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Dear Messrs. Elzey and Piccolo,

As the Attorneys General for the five Gulf Coast states, we have been closely monitoring the progress of the action filed in the United States District Court for the Southern District of Texas by Asset Leasing GmbH, Transocean Holdings LLC, and Transocean Offshore Deepwater Drilling Inc. (collectively, "Transocean") pursuant to the Limitation of Liability Act of 1851.

We have reviewed with particular interest the recent exchange of pleadings between Transocean and the United States Department of Justice and the resulting amended motion order entered on June 14, 2010. As you are aware, that order provides, *inter alia*, that the "injunction does not apply to any claims, including those of private parties, asserted against Petitioners within the scope of 33 U.S.C. § 2718(a), inclusive." Based on the plain wording of the savings clauses contained in section 2718(a), it is our position that this provision encompasses all state law claims, including state common law claims, and that any such claims would not be subject to the court's injunction. Our position is consistent with the holding of *In re Jahre Spray II K/S*, 1996 WL 451315, 1996 U.S. Dist. Lexis 11594 (D.N.J. Aug. 5, 1996), as well as other cases.


It remains unclear whether Transocean shares this view of the inapplicability of the Limitation of Liability Act to state common law claims. In its response to the Department of Justice's motion to lift or modify the motion, Transocean acknowledged only that claims under state statutes


imposing liability with respect to oil spills were exempted from application of the Limitation of Liability Act. In order that we may avoid unnecessary motion practice and briefing, we are requesting written clarification from you regarding Transocean's position on the applicability of the Limitation of Liability Act to state common law causes of action.

We look forward to your prompt response on this matter.


Sincerely,


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