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

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2016
OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _________ to _________

Commission File Number 001-08097

Ensco plc

(Exact name of registrant as specified in its charter)

England and Wales (State or other jurisdiction of incorporation or organization)	**98-0635229** (I.R.S. Employer Identification No.)
6 Chesterfield Gardens **London, England** (Address of principal executive offices)	**W1J 5BQ** (Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒		Accelerated filer	☐
Non-Accelerated filer	☐	(Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 22, 2016, there were 301,312,161 Class A ordinary shares of the registrant issued and outstanding.

ENSCO PLC
INDEX TO FORM 10-Q
FOR THE QUARTER ENDED MARCH 31, 2016

FORWARD-LOOKING STATEMENTS

Statements contained in this report that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements include words or phrases such as "anticipate," "believe," "estimate," "expect," "intend," "plan," "project," "could," "may," "might," "should," "will" and similar words and specifically include statements regarding expected financial performance; dividends; expected utilization, day rates, revenues, operating expenses, contract terms, contract backlog, capital expenditures, insurance, financing and funding; the timing of availability, delivery, mobilization, contract commencement or relocation or other movement of rigs and the timing thereof; future rig construction (including construction in progress and completion thereof), enhancement, upgrade or repair and timing and cost thereof; the suitability of rigs for future contracts; the offshore drilling market, including supply and demand, customer drilling programs, stacking of rigs, effects of new rigs on the market and effects of declines in commodity prices; general market, business and industry conditions, trends and outlook; future operations; the impact of increasing regulatory complexity; expected contributions from our rig fleet expansion program and our program to high-grade the rig fleet by investing in new equipment and divesting selected assets and underutilized rigs; expense management; and the likely outcome of litigation, legal proceedings, investigations or insurance or other claims or contract disputes and the timing thereof.

Such statements are subject to numerous risks, uncertainties and assumptions that may cause actual results to vary materially from those indicated, including:

- downtime and other risks associated with offshore rig operations, including rig or equipment failure, damage and other unplanned repairs, the limited availability of transport vessels, hazards, self-imposed drilling limitations and other delays due to severe storms and hurricanes and the limited availability or high cost of insurance coverage for certain offshore perils, such as hurricanes in the Gulf of Mexico or associated removal of wreckage or debris;

- changes in worldwide rig supply and demand, competition or technology, including as a result of delivery of newbuild drilling rigs;

- changes in future levels of drilling activity and expenditures by our customers, whether as a result of global capital markets and liquidity, prices of oil and natural gas or otherwise, which may cause us to idle or stack additional rigs;

- governmental action, terrorism, piracy, military action and political and economic uncertainties, including uncertainty or instability resulting from civil unrest, political demonstrations, mass strikes, or an escalation or additional outbreak of armed hostilities or other crises in oil or natural gas producing areas of the Middle East, North Africa, West Africa or other geographic areas, which may result in expropriation, nationalization, confiscation or deprivation of our assets or suspension and/or termination of contracts based on force majeure events;

- risks inherent to shipyard rig construction, repair, modification or upgrades, including risks associated with concentration of our construction contracts with three shipyards, unexpected delays in equipment delivery, engineering, design or commissioning issues following delivery, or changes in the commencement, completion or service dates;

- possible cancellation, suspension, renegotiation or termination (with or without cause) of drilling contracts as a result of general and industry-specific economic conditions, mechanical difficulties, performance or other reasons;

- our ability to enter into, and the terms of, future drilling contracts, including contracts for our newbuild units, for rigs currently idled and for rigs whose contracts are expiring;

- the outcome of litigation, legal proceedings, investigations or other claims or contract disputes, including any inability to collect receivables or resolve significant contractual or day rate disputes, any renegotiation, nullification, cancellation or breach of contracts with customers or other parties and any failure to execute definitive contracts following announcements of letters of intent;

- governmental regulatory, legislative and permitting requirements affecting drilling operations, including limitations on drilling locations (such as the Gulf of Mexico during hurricane season);

