

ENSCO PLC

FORM 8-K (Current report filing)

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

DATE OF REPORT (Date of earliest event reported): 22 July 2011

Ensco plc

(Exact name of registrant as specified in its charter)

England and Wales
(State or other jurisdiction
of incorporation)

1-8097
(Commission
File Number)

98-0635229
(I.R.S. Employer
Identification No.)

6 Chesterfield Gardens
London, England W1J 5BQ
(Address of Principal Executive Offices and Zip Code)

Registrant's telephone number, including area code: 44 (0) 20 7659 4660

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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INFORMATION TO BE INCLUDED IN THE REPORT

Item 2.02 Results of Operations and Financial Condition

Attached hereto as Exhibit 99.1 is a Fleet Status Report of Ensco plc as of 22 July 2011.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Fleet Status Report of Ensco plc as of 22 July 2011.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: 22 July 2011

Enscopl

/s/ DOUGLAS J. MANKO

Douglas J. Manko

Controller

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Fleet Status Report of Ensco plc as of 22 July 2011.



Enco plc
Fleet Status Report
22 July 2011

Monthly Changes

Bolded rig names and underlined text signify changes in rig status from previous report.

Segment / Region / Rig	Design	Water Depth ⁽¹⁾	Customer/Status	Day Rate \$000's US	Location	Contract Change	Est. Avail / Comments
Deepwater							
North & South America (excluding Brazil) - See Definitions and Disclaimers							
ENSCO DS-3 ⁽³⁾	Drillship, DP3 Samsung	10000/12000	BP	<u>High 480s</u>	U.S. Gulf of Mexico	Jun. 16	Full day rate, high 480s, and 5-year term contract began 1 Jun. 11. See footnote 3 regarding change in day rate from prior report
ENSCO DS-5	Drillship, DP3 Samsung	10000/12000	Petrobras	<u>Mid 430s</u>	U.S. Gulf of Mexico	Jul. 16	Full day rate, mid 430s, and 5-year term contract began 11 Jul. 11. Eligible for bonus opportunity up to 17%, plus costs adjustments. Prior fleet status report included bonus opportunity (approx.\$70,000) in the reported day rate
ENSCO 8500	Semisubmersible DP	8500/10000	Eni/Anadarko	<u>Mid 290s</u>	U.S. Gulf of Mexico	Aug. 13	Lump sum payment of \$20 million and one-time reimbursable costs of \$27 million amortized over primary contract term, which equals approx. \$31,000 per day. Plus cost adjustments and four 1-year same-rate options
ENSCO 8501	Semisubmersible DP	8500/10000	Nexen/Noble Energy	<u>Mid 370s</u>	U.S. Gulf of Mexico	Jun. 13	Currently allocated to Noble. For Nexen's allocation of rig time, see U.S. Gulf of Mexico on Definitions and Disclaimers page. Mob and upgrade costs are reimbursed by Noble and Nexen at approx. \$19,000 per day over primary contract term. Plus cost adjustments and unpriced options
ENSCO 8502	Semisubmersible DP	8500/10000	Nexen	<u>High 480s</u>	U.S. Gulf of Mexico	Jun. 13	Full day rate, high 480s, and 2-year term contract began 20 Jun. 11. Plus approx. \$35,000 per day for reimbursable mobilization expenses and upgrades amortized over 2-year term contract
ENSCO 8503 ⁽²⁾	Semisubmersible DP	8500/10000	Tullow/Cobalt	High 430s	French Guiana	Sep. 11	Sublet to Tullow to Sep. 11. Then estimate 25 day demob at 75% of day rate (i.e. mid 320s) and 21 days at special rate of low 210s for upgrades. Then expect to commence original 2-year term contract with Cobalt in U.S. Gulf of Mexico, low 530s, plus reimbursable expenses and upgrades to be amortized over Cobalt's primary contract term of approx. \$54,000 per day once term contract commences
Brazil							
ENSCO DS-4 ⁽³⁾	Drillship, DP3 Samsung	10000/12000	BP	<u>Mid 540s</u>	Brazil	Jul. 16	Full day rate, mid 540s, began 21 May and 5-year term contract began 17 Jul. 2011. See footnote 3 regarding change in day rate from prior report
ENSCO 7500	Semisubmersible DP	8000	<u>Contracted/mob/sea trials</u>		Brazil	Oct. 11	Next to Petrobras to May 14, low 320s. Eligible for bonus opportunity up to 5%. Plus mob and upgrade costs to be amortized over contract at approx. \$20,000 per day
ENSCO 6001	Semisubmersible	5000/5600	Petrobras	<u>Mid 270s</u>	Brazil	Jun. 13	Eligible for bonus opportunity up to

