Society of Petroleum Engineers’ peer-reviewed technical journal, *Drilling & Completion* in June 2008.
toughness drillpipe used at such depths, it was found that BOPs were often unable to shear these pipes, a necessary step for effectiveness of a BOP. The report provided in relevant part:

**BOP Pipe Shearing.** The use of higher-strength, higher-toughness drillpipe of increased wall thickness required to absorb high tensile loading has in some cases exceeded the capacity of some BOP shear rams to successfully and/or reliably shear drillpipe. Several variables impact a BOP's ability to shear drillpipe, including:

- Drillpipe outside diameter
- Drillpipe wall thickness
- Drillpipe material strength (ultimate and yield)
- Drillpipe material toughness/ductility
- Wellbore pressure (mud-hydrostatic head and trapped well-bore pressure equal to maximum BOP working pressure)

To reduce the probability of drillstring failure, the industry has increased its appetite for high-toughness drillpipe. Increased material toughness/ductility provides resistance to crack propagation and often enables the material to sustain a through-wall crack without catastrophic failure, commonly known as “leak before break.”

* * *

*Over the past few years, it has become clear that this successful improvement to drillpipe properties has not been achieved without consequence.* Several publications have presented the effects of improved-drillpipe properties on BOP shearing capabilities. This has initiated multiple industry studies, including those performed by regulatory bodies. *A consistent finding throughout all of these studies is that drillpipe material ductility and toughness is one of the major influences to the amount of force/pressure required for shear rams to successfully and reliably shear drillpipe.*

**Conclusions**

5. UDD presents increased operational considerations that require attention of the well designer. BOP shearing capacity of drill-pipe and BOP pressure integrity upon drillpipe collapse are adversely affected in UD wells. Well designers should work closely with OEMs to fully evaluate the performance limits of these products in ultradeep applications.

[Emphasis added.]
Transocean's Record of Inadequate Safety Controls and Maintenance

50. Transocean has been cited for numerous safety problems over the years. In 2000, BP issued Transocean a “notice of default” over problems with a BOP on Transocean’s Discover Enterprise rig.

51. On August 24, 2005, Great Britain’s Health and Safety Executive (“HSE”) issued a notice to Transocean for failing to ensure that the BOP of one of its rigs was properly maintained, citing that Transocean had:

Failed to ensure that all plant provided in compliance of these Regulations, namely [Transocean’s] Driller’s Remote Blow Out Preventor control panel, was maintained in an efficient state, efficient working order and in good repair.

52. On June 2006, the HSE once again cited Transocean for problems and deficiencies related to Transocean’s BOP testing. Regulators stated that the BOP testing tool was not “suitable for the purpose for which it was provided and failed in service, exposing persons to risks that endangered their safety.” [Emphasis added.]

DEFENDANTS’ MATERIALLY FALSE AND MISLEADING STATEMENTS AND OMISSIONS DURING THE CLASS PERIOD

Statements and/or Omissions Made by Transocean Prior To The Gulf Spill Disaster

53. Throughout the Class Period, Defendants failed to disclose the serious risks Transocean faced as a result of its ongoing utilization of deficient BOPs. Defendants also failed to disclose that on numerous prior occasions, Transocean had been advised by its clients, or censured or otherwise disciplined by regulatory government entities, for BOP failures and problems, and that these problems were systemic, affecting all rigs that relied on BOPs as a last line of defense against catastrophic disasters. Defendants had an affirmative duty to disclose these important issues and risks to investors, but did not do so. When analysts questioned
Defendants about safety issues, Defendants falsely represented that the issues were isolated, rather than systemic,

54. On August 5, 2009, during the Company’s second quarter 2009 earnings conference call, when asked specifically about the BOP problems that took place in the second quarter of 2009. Defendants made misstatements about their significance and likelihood of reoccurrence. During the call Defendant Newman, who was then COO, acknowledged the BOP issues but downplayed the risk they presented, making the following statements:

_Arun Jayaram – Credit Suisse – Analyst:_ Yeah, good morning. Bob, I was wondering if you could comment a little bit at least in this quarter about the deepwater revenue efficiency? The utilization I guess for all three segments was below my expectations. Just wondered if you can comment if there’s any quarter-specific items that led to lower-than-expected utilization?