- new and future regulatory, legislative or permitting requirements, future lease sales, changes in laws, rules and regulations that have or may impose increased financial responsibility, additional oil spill abatement contingency plan capability requirements and other governmental actions that may result in claims of force majeure or otherwise adversely affect our existing drilling contracts;

- our ability to attract and retain skilled personnel on commercially reasonable terms, whether due to labor regulations, unionization or otherwise;

- environmental or other liabilities, risks, damages or losses, whether related to storms or hurricanes (including wreckage or debris removal), collisions, groundings, blowouts, fires, explosions, other accidents, terrorism or otherwise, for which insurance coverage and contractual indemnities may be insufficient, unenforceable or otherwise unavailable;

- our ability to obtain financing and pursue other business opportunities may be limited by our debt levels, debt agreement restrictions and the credit ratings assigned to our debt by independent credit rating agencies;

- tax matters, including our effective tax rates, tax positions, results of audits, changes in tax laws, treaties and regulations, tax assessments and liabilities for taxes;

- delays in contract commencement dates or the cancellation of drilling programs by operators;

- adverse changes in foreign currency exchange rates, including their effect on the fair value measurement of our derivative instruments; and

- potential long-lived asset impairments.

In addition to the numerous risks, uncertainties and assumptions described above, you should also carefully read and consider "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part I and "Item 1A. Risk Factors" in Part II of this report and "Item 1A. Risk Factors" in Part I and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II of our annual report on Form 10-K for the year ended December 31, 2015 , which is available on the U.S. Securities and Exchange Commission website at www.sec.gov. 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 .

PART I - FINANCIAL INFORMATION

Item 1. ***Financial Statements***

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
Ensco plc:

We have reviewed the accompanying condensed consolidated balance sheet of Ensco plc and subsidiaries (the Company) as of March 31, 2016 , and the related condensed consolidated statements of income, comprehensive income, and cash flows for the three-month periods ended March 31, 2016 and 2015 . These condensed consolidated financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Ensco plc and subsidiaries as of December 31, 2015 , and the related consolidated statements of operations, comprehensive (loss) income, and cash flows for the year then ended (not presented herein); and in our report dated February 24, 2016 , we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2015 , is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ KPMG LLP

Houston, Texas
April 28, 2016

ENSCO PLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2016	**2015**
OPERATING REVENUES	$ 814.0	$ 1,163.9
OPERATING EXPENSES		
Contract drilling (exclusive of depreciation)	363.7	518.3
Depreciation	113.3	137.1
General and administrative	23.4	30.1
	500.4	685.5
OPERATING INCOME	313.6	478.4
OTHER INCOME (EXPENSE)		
Interest income	2.3	2.4
Interest expense, net	(65.1)	(52.4)
Other, net	(1.8)	(22.6)
	(64.6)	(72.6)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	249.0	405.8
PROVISION FOR INCOME TAXES		
Current income tax expense	38.1	62.7
Deferred income tax expense	33.3	15.0
	71.4	77.7
INCOME FROM CONTINUING OPERATIONS	177.6	328.1
LOSS FROM DISCONTINUED OPERATIONS, NET	(.9)	(.2)
NET INCOME	176.7	327.9
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(1.4)	(3.2)
NET INCOME ATTRIBUTABLE TO ENSCO	$ 175.3	$ 324.7
EARNINGS PER SHARE - BASIC AND DILUTED		
Continuing operations	$ 0.74	$ 1.38
Discontinued operations	—	—
	$ 0.74	$ 1.38
NET INCOME ATTRIBUTABLE TO ENSCO SHARES - BASIC AND DILUTED	$ 172.8	$ 321.0
WEIGHTED-AVERAGE SHARES OUTSTANDING		
Basic	232.5	231.9
Diluted	232.5	231.9
CASH DIVIDENDS PER SHARE	$ 0.01	$ 0.15

The accompanying notes are an integral part of these condensed consolidated financial statements.