ENSCO 6002	- DP Amethyst 2 Semisubmersible	5600	Petrobras	<u>Mid 270s</u>	Brazil	Jul. 13	<u>15%, plus cost adjustments</u> <u>Eligible for bonus opportunity up to 15%, plus cost adjustments</u>
ENSCO 6003	- DP Amethyst 2 Semisubmersible	5600/5700	Petrobras	<u>High 310s</u>	Brazil	Jan. 17	<u>Estimate 42 days shipyard in 3Q 2011 at zero rate. Eligible for bonus opportunity up to 15%, plus cost adjustments</u>
ENSCO 6004	- DP Amethyst 2 Semisubmersible	5700	Petrobras	<u>High 310s</u>	Brazil	Oct. 16	<u>Eligible for bonus opportunity up to 15%, plus cost adjustments</u>
Europe & Mediterranean							
ENSCO 5006	Semisubmersible - Conv Bingo 8,000	6200/7500	Noble Energy	Mid 270s	Israel	Oct. 11	<u>Plus cost adjustments and five 1-well options</u>
Middle East & Africa							
ENSCO DS-1	Drillship - DP Gusto 10,000	6000/10000	TOTAL	Mid 190s	Angola	<u>Dec. 14</u>	<u>Rate increases mid Dec. 11, low 350s. Anticipate two months planned downtime at zero rate in 2012. Plus options and cost adjustments. Eligible for bonus opportunity up to 7% to Dec. 11 and thereafter up to 5%</u>
ENSCO DS-2	Drillship - DP Gusto 10,000	6000/10000	TOTAL	Mid 460s	Angola	Jul. 13	<u>Eligible for bonus opportunity up to 5%, plus cost adjustments</u>
ENSCO 5001	Semisubmersible - Conv Sonat Offshore/Aker	5000/6500	<u>Shipyard</u>	-----	Angola	Sep. 11	<u>Next to Maersk in Angola to Mar. 12, mid 270s. Plus one 1-well same price option. Then to PetroSA in South Africa to Mar. 14, mid 270s. Plus two 1-well options, low 320s</u>



**Enesco plc
Fleet Status Report
22 July 2011**

Monthly Changes

Bolded rig names and underlined text signify changes in rig status from previous report.

Segment / Region / Rig	Design	Water Depth ⁽¹⁾	Customer/Status	Day Rate \$000's US	Location	Est. Avail / Contract Change	Comments
Deepwater							
Asia & Pacific Rim							
ENSCO 8504	Semisubmersible DP	8500/10000	<u>Under construction/ contracted/sea trails</u>		Singapore/ Brunei	3Q11	<u>Next to TOTAL to Mar. 12, mid 420s. Plus options. Mob and upgrade costs to be amortized over contract at approx. \$94,000 per day. For details see 21 April 2011 press release</u>
Under Construction - uncontracted							
ENSCO DS-6	Drillship, DP3 Samsung	10000/12000	Under construction		South Korea	4Q11	
ENSCO DS-7	Drillship, DP3 Samsung	10000/12000	Under construction		South Korea	2H13	
ENSCO 8505	Semisubmersible DP	8500/10000	Under construction		Singapore	1H12	
ENSCO 8506	Semisubmersible DP	8500/10000	Under construction		Singapore	2H12	

- (1) For rigs that may be modified to drill in deeper water depths, both the currently outfitted and maximum upgrade capabilities are shown.
- (2) While ENSCO 8503 has earned a sublet day rate since its successful completion of acceptance testing, the original two-year contract has not yet commenced. Therefore, mobilization from the shipyard and other related reimbursements are not yet being recognized in revenue.
- (3) On 31 May 2011, Enesco completed the acquisition of Pride International. On Pride's previous fleet status reports, day rates reported for two rigs, ENSCO DS-3 (Deep Ocean Ascension) and ENSCO DS-4 (Deep Ocean Clarion), included reimbursable items related to mobilizations and capital enhancements that were being invoiced monthly. Non-recurring reimbursable items related to mobilizations and capital enhancements for all other Pride rigs were excluded from the reported day rates on Pride's fleet status reports.

Enesco excludes non-recurring reimbursable items related to mobilizations and capital enhancements from its day rate definition regardless of how these amounts are invoiced or paid.