[Newman:] The deepwater segment of the fleet, which is the 4,500 to 7,500 foot segment, 16 rigs in that fleet, was the largest underperformer in the second quarter. *We had a couple of human error incidents on drill floors on a couple of those rigs. And we had a handful of BOP problems, nothing that I would characterize as systemic or quarter-specific. We did a deep dive on each one of those incidents; we’ve identified the root causes. We’re going back to address them in our management system so they don’t happen again. It’s uncharacteristic in the second quarter; they were anomalies, and I think I’d just leave it at that.*

_Arun Jayaram:_ Steven, any of those issues, could they impact Q3, these BOP issues that you’re citing?

[Newman:] *No, no, no. They’ve all been resolved. BOP operations are a complex part of our business. It’s something we pay a lot of attention to. All of the BOP incidents that occurred in the second quarter been resolved, and we’ll continue to keep our eye closely on the performance of our subsea equipment.*

* * *

_Andreas Stubsrud - Pereto - Analyst:_ Okay. I’ll try again. The deepwater category where you had the low utilization, was that a reflection of the old fleet?

* * *

[Newman:] Yeah, there are some older rigs in that fleet, but it’s not really a reflection of the age of the fleet. *The BOP problems we had were on a*
combination of modern generation and older systems. The human error, the couple of human error issues we had, were really completely unrelated to the age of the rigs those guys were working on. So it doesn’t have a lot to do with the age of the fleet.

[Emphasis added.]

55. On February 24, 2010, Defendants held a conference call to discuss the Company’s fourth quarter 2009 earnings results and operations. During the call, Defendant Newman made the following statements, reassuring investors that the Company had identified equipment failure issues, including the “BOP control issue,” and had addressed them:

*Torn Curran – Wells Fargo – Analyst:* Question in terms of where utilization came in below what you would have expected based on scheduled downtime, *were there any issues remotely similar to those that occurred in the second quarter of 2009 where we had both technical problems related to BOPs, as well as what was categorized as some human error problems?*

[Newman:] On the ultra-deepwater fleet, Tom, where we were particularly focused in the fourth quarter and that differs from where we were in the second quarter of last year, which was on the conventional deepwater fleet. *In the ultra-deepwater fleet, we only had one BOP issue and one human error issue.* We had a couple of start-up issues and we had some equipment failures. But the issues in the fourth quarter were largely dissimilar from what we saw in the second quarter of last year.

*Tom Curran:* So would it be fair to say then that both the nature and the number of those issues in Q4 was more in line with what you would consider normal, whereas second-quarter 2009 was clearly abnormal?

[Newman:] Yes, I wouldn’t characterize the fourth quarter of 2009 – I wouldn’t characterize the performance on the Ultra-Deepwater fleet as normal, because it was below the historical revenue efficiency for that class. So I don’t want to lead you to conclude that that is something we ought to expect going forward.

*But we have identified the issue, the equipment failure issues. We have addressed the BOP control issue. And the human error issue is something we continue to focus on through our training and competency programs.*

[Emphasis added.]

56. On April 1, 2010, Transocean issued its definitive proxy statement for the Company’s 2010 annual general meeting of shareholders, which was filed with the SEC on Form
DEF 14A on April 1, 2010. The Proxy claimed that although the Company’s executives qualified for bonuses under the safety metrics in place, the executives were receiving no bonuses since the Company had “incurred four fatalities with varying causes in varying regions around the world.” The Proxy asserted that:

The Committee took this extraordinary action to underscore the company’s commitment to safety and to increase the incentive for executive officers to promote the goal of an incident-free workplace and, in particular, the avoidance of future fatal accidents.

57. Notwithstanding this decision to withhold bonuses, Transocean’s executives were still well compensated. In 2009, Defendant Long received total compensation of $15.208 million and Defendant Newman received total compensation of $5.3 million, according to the 2010 definitive proxy statement.