ENSCO PLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)
(Unaudited)

	Three Months Ended March 31,	
	2016	**2015**
NET INCOME	$ 176.7	$ 327.9
OTHER COMPREHENSIVE INCOME (LOSS), NET		
Net change in fair value of derivatives	3.5	(17.4)
Reclassification of net losses on derivative instruments from other comprehensive income into net income	5.9	5.0
Other	(.1)	2.6
NET OTHER COMPREHENSIVE INCOME (LOSS)	9.3	(9.8)
COMPREHENSIVE INCOME	186.0	318.1
COMPREHENSIVE INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(1.4)	(3.2)
COMPREHENSIVE INCOME ATTRIBUTABLE TO ENSCO	$ 184.6	$ 314.9

The accompanying notes are an integral part of these condensed consolidated financial statements.

ENSCO PLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except share and par value amounts)

	March 31, 2016 (Unaudited)	December 31, 2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 1,084.0	$ 121.3
Short-term investments	295.0	1,180.0
Accounts receivable, net	574.0	582.0
Other	369.8	401.8
Total current assets	2,322.8	2,285.1
PROPERTY AND EQUIPMENT, AT COST	12,841.2	12,719.4
Less accumulated depreciation	1,744.1	1,631.6
Property and equipment, net	11,097.1	11,087.8
OTHER ASSETS, NET	190.1	237.6
	$ 13,610.0	$ 13,610.5
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable - trade	$ 213.0	$ 224.6
Accrued liabilities and other	424.4	550.9
Current maturities of long-term debt	870.0	—
Total current liabilities	1,507.4	775.5
LONG-TERM DEBT	4,991.0	5,868.6
OTHER LIABILITIES	405.2	449.2
COMMITMENTS AND CONTINGENCIES		
ENSCO SHAREHOLDERS' EQUITY		
Class A ordinary shares, U.S. $.10 par value, 450.0 million shares authorized, 242.9 million shares issued as of March 31, 2016 and December 31, 2015	24.3	24.3
Class B ordinary shares, £1 par value, 50,000 shares authorized and issued as of March 31, 2016 and December 31, 2015	.1	.1
Additional paid-in capital	5,560.3	5,554.5
Retained earnings	1,158.5	985.3
Accumulated other comprehensive income	21.8	12.5
Treasury shares, at cost, 7.1 million and 7.6 million shares as of March 31, 2016 and December 31, 2015	(64.3)	(63.8)
Total Ensco shareholders' equity	6,700.7	6,512.9
NONCONTROLLING INTERESTS	5.7	4.3
Total equity	6,706.4	6,517.2
	$ 13,610.0	$ 13,610.5

The accompanying notes are an integral part of these condensed consolidated financial statements.

ENSCO PLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Three Months Ended March 31, 2016	2015
OPERATING ACTIVITIES		
Net income	$ 176.7	$ 327.9
Adjustments to reconcile net income to net cash provided by operating activities of continuing operations:		
Depreciation expense	113.3	137.1
Deferred income tax expense	33.3	15.0
Share-based compensation expense	6.9	9.5
Amortization of intangibles and other, net	(5.0)	(4.0)
Loss from discontinued operations, net	0.9	0.2
Loss on extinguishment of debt	—	26.6
Other	0.6	(6.8)
Changes in operating assets and liabilities	(93.6)	(37.8)
Net cash provided by operating activities of continuing operations	233.1	467.7
INVESTING ACTIVITIES		
Maturities of short-term investments	965.0	12.0
Additions to property and equipment	(158.1)	(397.1)
Purchases of short-term investments	(80.0)	—
Other	.1	.4
Net cash provided by (used in) investing activities of continuing operations	727.0	(384.7)
FINANCING ACTIVITIES		
Cash dividends paid	(2.4)	(35.2)
Proceeds from issuance of senior notes	—	1,078.7
Reduction of long-term borrowings	—	(861.7)
Premium paid on redemption of debt	—	(23.4)
Debt financing costs	—	(8.9)
Other	(0.5)	(1.3)
Net cash (used in) provided by financing activities	(2.9)	148.2
DISCONTINUED OPERATIONS		
Operating activities	5.6	(8.7)
Investing activities	—	0.4
Net cash provided by (used in) discontinued operations	5.6	(8.3)
Effect of exchange rate changes on cash and cash equivalents	(.1)	.1
INCREASE IN CASH AND CASH EQUIVALENTS	962.7	223.0
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	121.3	664.8
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 1,084.0	$ 887.8

The accompanying notes are an integral part of these condensed consolidated financial statements.