Separately, under the acquisition method of accounting in accordance with U.S. GAAP, revenues recognized for the ENSCO DS-3 and ENSCO DS-4 contracts subsequent to the acquisition will not include reimbursements received for mobilizations, capital upgrades or other services performed by Pride prior to the acquisition. Therefore, the reported day rate for ENSCO DS-3 was reduced from low 540s to high 480's and the reported day rate for ENSCO DS-4 was reduced from high 590s to mid 540s to exclude these items.

Importantly, the amount of expected cash flows for these contracts remain unchanged.



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Segment / Region / Rig	Design	Water Depth' (1)	Customer/Status	Day Rate \$000's US	Location	Est. Avail / Contract Change	Comments
Midwater							
Brazil							
ENSCO 5000	Semisubmersible - Conv Neptune Pentagon	2300/2650	Petrobras	<u>Low 240s</u>	Brazil	Jul. 13	<u>Eligible for bonus opportunity up to 15%, plus cost adjustments</u>
ENSCO 5002	Semisubmersible - Conv Aker H-3	1000	OGX	<u>Mid 330s</u>	Brazil	Nov. 11	While the ENSCO 5004 and ENSCO 5002 are working concurrently, their rates are adjusted to mid 260s each
ENSCO 5004	Semisubmersible - Conv F & G Enhanced Pacesetter	1500	OGX	Mid 190s	Brazil	Sep. 11	While the ENSCO 5004 and ENSCO 5002 are working concurrently, their rates are adjusted to mid 260s each
ENSCO 5005	Semisubmersible - Conv F & G Enhanced Pacesetter	1500/1700	Petrobras	<u>Mid 230s</u>	Brazil	Apr. 13	<u>Eligible for bonus opportunity up to 10%, plus cost adjustments</u>
ENSCO 6000	Semisubmersible - DP Amethyst	3400/4000	Petrobras	<u>Low 150s</u>	Brazil	Feb. 12	<u>Currently outfitted for workover activity. Eligible for bonus opportunity up to 18%, plus cost adjustments</u>
Middle East & Africa							
ENSCO 5003	Semisubmersible - Conv Aker H-3	1000	<u>Shipyard</u>	-----	South Africa	Sep. 11	<u>Next to SOCO in Congo to Dec. 11, mid 180s. Plus one 1-well same rate option</u>
Other							
Deepwater Drilling Management							
Kizomba	Deepwater TLP Drilling Rig	5000	ExxonMobil	Mid 70s	Angola	Apr. 15	Management fee paid daily
Thunder Horse	Deepwater Semisubmersible	6000	BP	Mid 80s	U.S. Gulf of Mexico	Jan. 12	Management fee paid daily
Barge Rig							
ENSCO 1	Barge Rig		Cold stacked		Singapore		