58. The statements, and/or omissions made by Defendants during the Class Period were each materially false and misleading when made because Defendants failed to disclose the true material facts, including:

(a) Transocean had recurring and undisclosed safety issues throughout the Class Period. In fact, as disclosed at the end of the Class Period, of the four fires aboard deep-water drilling rigs investigated by the MMS since 2005, all were operated by Transocean, including a fire that broke out on a brand-new Transocean rig, the Discoverer Clear Leader, which knocked out power to the thrusters that keep the rig in position above the well — a dangerous situation, because if a rig drifts too far it can disconnect from the well and cause a spill.

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6 When asked by the *Wall Street Journal* for details about the underlying facts relating to the fatalities, Transocean spokesman, Guy Cantwell, said he couldn’t immediately provide details on the circumstances of the four fatalities in 2009, except to say they involved four separate incidents in different locations. *See, Wall Street Journal*, “Rig Owner Under Scrutiny,” May 3, 2010. (Available at http://online.wsj.com/article/SB10001424052748703969204575220552092667436.html, last accessed July 8, 2010).
For example, prior to the April 20, 2010, incident, Transocean’s Deepwater Horizon rig had previously spilled over 200 barrels of an oil-based lubricant into the Gulf of Mexico due to equipment failure and human error.

(b) Defendants had not resolved past BOP problems and BOP accidents and such occurrences were not “anomalies,” as Defendant Newman claimed at the conference calls on August 5, 2009, and February 24, 2010. In fact, during the preceding ten years, Transocean had been cited numerous times by both customers and governmental agencies for BOP failures and lax oversight. For example, as revealed at the end of the Class Period, in 2006, Transocean’s Discoverer Enterprise was drilling for BP in over 6,000 feet of water and suffered a leak from its BOP, causing 54 barrels of drilling fluid to spill into the Gulf. In reviewing the incident, the MMS stated that the problem was caused in part by “extended use of [the BOP] without inspection/maintenance.”

(c) Defendants knew that BOPs operating on ultra-deep drilling rigs were inherently unsafe, yet failed to disclose that these “failsafe” mechanisms could not perform the critical “failsafe” function they were intended for. In fact, Defendants were aware, by virtue of the several industry papers on BOP failures, that the equipment necessary to successfully drill at depths similar to those encountered with the Deepwater Horizon would interfere with the effective operation of Transocean’s safety protocols, including the BOP.

(d) Throughout the Class Period, Transocean did not have the necessary and proper safety protocols in place. Thus, it was just a matter of time before an incident of catastrophic proportions, such as the one that occurred on April 20, 2010, would take place. Indeed, Transocean knew that drilling was being done at the Deepwater Horizon at depths deeper than permitted by the applicable permits and that drilling at significant depths
required specialized equipment that would render Transocean’s safety protocols, including the BOP, ineffective.

The Truth Begins To Be Revealed

59. Beginning on April 20th, and continuing until June 1, 2010, the public began to learn of Transocean’s misrepresentations and the magnitude of those risks to the Company and its businesses, which caused Transocean’s stock to drop. On the evening of April 20, 2010, at approximately 10 p.m., the semi-submersible Deepwater Horizon experienced one or more explosions and a catastrophic fire. The explosions and fire killed 11 people, 9 of whom were Transocean employees, and injured 17 others. The day after the explosion, the Company stock price fell $1.66 per share, closing at $90.37 on April 21, 2010.

60. The fire caused by the explosion of April 20 went out on Thursday April 22, 2010, as the Deepwater Horizon sank below the surface at 10:21 a.m. CDT (1521 GMT), about 41 miles off the Louisiana coast, and began leaking oil. By that Thursday afternoon, a five-mile long oil slick extended from the accident site. Unmanned submarines that arrived hours after the explosion have been unable to activate the shut-off BOP valve on the seabed. The day after the rig sank, the Company stock price continued to decline, closing at $89.89 on April 23, 2010.

61. On April 29, 2010, the Wall Street Journal revealed in a report entitled “Oil Well Lacked Safeguard Device — Officials Say Leak Grows Fivefold” that the Deepwater Horizon lacked a remote-control shut-off switch as last-resort protection against underwater spills, such as an acoustic switch.