ENSCO PLC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 - Unaudited Condensed Consolidated Financial Statements

We prepared the accompanying condensed consolidated financial statements of Ensco plc and subsidiaries (the "Company," "Ensco," "our," "we" or "us") in accordance with accounting principles generally accepted in the United States of America ("GAAP"), pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") included in the instructions to Form 10-Q and Article 10 of Regulation S-X. The financial information included in this report is unaudited but, in our opinion, includes all adjustments (consisting of normal recurring adjustments) that are necessary for a fair presentation of our financial position, results of operations and cash flows for the interim periods presented. The December 31, 2015 condensed consolidated balance sheet data were derived from our 2015 audited consolidated financial statements, but do not include all disclosures required by GAAP. Certain previously reported amounts have been reclassified to conform to the current year presentation. The preparation of our condensed consolidated financial statements requires us to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the related revenues and expenses and disclosures of gain and loss contingencies as of the date of the financial statements. Actual results could differ from those estimates.

The financial data for the quarter s ended March 31, 2016 and 2015 included herein have been subjected to a limited review by KPMG LLP, our independent registered public accounting firm. The accompanying independent registered public accounting firm's review report is not a report within the meaning of Sections 7 and 11 of the Securities Act of 1933, and the independent registered public accounting firm's liability under Section 11 does not extend to it.

Results of operations for the quarter ended March 31, 2016 are not necessarily indicative of the results of operations that will be realized for the year ending December 31, 2016 . We recommend these condensed consolidated financial statements be read in conjunction with our annual report on Form 10-K for the year ended December 31, 2015 filed with the SEC on February 24, 2016 .

New Accounting Pronouncements

In March 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-09, *Compensation — Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* ("Update 2016-09"), which simplifies several aspects of accounting for share-based payment transactions including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. This update is effective for annual and interim periods beginning after December 15, 2016, with early adoption permitted. Transition methods vary for the related amendments being adopted. We are currently evaluating the effect that Update 2016-09 will have on our condensed consolidated financial statements and related disclosures.

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-02, *Leases (Topic 842): Amendments to the FASB Accounting Standards Codification* ("Update 2016-02"), which requires an entity to recognize lease assets and lease liabilities on the balance sheet and to disclose key qualitative and quantitative information about the entity's leasing arrangements. This update is effective for annual and interim periods beginning after December 15, 2018, with early adoption permitted. A modified retrospective approach is required. We are currently evaluating the effect that Update 2016-02 will have on our condensed consolidated financial statements and related disclosures.

During 2015, the Financial Accounting Standards Board issued Accounting Standards Update 2015-03, *Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs* ("Update 2015-03"), as updated by Update 2015-15, *Interest - Imputation of Interest (Subtopic 835-30): Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements - Amendments to SEC Paragraphs Pursuant to Staff Announcements at June 18, 2015 EITF Meeting* ("Update 2015-05"), which require that debt issuance costs related to a recognized debt liability be presented on the balance sheet as a direct deduction from the carrying amount of the related debt liability, consistent with debt discounts. Debt issuance costs related to line-of-credit arrangements may be presented as an asset regardless of whether there are any outstanding borrowings on the arrangement. We adopted Update 2015-03 and Update 2015-15 on a retrospective basis effective January 1, 2016. Accordingly, all debt issuance costs, except for the balance related to our line-of-credit arrangement, were presented as a deduction from the carrying amount of the related debt liability on our condensed consolidated balance sheet for all periods presented. As a result of retrospective application, we reclassified debt issuance costs of $26.5 million on our condensed consolidated balance sheet as of December 31, 2015. There is no impact to the manner in which debt issuance costs are amortized in our consolidated financial statements.