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Segment / Region / Rig	Design	Water		Day Rate \$000's US	Location	Est. Avail / Contract Change	Comments
		Depth'	Customer/ Status				
Jackups							
North & South America (excluding Brazil)							
U.S. Gulf of Mexico - See Definitions and Disclaimers							
ENSCO 59	F&G	300	Cold stacked		Gulf of Mexico		
ENSCO 68	MLT 84-CE	400	Chevron	Low 100s	Gulf of Mexico	Jan. 12	Day rate does not include certain extra reimbursable costs
ENSCO 69	MLT 84-Slot	300	Cold stacked		Gulf of Mexico		
ENSCO 75	MLT Super 116-C	400	Apache	Low 100s	Gulf of Mexico	Oct. 11	
ENSCO 81	MLT 116-C	350	Walter	Low 80s	Gulf of Mexico	Aug. 11	
ENSCO 82	MLT 116-C	300	Chevron	High 70s	Gulf of Mexico	Jan. 12	Day rate does not include certain extra reimbursable costs
ENSCO 86	MLT 82 SD-C	250	Apache	Low 60s	Gulf of Mexico	Sep. 11	
ENSCO 87	MLT 116-C	350	Apache	Low 80s	Gulf of Mexico	Oct. 11	
ENSCO 90	MLT 82 SD-C	250	Arena Energy	High 50s	Gulf of Mexico	Nov. 11	-----
ENSCO 99	MLT 82 SD-C	250	W&T Offshore	Low 60s	Gulf of Mexico	Aug. 11	
Pride Wisconsin	MLT-Slot	300	Cold stacked		Gulf of Mexico		
Mexico							
ENSCO 83	MLT 82 SD-C	250	Pemex	Low 110s	Mexico	Nov. 12	Plus cost adjustments
ENSCO 89	MLT 82 SD-C	250	Pemex	Mid 70s	Mexico	Mar. 12	Rates adjust to global index rate every 3 months (next Aug. 11)
ENSCO 93	MLT 82 SD-C	250	Pemex	High 80s	Mexico	Mar. 12	Rates adjust to global index rate every 3 months (next Oct. 11)
ENSCO 98	MLT 82 SD-C	250	Pemex	Low 110s	Mexico	Apr. 12	Plus cost adjustments
Europe & Mediterranean							
North Sea							
ENSCO 70	Hitachi K1032N	250	PA Resources	High 80s	Denmark	Aug. 11	Next to Tullow to Dec. 11, low 90s. Then to RWE Dea to Oct. 12, high 80s, Plus five 1-well options at mutually agreed rates
ENSCO 71	Hitachi K1032N	225	Maersk	High 80s	Denmark	Mar. 12	Plus three 1-year options at escalating day rates
ENSCO 72	Hitachi K1025N	225	Maersk	High 80s	Denmark	Jun. 12	Plus three 1-year options at escalating day rates
ENSCO 80	MLT 116-CE	225	Tullow	High 80s	UK	Sep.11	Next to Wintershall to Feb. 12, low 90s, plus one 1-well option at mutually agreed rate deferred to after EOG. Then to Dana to Apr. 12, low 100s. Then to Perenco to Jul. 12, mid 90s, plus one 1-well same rate option. Then to EOG to Feb. 13, high 90s, plus one 2-well option at mutually agreed rate
ENSCO 92	MLT 116-C	225	E.ON	Low 100s	UK	Sep. 11	Next to RWE Dea Oct. 11 to Jun. 12, high 80s. Plus one 3-well option
ENSCO 100	MLT 150-88-C	350	E.ON	Mid 130s	UK	Mar. 12	Plus one 3-well option at market rate
ENSCO 101	KFELS MOD V-A	400	Maersk	Low 170s	UK	Mar. 12	One unpriced option plus cost adjustments
ENSCO 102	KFELS MOD V-A	400	ConocoPhillips	Low 200s	UK	Jun. 16	Rate firm for 8 wells (est. 3 years) thereafter at mutually agreed rate. Plus