62. In response to the revelation that, contrary to the Company’s representations of safety, it had failed to include adequate safety controls to protect against underwater spills, the price of the Company stock plunged $6.60 from its $85.11 opening price to close at $78.51 on April 29, 2010.
63. The next day, on April 30, 2010, on the news that U.S. Attorney General Eric Holder was dispatching a team of lawyers to New Orleans to monitor the oil spill and that the U.S. government would vigorously prosecute against all responsible for the Gulf Spill disaster, Transocean’s stock price dropped another $6.19 to close at $72.32.

64. On May 5, 2010, Transocean filed SEC Form 10-Q for the quarter ended March 31, 2010. In its Form 10-Q, the Company announced that the Departments of Homeland Security and the Interior, including the MMS, had begun a joint investigation into the Company and the cause of the incident. In addition, it announced that various committees and subcommittees of the U.S. Congress had requested Transocean’s participation in hearings related to the disaster, and the Company also received a request from the U.S. Department of Justice to preserve information related to the fire, explosion and sinking of the Deepwater Horizon, as well as the subsequent oil spill.

65. Transocean also announced that in connection with the Deepwater Horizon incident, one of its subsidiaries was notified by the U.S. Coast Guard on April 28, 2010, that under the provisions of the Oil Pollution Act of 1990 (“OPA”), Deepwater Horizon had been designated as a source of oil discharges and its subsidiaries have been designated as a responsible party under OPA.

66. In response to this revelation, shares of Transocean’s common stock fell $3.06 per share to close at $69.70 per share on May 6, 2010, on heavy trading volume.

67. On May 10, 2010, the extent of Defendants’ deception began to surface in a news report published by the Wall Street Journal entitled, “Rig Owner Had Rising Tally of Accidents.” The article set forth Transocean’s spotty safety record, previously concealed from the public, and noted that Transocean was involved in 24 out of 33 incidents investigated by the
MMS from 2005-2007 (approximately 73%), even though it owned less than half the operating ultra-deep drilling rigs in the Gulf, providing in relevant part:

Nearly three of every four incidents that triggered federal investigations into safety and other problems on deepwater drilling rigs in the Gulf of Mexico since 2008 have been on rigs operated by Transocean, according to an analysis of federal data. Transocean defended its safety record but didn’t dispute the Journal’s analysis.

*   *   *

From 2005 through 2007, a Transocean rig was involved in 13 of the 39 deep-water drilling incidents investigated by the MMS in the Gulf of Mexico, or 33%. That’s roughly in line with the percentage of deep-water rigs, 30%, Transocean owned and operated in the Gulf then, according to data firm RigLogix.

Since the merger, Transocean has accounted for 24 of the 33 incidents investigated by the MMS, or 73%, despite during that time owning fewer than half the Gulf of Mexico rigs operating in more than 3,000 feet of water.

68. The day the Wall Street Journal reported the analysis that was undisputed by the Company, the price of Transocean common stock fell an additional $1.67 on May 10, 2010. The drop occurred on a day in which the S&P 500 increased 4.3%. Upon the disclosure of the previously omitted fact that Transocean had been the subject of numerous safety citations and operational and safety investigations, the price of Transocean common stock fell $25.69 per share from April 20, 2010, through May 10, 2010, a decline of nearly 28%.

69. On May 11, 2010, a full U.S. Senate Committee hearing commenced to discuss the Gulf Spill disaster, entitled, “Economic and Environmental Impacts of the Recent Oil Spill in the Gulf of Mexico.” Testimony during the congressional hearings has pointed to multiple technical failures before the explosion. During the hearing, BP blamed the Gulf Spill on the failure of Transocean’s BOP and raised questions as to whether Transocean disregarded “anomalous pressure test readings” just hours before the explosion. Halliburton, another party involved in the disaster, also pointed the finger at Transocean claiming that Halliburton had
“faithfully” followed instructions but that Transocean had improperly started replacing a heavy drilling mud with seawater before the well was sealed with a cement plug.