During 2014, the Financial Accounting Standards Board issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("Update 2014-09"), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. In 2015, the Financial Accounting Standards Board voted to delay the effective date one year. Update 2014-09 is now effective for annual and interim periods for fiscal years beginning after December 15, 2017, though companies have an option of adopting the standard for fiscal years beginning after December 15, 2016. During 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations* ("Update 2016-08") and Accounting Standards Update 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing* ("Update 2016-10"). The amendments in Update 2016-08 and Update 2016-10 do not change the core principle of Update 2014-09 but instead clarify the implementation guidance on principle versus agent considerations and identify performance obligations and the licensing implementation guidance, respectively. Update 2014-09 will replace most existing revenue recognition guidance in U.S. GAAP and may be adopted using a retrospective, modified retrospective or prospective with a cumulative catch-up approach. We are currently evaluating the effect that Update 2014-09 will have on our condensed consolidated financial statements and related disclosures.

Note 2 - **Fair Value Measurements**

The following fair value hierarchy table categorizes information regarding our net financial assets measured at fair value on a recurring basis (in millions):

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
As of March 31, 2016				
Supplemental executive retirement plan assets	$ 32.7	$ —	$ —	$ 32.7
Derivatives, net	—	0.1	—	0.1
Total financial assets	$ 32.7	$ 0.1	$ —	$ 32.8
As of December 31, 2015				
Supplemental executive retirement plan assets	$ 33.1	$ —	$ —	$ 33.1
Total financial assets	$ 33.1	$ —	$ —	$ 33.1
Derivatives, net	—	(19.7)	—	(19.7)
Total financial liabilities	$ —	$ (19.7)	$ —	$ (19.7)

Supplemental Executive Retirement Plan Assets

Our supplemental executive retirement plans (the "SERP") are non-qualified plans that provide eligible employees an opportunity to defer a portion of their compensation for use after retirement. Assets held in the SERP were marketable securities measured at fair value on a recurring basis using Level 1 inputs and were included in other assets, net, on our condensed consolidated balance sheets. The fair value measurement of assets held in the SERP was based on quoted market prices.

Derivatives

Our derivatives were measured at fair value on a recurring basis using Level 2 inputs. See "Note 3 - Derivative Instruments" for additional information on our derivatives, including a description of our foreign currency hedging activities and related methodologies used to manage foreign currency exchange rate risk. The fair value measurement of our derivatives was based on market prices that are generally observable for similar assets or liabilities at commonly-quoted intervals.

Other Financial Instruments

The carrying values and estimated fair values of our debt instruments were as follows (in millions):

	March 31, 2016		December 31, 2015	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
4.70% Senior notes due 2021	$ 1,477.8	$ 1,048.1	$ 1,476.7	$ 1,254.0
5.75% Senior notes due 2044	993.7	514.6	993.5	707.1
6.875% Senior notes due 2020	986.5	663.8	990.9	850.5
5.20% Senior notes due 2025	692.7	389.4	692.5	505.2
4.50% Senior notes due 2024	619.9	349.7	619.7	417.4
8.50% Senior notes due 2019	561.9	441.8	566.4	510.2
7.875% Senior notes due 2040	379.4	161.6	379.8	244.0
7.20% Debentures due 2027	149.1	79.5	149.1	133.5
Total	$ 5,861.0	$ 3,648.5	$ 5,868.6	$ 4,621.9

The estimated fair values of our senior notes and debentures were determined using quoted market prices. The estimated fair values of our cash and cash equivalents, short-term investments, receivables, trade payables and other liabilities approximated their carrying values as of March 31, 2016 and December 31, 2015 .

