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November 3, 2010

Via U.S. Mail:

Silvia Murphy, Attorney-Advisor
Jeff Bray, Attorney-Advisor
Joint Investigation
1201 Elmwood Park Blvd.
New Orleans, Louisiana 70123-2394

Re: Preservation and Testing of Deepwater Horizon Blowout Preventer

Dear Ms. Murphy and LCDR Bray:

On Transocean's behalf, I am writing to express our concern regarding the status of the preservation and testing of the *Deepwater Horizon* blowout preventer ("BOP").

Transocean filed its motion for protective order on August 19, 2010, out of concern that plans to preserve and forensically test the BOP had not been properly vetted among all the interested parties. Transocean also wanted input in the selection of an appropriate testing facility. On September 3, 2010, Judge Barbier conducted a hearing on Transocean's motion and heard evidence on the Joint Investigative Team's (JIT) plans for preserving and testing the BOP.

At that hearing, the JIT presented Captain Suzanne Englebert, a member of the United States Coast Guard (USCG), and Neil Thompson, a representative from DNV-Columbus, who testified that DNV had been hired (the day before the hearing) to direct and conduct the forensic testing of the BOP. Both witnesses testified that the NASA Michoud Assembly Facility ("NASA/Michoud facility") would be equipped for the testing by October 1, 2010, and that a testing protocol would be finalized soon thereafter.

As of the date of this letter, however, forensic testing has not begun, the testing facilities are not ready, many of the critical preservation steps have not been completed, and DNV just released its final testing protocol on Friday, October 29, 2010. Because of the delays, the BOP and its components have not been preserved as Transocean and other parties requested, and the critical BOP components have been subject to the elements, corrosion and deterioration such that the results of any eventual testing may now be compromised.

Transocean certainly appreciates the flow of information and regular updates provided by JIT and DNV but is frustrated by the lack of progress on preservation and testing issues. The

potential delays associated with properly equipping the NASA/Michoud facility, and transforming it from a riverside dock into a BOP testing facility, were identified from the beginning by the parties in interest and it is no surprise those delays became a reality.

The plans for preserving the BOP were disrupted almost from the day the BOP stack was pulled to surface on September 4, 2010. The JIT made the decision to forgo several of the short term preservation steps (steps which were drafted by Transocean in conjunction with the JIT and the parties in interest) that were scheduled to occur on the Q4000. Instead, the stack was prematurely sent to shore and arrived at the NASA/Michoud facility on September 11, 2010.

Transocean ultimately convinced JIT and DNV representatives that, at the very least, preservation of the BOP pods was an essential preservation step skipped by the decision to come to the testing facility prematurely. As such, DNV consented to flushing the BOP pods and Transocean assisted in completing that step on September 27, 2010.

Unfortunately, there have been no further preservation steps on the BOP and lower marine riser package (LMRP) components since flushing the pods on September 27. Preservation steps on other components on the stack have not occurred since the activities on the Q4000 on September 9, 2010.

In short, BOP preservation has not progressed. The pods have not been placed in preservation vats (specially constructed for this stack), and DNV has not taken any steps to preserve the BOP bonnets. Placing the pods in the vats is time sensitive to prevent fluid evaporation and residue from forming in the pod valves. DNV represented that all equipment necessary for forensic testing of the BOP at Michoud would be available on site as of October 15, 2010. In reality, the Stack Guard BOP Fluid for the pod storage vats was not prepared to be transferred into the 550 gallon tote tanks until October 22, 2010, and, to date, the pods are still not in the vats.

A recently revised plan called for positioning the pod vats in new containment berms, filling the vats with Stack Guard, and letting them stand for one day to confirm no leaks.

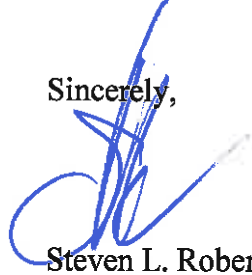
As for the NASA/Michoud facility, the BOP and LMRP were lifted off the barge and set on new stands on October 3, 2010, after sitting unprotected on the transport barge for more than three weeks. The JIT has also advised that the plans to construct a roof over the BOP and LMRP have been placed on hold and will not be completed until the end of the testing phase. The Transocean representative present at NASA/Michoud reports that DNV continues to work with the USCG and NASA to prepare the rest of the site for testing. Most of the work in the last several weeks has involved mapping and tagging the hydraulic components on the BOP and LMRP, and much of that work had to be redone because of rain on the unprotected stack.

In summary, Transocean's fears have been realized, and it now is possible that any operational tests or measurements from critical BOP components may now be compromised. Please report at your earliest convenience when you expect forensic testing to begin. We also

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Jeff Bray, Attorney-Advisor
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request a timeline of events as scheduled by JIT and DNV, beginning with the start of forensic testing and leading up to and including the final report to be issued by DNV.

Sincerely,



Steven L. Roberts