Mediterranean

ENSCO 85

MLT 116-C

300 PA Resources

Mid 90s

Tunisia

Aug. 11



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Segment / Region / Rig	Water		Customer/ Status	Day Rate \$000's US	Location	Est. Avail / Contract Change	Comments
	Design	Depth'					
Jackups							
Middle East & Africa							
Middle East							
ENSCO 54	F&G L-780 Mod II-C	300	ADOC/Bunduq	High 50s	UAE	Feb. 12	Plus cost adjustments and well-to-well options at mutually agreed rate
ENSCO 58	F&G	250	Saudi Aramco	Mid 60s	KSA	Dec. 13	Plus one year same rate option
ENSCO 76	MLT Super 116-C	350	Saudi Aramco	Low 100s	Saudi Arabia	Jun. 14	Planned shipyard upgrade, mid Sep. 11 for approx. 30 days at zero rate. Plus one year option, high 150s
ENSCO 84	MLT 82 SD-C	250	Contracted/shipyard		Bahrain	Oct. 11	Next to Saudi Aramco to Dec. 14, low 60s. Plus one 1-year option, mid 70s. Estimate 80 days downtime in early 2012 for planned shipyard upgrade at zero rate
ENSCO 88	MLT 82 SD-C	250	Ras Gas	Mid 60s	Qatar	Mar. 12	Plus multiple options at escalating rates
ENSCO 91	Hitachi	270	Saudi Aramco	Low 130s	Saudi Arabia	Jul. 11	
ENSCO 94	Hitachi 250-C	250	Shipyard	Mid 40s	Qatar	Dec. 11	Planned shipyard upgrade approx. 60 days, Jun. to Aug. 11 (42 days at mid 40s). Then mid 60s for RasGas to Dec. 11. Plus multiple options at escalating rates
ENSCO 95	Hitachi 250-C	250	Sold		-----		Sold in 2Q11 for \$41 million. Book value equaled \$27 million
ENSCO 96	Hitachi 250-C	250	Contracted/shipyard		Bahrain	Sep. 11	Next to Saudi Aramco to Dec. 14, low 60s. Plus one 1-year option, mid 70s. Estimate 80 days downtime in early 2012 for planned shipyard upgrade at zero rate
ENSCO 97	MLT 82 SD-C	250	Contracted/shipyard		Bahrain	Sep. 11	Next to Saudi Aramco to Dec. 14, low 60s. Plus one 1-year option, mid 70s. Estimate 80 days downtime in early 2012 for planned shipyard upgrade at zero rate
Pride Hawaii	Levingston	300	Cold stacked		Bahrain		
Pride Pennsylvania	MLT	300	Cold stacked		Bahrain		
Africa							
ENSCO 61	Levingston	300	Perenco	High 80s	Cameroon	Dec. 11	Plus three 1-well same rate options
Asia & Pacific Rim							
Southeast Asia / Australia							
ENSCO 52	F&G L-780 Mod II-C	300	Petronas Carigali	Mid 70s	Malaysia	Mar. 13	Plus cost adjustments and one 1-year option
ENSCO 53	F&G L-780 Mod II-C	300	Murphy	Mid 70s	Malaysia	Sep. 11	
ENSCO 56	F&G L-780 Mod II-C	300	Pertamina	Mid 70s	Indonesia	Apr. 13	Plus mutually agreed rate 6-month option
ENSCO 67	MLT 84-CE	400	Pertamina	Low 100s	Indonesia	Jan. 13	Plus eight month option
ENSCO 104	KFELS MOD V-B	400	ConocoPhillips	Mid 120s	Indonesia	Aug. 11	Next to shipyard for planned upgrade, inspection and mob to Oct. 11 at zero rate. Then to Apache in Australia to work to Oct. 12, mid 140s. Plus one 1-year option. Plus approx. \$3,000 per day for reimbursable upgrades amortized over 1-year term contract
ENSCO 105	KFELS	400	Shipyard		Singapore	Aug. 11	Next to Talisman in Malaysia to Aug. 12, mid

MOD V-B

120s. Two 1-year options at mutually agreed rates. Upgrades amortized over Talisman's primary contract term of approx. \$6,000 per day. Plus same rate 7-month option

ENSCO 106	KFELS MOD V-B	400	Newfield	Low 120s	Malaysia	Mar. 12	Plus same rate 7-month option
ENSCO 107	KFELS MOD V-B	400	Premier Oil	Low 110s	Vietnam	Jan. 12	Plus five 1-well options at index rate
ENSCO 108	KFELS MOD V-B	400	TOTAL	High 120s	Brunei	Jan. 12	<u>Next to shipyard for planned inspection approx. 2 weeks at zero rate</u>
ENSCO 109	KFELS MOD V- Super B	350	Apache	<u>Mid 140s</u>	Australia	Oct. 11	<u>Next to shipyard approx. 10 days for planned inspection at zero rate. Then 10-day mob to PTTEP, low 100s, then work to Mar. 12, mid 160s</u>
Under Construction - uncontracted							
TBD 1	KFELS Super A	400	Under construction		Singapore	2Q13	
TBD 2	KFELS Super A	400	Under construction		Singapore	4Q13	



EnSCO plc
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Definitions and Disclaimers

Day Rate Definition. The day rates reflected in this Fleet Status Report are the operating day rates charged to customers, which may include estimated contractual adjustments for changes in operating costs and/or reimbursable cost adjustments for ongoing expenses such as crew, catering, insurance and taxes. The day rates, however, do not include certain types of non-recurring revenues such as lump sum mobilization payments, revenues earned during mobilizations, revenues associated with contract preparation and other non-recurring reimbursable items such as mobilizations and capital enhancements, and the impact of the fair market value adjustments to Pride's drilling contracts in place on the 31 May 2011 acquisition date. Routine and non-routine downtime may reduce the actual revenues recognized during the contract term. Additionally, the Company occasionally negotiates special rates with customers as noted in the comments that reduce revenues recognized during the contract term.

Rig Names. Upon completion of the merger with Pride International, Inc., we intend to rename Pride's fleet in accordance with our naming convention. We are in the process of completing these name changes, some of which may not be completed for some time. For purposes of our Fleet Status Report, we are using the new names even when the name change has not been completed. Below is a legend showing the name changes.