Note 3 - Derivative Instruments

Our functional currency is the U.S. dollar. As is customary in the oil and gas industry, a majority of our revenues are denominated in U.S. dollars; however, a portion of the revenues earned and expenses incurred by certain of our subsidiaries are denominated in currencies other than the U.S. dollar ("foreign currencies"). These transactions are remeasured in U.S. dollars based on a combination of both current and historical exchange rates. We use foreign currency forward contracts to reduce our exposure to various market risks, primarily foreign currency exchange rate risk.

All of our derivatives were recorded on our condensed consolidated balance sheets at fair value. Derivatives subject to legally enforceable master netting agreements were not offset in our condensed consolidated balance sheets. Accounting for the gains and losses resulting from changes in the fair value of derivatives depends on the use of the derivative and whether it qualifies for hedge accounting. Net assets of $100,000 and net liabilities of $19.7 million associated with our derivatives were included on our condensed consolidated balance sheets as of March 31, 2016 and December 31, 2015 , respectively. All of our derivatives mature during the next 18 months . See "Note 2 - Fair Value Measurements" for additional information on the fair value measurement of our derivatives.

Derivatives recorded at fair value on our condensed consolidated balance sheets consisted of the following (in millions):

	Derivative Assets				Derivative Liabilities			
	March 31, 2016		December 31, 2015		March 31, 2016		December 31, 2015	
Derivatives Designated as Hedging Instruments								
Foreign currency forward contracts - current [1]	$	3.7	$	.6	$	10.3	$	20.7
Foreign currency forward contracts - non-current [2]		1.4		.2		.6		1.5
		5.1		.8		10.9		22.2
Derivatives Not Designated as Hedging Instruments								
Foreign currency forward contracts - current [1]		6.6		2.6		.7		.9
		6.6		2.6		.7		.9
Total	$	11.7	$	3.4	$	11.6	$	23.1

(1) Derivative assets and liabilities that have maturity dates equal to or less than twelve months from the respective balance sheet date were included in other current assets and accrued liabilities and other, respectively, on our condensed consolidated balance sheets.

(2) Derivative assets and liabilities that have maturity dates greater than twelve months from the respective balance sheet date were included in other assets, net, and other liabilities, respectively, on our condensed consolidated balance sheets.

We utilize cash flow hedges to hedge forecasted foreign currency denominated transactions, primarily to reduce our exposure to foreign currency exchange rate risk associated with contract drilling expenses and capital expenditures denominated in various currencies. As of March 31, 2016 , we had cash flow hedges outstanding to exchange an aggregate $264.2 million for various foreign currencies, including $130.6 million for British pounds, $40.6 million for Brazilian reals, $38.5 million for Australian dollars, $31.7 million for euros, $10.0 million for Singapore dollars, and $12.8 million for other currencies.

Gains and losses, net of tax, on derivatives designated as cash flow hedges included in our condensed consolidated statements of income and comprehensive income for the quarter s ended March 31, 2016 and 2015 were as follows (in millions):

	Gain (Loss) Recognized in Other Comprehensive Income ("OCI") (Effective Portion)				Loss Reclassified from Accumulated Other Comprehensive Income ("AOCI") into Income (Effective Portion) [1]				Gain (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing) [2]			
	2016		2015		2016		2015		2016		2015	
Interest rate lock contracts [3]	$	—	$	—	$	(.1)	$	(.1)	$	—	$	—
Foreign currency forward contracts [4]		3.5		(17.4)		(5.8)		(4.9)		1.1		(.1)
Total	$	3.5	$	(17.4)	$	(5.9)	$	(5.0)	$	1.1	$	(.1)

(1) Changes in the fair value of cash flow hedges are recorded in AOCI. Amounts recorded in AOCI associated with cash flow hedges are subsequently reclassified into contract drilling, depreciation or interest expense as earnings are affected by the underlying hedged forecasted transaction.

(2) Gains and losses recognized in income for ineffectiveness and amounts excluded from effectiveness testing were included in other, net, in our condensed consolidated statements of income.

(3) Losses on interest rate lock derivatives reclassified from AOCI into income (effective portion) were included in interest expense, net, in our condensed consolidated statements of income.