70. On June 1, 2010, U.S. Attorney General Eric Holder, confirmed that the Department of Justice was investigating whether criminal or civil charges were warranted regarding the spill under the Clean Water Act (which carries civil and criminal penalties), the OPA (which can be used to hold companies liable for cleanup costs), the Migratory Bird Treaty Act and Endangered Species Acts (which provide penalties for injuries to wildlife), and other “traditional” criminal statutes.

71. Attorney General Holder specifically promised to hold the responsible parties liable for this actions, stating in relevant part:

We will make certain that those responsible clean up the mess they have made and restore or replace the natural resources lost or injured in this tragedy.

* * *

And we will prosecute to the full extent any violations of the law.

72. Upon news of these investigations and the possible civil and criminal charges facing the Company, Transocean’s stock price fell further, to close at $50.04 on June 1, 2010.

73. As a result of Defendants’ false and misleading statements, and/or omissions, Transocean securities traded at inflated levels during the Class Period. When the truth was revealed and it became apparent that Transocean’s safety mechanisms and protocols – including the critical BOP – had failed and that Transocean had not only contributed to fatalities and injuries, and been at the root of a multi-million gallon oil spill, but had also been the subject of numerous and recurring citations and investigations for poor operational and safety performance, the price of the Company’s securities declined. Transocean’s common stock price dropped almost 28% from its Class Period high. This precipitous drop removed the inflation from
Transocean's share price, causing real economic loss to investors who had purchased Transocean securities during the Class Period.

**PRESUMPTION OF RELIANCE APPLIES**

74. The market for Transocean's securities was open, well-developed and efficient at all relevant times. As a result of these materially false and misleading statements and failures to disclose, Transocean securities traded at artificially inflated prices during the Class Period. The artificial inflation continued until at least the end of the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Transocean securities relying upon the integrity of the market price of Transocean's securities and market information relating to Transocean, and have been damaged thereby.

75. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Transocean's securities, by publicly issuing false and misleading statements and omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and misleading. Said statements and omissions were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about the Company, its business and operations.

76. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused, or were a substantial contributing cause of, the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false or misleading statements about Transocean's business, prospects, operations, safety protocols for its oil drilling products, the nature and correction of design issues for these products, recurring BOP problems, the Company's operating and safety record, and the true impact of the Gulf Spill disaster. These material misstatements and omissions had the cause and effect of creating in the market an
unrealistically positive assessment of Transocean and its business, prospects and operations, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and misleading statements, and/or omissions, during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein.

**LOSS CAUSATION/ECONOMIC LOSS**

77. As detailed herein, during the Class Period, Defendants made false and misleading statements, and/or omissions, and engaged in a scheme to deceive the market and a course of conduct that artificially inflated the price of Transocean securities and operated as a fraud or deceit on Class Period purchasers of Transocean securities by misrepresenting the Company's risks, business and prospects. Later, when Defendants' prior misrepresentations, omissions, and fraudulent conduct became apparent to the market, the price of Transocean securities fell. As a result of their purchases of Transocean securities during the Class Period, Plaintiff and other members of the Class suffered economic damages.

**ADDITIONAL SCIENTER ALLEGATIONS**

78. As alleged herein, Defendants acted with scienter in that Defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. Defendants, by virtue of their receipt of information reflecting the true facts regarding Transocean, their control over, and/or receipt, and/or modification of Transocean's alleged materially misleading misstatements and/or omissions, and/or their
associations with the Company that made them privy to confidential proprietary information concerning Transocean, participated in the fraudulent scheme alleged herein.

**INAPPLICABILITY OF STATUTORY SAFE HARBOR**

79. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false or misleading statements and material omissions pled in this Complaint. Many of the statements alleged to be false and misleading were not specifically identified as "forward-looking statements" when made, and many were statements of historical fact and/or representations about the Company’s then-existing condition to which the statutory safe harbor does not apply.