Legend of EnSCO rig names to Pride International rig names

ENSCO DS-1	Pride Africa	ENSCO 5001	Pride South Pacific
ENSCO DS-2	Pride Angola	ENSCO 5002	Pride Sea Explorer
ENSCO DS-3	Deep Ocean Ascension	ENSCO 5003	Pride South Seas
ENSCO DS-4	Deep Ocean Clarion	ENSCO 5004	Pride Venezuela
ENSCO DS-5	Deep Ocean Mendocino	ENSCO 5005	Pride South Atlantic
ENSCO DS-6	Deep Ocean Molokai	ENSCO 5006	Pride North America
ENSCO DS-7	Deep Ocean Marquesas	ENSCO 58	Pride North Dakota
ENSCO 6000	Pride South America	ENSCO 59	Pride Tennessee
ENSCO 6001	Pride Carlos Walter	ENSCO 61	Pride Cabinda
ENSCO 6002	Pride Brazil	ENSCO 91	Pride Montana
ENSCO 6003	Pride Rio de Janeiro	Pride Hawaii	Pride Hawaii
ENSCO 6004	Pride Portland	Pride Pennsylvania	Pride Pennsylvania
ENSCO 5000	Pride Mexico	Pride Wisconsin	Pride Wisconsin

Forward Looking Statement. The statements contained in this Fleet Status Report that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements include, but are not limited to, statements involving future rig rates, cost adjustments, utilization, our estimated rig availability, contract duration, customers or contract status, rig enhancement projections, shipyard construction or work completion, and other contract commitments, including new rig commitments, contract terms, the period of time and number of rigs that will be in a shipyard for repairs, maintenance, enhancement or construction and scheduled delivery dates for new rigs. Such statements are subject to numerous risks, uncertainties and assumptions, including but not limited to, uncertainties relating to the level of activity in offshore oil and gas exploration and development, exploration success by producers, oil and gas prices, competition and market conditions in the contract drilling industry, shipyard delays and related risks, actions and approvals of third parties (including delays in our customers' ability to obtain drilling permits in the U.S. Gulf of Mexico and elsewhere), possible cancellation or suspension of drilling contracts as a result of mechanical difficulties or performance or other reasons, our ability to enter into and the terms of future contracts, the availability of qualified personnel, labor relations and unionization efforts, operating hazards, changes in the commencement dates of new contracts, the actual amount of downtime (including downtime incurred by reason of enhanced blow-out preventer certification and testing requirements), factors resulting in reduced applicable dayrates, hurricanes and other weather conditions, terrorism, political and other uncertainties inherent in global operations (including the risk of war, civil disturbance, seizure or damage of equipment and exchange and currency fluctuations), the impact of governmental laws and regulations, the adequacy of sources of liquidity, the effect of litigation and contingencies and other factors described above and discussed in our most recently filed Form 10-K, in our Forms 10-Q for subsequent periods and in our other filings with the SEC, which are available free of charge on the SEC's website at www.sec.gov or by contacting our Investor Relations Department at 713-917-2244 or by referring to the Investor Relations section of our website at www.enscoplc.com. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated. You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to publicly update or revise any forward looking statements, except as required by law.

U.S. Gulf of Mexico. Certain EnSCO rigs in the U.S. Gulf of Mexico have been and may be further affected by the regulatory developments and other actions that have or may be imposed by the U.S. Department of the Interior. EnSCO rig utilization and day rates have been negatively influenced due to regulatory requirements and delays in our customers' ability to secure drilling and associated permits. Current or future NTLs or other directives, legislation or regulations may further impact our customers' ability to obtain permits and commence or continue deep- or shallow-water operations in the U.S. Gulf of Mexico. We continue to work with our customers on mutually agreeable contingency plans for our deepwater rigs in the U.S. Gulf of Mexico. In certain cases, we have negotiated reduced day rates with existing customers and/or sublet agreements with other customers in the U.S. Gulf of Mexico or elsewhere.

EnSCO has rejected all force majeure notices received since the Macondo well incident as invalid under the terms of the applicable drilling

contracts. During mid-December 2010, Ensco received a force majeure notice from Nexen regarding ENSCO 8501. Following delivery of the force majeure notice, Nexen only paid the \$280,000 force majeure rate (75% of the mid-\$370,000 invoiced applicable day rate at the time) under recent invoices. Ensco, in turn, notified Nexen that it is in default, which Nexen has denied. Ensco has commenced litigation to resolve the dispute.

The full impact of the government's actions and the regulations discussed in this note and potential new regulatory, legislative or permitting requirements has not yet been determined, but could have a further material adverse effect upon our results of operations.