

# Transocean Agrees To Deal With Icahn

Associated Press

NEW YORK (AP) — Oil driller Transocean has agreed to a deal with billionaire investor Carl Icahn after a months-long proxy fight.

The company said today that it has agreed to support a dividend of \$3 per share and reduce the size of its board. It is also looking to boost margins by \$800 million through cost-cutting efforts and other measures. The stock climbed in premarket trading.

Icahn, a minority shareholder in Transocean Ltd., had previously pushed for a \$4 per share dividend but Transocean's shareholders rejected it. Icahn, known for shaking up companies in which he invests, had also wanted several board changes.

Transocean Ltd. said it agreed to support the re-election of Samuel Merksamer and election of Vincent Intrieri, both Icahn staffers. Merksamer was elected to Transocean's board at its 2013 annual meeting.

The company also agreed to reduce its board to 11 directors from 14. It previously proposed trimming the board's size at its 2011 annual meeting but it didn't meet the quorum requirements and the proposal wasn't voted on. Transocean said if the quorum requirement isn't met at the 2014 meeting, it plans to leave three board seats vacant.

Transocean said it will also pursue converting the company to a master limited partnership, saying that move could provide more financial flexibility. It anticipates an initial public offering of a master limited partnership being completed around the middle of next year. The offering needs the approval of Transocean's board.

Transocean said that as part of the deal with Icahn, the Icahn Group has agreed to vote in favor of the company's board nominees and certain other proposals it may recommend at the 2014 meeting.

In May Transocean's shareholders voted out Chairman J. Michael Talbert. He had been Transocean's CEO from 1994 to 2002 and served three terms as chairman before his ouster.

Transocean, based in Switzerland, owned the Deepwater Horizon drilling rig which exploded and sank in the Gulf of Mexico in 2010, triggering a massive offshore oil spill. The company agreed to a \$1.4 billion settlement with the Justice Department for its role in the disaster.

Transocean's stock added \$1.18, or 2.2 percent, to \$54.63 in premarket trading about three hours before the market open.

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