80. To the extent any statements alleged to be false or misleading herein may be characterized as forward-looking to which the statutory safe harbor applies, (i) those statements were not accompanied by meaningful cautionary statements identifying the important then-present factors that could cause actual results to differ materially from those in the purportedly forward-looking statements; and (ii) the particular speakers of such statements knew in each case that their statements were false or misleading and/or the statements were authorized and/or approved by an executive officer of the Company who knew that those statements were false or misleading, in each case when such statements were made.

**COUNT I**

**VIOLATIONS OF § 10(b) OF THE EXCHANGE ACT AND RULE 10b-5 AGAINST ALL DEFENDANTS**

81. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

82. During the Class Period, Transocean and the Individual Defendants, and each of them, carried out a plan, scheme and course of conduct that was intended to and, throughout the
Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and maintain the market price of Transocean's securities; and (iii) cause Plaintiff and other members of the Class to purchase Transocean's securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each of them, took the actions set forth herein.

83. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business that operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Transocean's securities, in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

84. In addition to the duties of full disclosure imposed on Defendants as a result of their making of affirmative statements and reports, or participation in the making of affirmative statements and reports to the investing public, Defendants had a duty to promptly disseminate truthful information that would be material to investors in compliance with the integrated disclosure provisions of the SEC as embodied in SEC Regulation S-X (17 C.F.R. Section 210.01 et seq.) and Regulation S-K (17 C.F.R. Section 229.10 et seq.) and other SEC regulations, including accurate and truthful information with respect to the Company's operations, financial condition and earnings so that the market price of the Company's securities would be based on truthful, complete and accurate information.

85. Transocean and the Individual Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails,
engaged and participated in a continuous course of conduct to conceal adverse material information about the business, operations and future prospects of Transocean as specified herein.

86. These Defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Transocean’s value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and omitting to state material facts necessary in order to make the statements made about Transocean and its business operations and future prospects in the light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business that operated as a fraud and deceit upon the purchasers of Transocean’s securities during the Class Period.

87. Each of the Individual Defendants’ primary liability, and controlling person liability, arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company’s management team or had control thereof; (ii) each of these Defendants, by virtue of his responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the creation, development and reporting of the Company’s internal budgets, plans, projections and/or reports; (iii) each of these Defendants enjoyed significant personal contact and familiarity with the other Defendants and was advised of and had access to other members of the Company’s management team, internal reports and other data and information about the Company’s finances, operations, and sales at all relevant times; and (iv) each of these
Defendants was aware of the Company's dissemination of information to the investing public that they knew or recklessly disregarded was materially false and misleading.

88. The Defendants had actual knowledge of the misrepresentations and omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such Defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing information pertaining to Transocean's operating condition (including its safety deficiencies) and future business prospects (including the potential harm caused by the safety deficiencies) from the investing public and supporting the artificially inflated price of its securities. As demonstrated by Defendants' overstatements and misstatements of the Company's business, operations and earnings throughout the Class Period, Defendants, if they did not have actual knowledge of the misrepresentations and omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

89. As a result of the dissemination of the materially false and misleading information and failure to disclose material facts, as set forth above, the market price of Transocean's securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of Transocean's publicly-traded securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by Defendants, or upon the integrity of the market in which the securities trade, and/or on the absence of material adverse information that was known to or recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during the Class Period, Plaintiff and the other members of the Class
acquired Transocean securities during the Class Period at artificially high prices and were damaged thereby.

90. At the time of said misrepresentations and omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known of the true financial condition and business prospects of Transocean, which were not disclosed by Defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Transocean securities; or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices that they paid.

91. By virtue of the foregoing, Defendants have violated Section 10(b) of the Exchange Act, and Rule 10b-5 promulgated thereunder.

92. As a direct and proximate result of Defendants’ wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company’s securities during the Class Period.

COUNT II

VIOLATIONS OF § 20(a) OF THE EXCHANGE ACT AGAINST THE INDIVIDUAL DEFENDANTS

93. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

94. The Individual Defendants acted as controlling persons of Transocean within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions, and their ownership and contractual rights, participation in and/or awareness of the Company’s operations and/or intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, the Individual Defendants had
the power to influence and control and did influence and control, directly or indirectly, the
decision-making of the Company, including the content and dissemination of the various
statements that Plaintiff contends are false and misleading. The Individual Defendants were
provided with, or had unlimited access to, copies of the Company’s reports, press releases, public
filings and other statements alleged by Plaintiff to be misleading prior to, and/or shortly after,
these statements were issued and had the ability to prevent the issuance of the statements or
cause the statements to be corrected.

95. In particular, each of these Defendants had direct and supervisory involvement in
the day-to-day operations of the Company and, therefore, is presumed to have had the power to
control or influence the particular transactions giving rise to the securities violations as alleged
herein, and exercised the same.

96. As set forth above, Transocean and the Individual Defendants each violated
Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue
of their positions as controlling persons, the Individual Defendants are liable pursuant to Section
20(a) of the Exchange Act. As a direct and proximate result of Defendants’ wrongful conduct,
Plaintiff and other members of the Class suffered damages in connection with their purchases of
the Company’s securities during the Class Period.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of himself and the other members of the Class, prays
for judgment as follows:

a. Declaring this action to be a class action properly maintained pursuant to
the Federal Rules of Civil Procedure, certifying the Class with Plaintiff as Class Representatives,
and certifying Plaintiff’s counsel as Class Counsel;
b. Awarding Plaintiff and the other members of the Class damages against Defendants, jointly and severally, together, in an amount to be proven at trial, including interest thereon;

c. Awarding Plaintiff and the other members of the Class their costs and expenses of this litigation, including reasonable attorneys’ fees, accountants’ fees, experts’ fees and other costs and disbursements; and

d. Awarding Plaintiff and the other members of this Class such other and further relief as the Court may deem just and proper.

DEMAND FOR TRIAL BY JURY

Plaintiff demands a trial by jury.

Dated: July 9, 2010

MILBERG LLP

[Signature]

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Counsel for Plaintiff
CERTIFICATION OF PROPOSED NAMED PLAINTIFF

I, Don Foley, certify that:

1. I have reviewed the complaint, authorized its filing, and authorized Milberg LLP to act on my behalf in this matter for all purposes.

2. I did not acquire the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action or any other litigation under the federal securities laws.

3. I am willing to serve as a representative party who acts on behalf of a class, including providing testimony at deposition and trial, if necessary.

4. I will not accept any payments for serving as a representative party on behalf of the class beyond the purchaser's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the court.

5. I understand that this is not a claim form, and that my ability to share in any recovery as a member of the class is unaffected by my decision to serve as a representative party or Named and/or Lead Plaintiff.

6. The number of shares or other securities of Transocean Ltd. (NYSE: RIG) I held immediately BEFORE the first day of the Class Period referenced in the relevant complaint (if any) was: ________ and the type of securities was (check one): □ Common Stock □ Bonds □ Preferred Stock □ Call □ Put

7. I have listed below all my transactions in the securities of Transocean Ltd. (NYSE: RIG) DURING the Class Period referenced in the complaint as follows:

<table>
<thead>
<tr>
<th>Type of Security (Common stock, Preferred Stock, Calls, Puts or Bonds)</th>
<th>Purchase/Acquisition or Sale/Disposition</th>
<th>Quantity</th>
<th>Trade Date (mm/dd/yy)</th>
<th>Price per Share/Security ($)</th>
</tr>
</thead>
</table>

SEE ATTACHED SCHEDULE A

8. During the three years prior to the date of this Certification, I have not sought to serve and I have not served as a representative party for a class in an action filed under the federal securities laws, except as described below (if any): None

I declare under penalty of perjury, under the laws of the United States, that the information entered is accurate.

Executed this ___ day of ___, 2010

[Signature]

Don Foley
Schedule A
Don Foley's transactions in
Transocean Ltd. (NYSE: RIG)

Pre-class position as of 8/5/09

900 shares

Purchase(s):

<table>
<thead>
<tr>
<th>Date</th>
<th>Shares</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/3/2010</td>
<td>1,000</td>
<td>71.00</td>
</tr>
</tbody>
</table>