(4) During 2016 , $6.0 million of losses were reclassified from AOCI into contract drilling expense and $200,000 of gains were reclassified from AOCI into depreciation expense in our condensed consolidated statement of income. During the prior year quarter, $5.1 million of losses were reclassified from AOCI into contract drilling expense and $ 200,000 of gains were reclassified from AOCI into depreciation expense in our condensed consolidated statement of income.

We have net assets and liabilities denominated in numerous foreign currencies and use various methods to manage our exposure to foreign currency exchange rate risk. We predominantly structure our drilling contracts in U.S. dollars, which significantly reduces the portion of our cash flows and assets denominated in foreign currencies. We occasionally enter into derivatives that hedge the fair value of recognized foreign currency denominated assets or liabilities but do not designate such derivatives as hedging instruments. In these situations, a natural hedging relationship generally exists whereby changes in the fair value of the derivatives offset changes in the fair value of the underlying hedged items. As of March 31, 2016 , we held derivatives not designated as hedging instruments to exchange an aggregate $135.4 million for various foreign currencies, including $76.7 million for euros, $12.1 million for Swiss francs, $10.9 million for British pounds, $8.8 million for Indonesian rupiah, $8.4 million for Brazilian reals, $8.0 million for Mexican pesos, $6.2 million for Australian dollars and $4.3 million for other currencies.

Net gains of $4.4 million and net losses of $13.5 million associated with our derivatives not designated as hedging instruments were included in other, net, in our condensed consolidated statements of income for the quarter s ended March 31, 2016 and 2015 , respectively.

As of March 31, 2016 , the estimated amount of net losses associated with derivative instruments, net of tax, that would be reclassified into earnings during the next twelve months totaled $3.6 million .

Note 4 - Noncontrolling Interests

Third parties hold a noncontrolling ownership interest in certain of our non-U.S. subsidiaries. Noncontrolling interests are classified as equity on our condensed consolidated balance sheets, and net income attributable to noncontrolling interests is presented separately in our condensed consolidated statements of income.

Income from continuing operations attributable to Ensco for the quarter s ended March 31, 2016 and 2015 was as follows (in millions):

	2016	2015
Income from continuing operations	$ 177.6	$ 328.1
Income from continuing operations attributable to noncontrolling interests	(1.4)	(3.2)
Income from continuing operations attributable to Ensco	$ 176.2	$ 324.9

Loss from discontinued operations attributable to Ensco for the quarter s ended March 31, 2016 and 2015 was as follows (in millions):

	2016	2015
Loss from discontinued operations	$ (.9)	$ (.2)
Loss from discontinued operations attributable to noncontrolling interests	—	—
Loss from discontinued operations attributable to Ensco	$ (.9)	$ (.2)

Note 5 - Earnings Per Share

We compute basic and diluted earnings per share ("EPS") in accordance with the two-class method. Net income attributable to Ensco used in our computations of basic and diluted EPS is adjusted to exclude net income allocated to non-vested shares granted to our employees and non-employee directors. Weighted-average shares outstanding used in our computation of diluted EPS is calculated using the treasury stock method and excludes non-vested shares.

The following table is a reconciliation of income from continuing operations attributable to Ensco shares used in our basic and diluted EPS computations for the quarter s ended March 31, 2016 and 2015 (in millions):

	2016	2015
Income from continuing operations attributable to Ensco	$ 176.2	$ 324.9
Income from continuing operations allocated to non-vested share awards	(2.5)	(3.7)
Income from continuing operations attributable to Ensco shares	$ 173.7	$ 321.2

Antidilutive share awards totaling 1.3 million and 500,000 were excluded from the computation of diluted EPS for the quarter s ended March 31, 2016 and 2015 , respectively.

Note 6 - Shareholders' Equity

We filed an automatically effective shelf registration statement on Form S-3 with the U.S. Securities and Exchange Commission on January 15, 2015, which provides us the ability to issue debt securities, equity securities, guarantees and/or units of securities in one or more offerings. The registration statement, as amended, expires in January 2018.

On April 20, 2016, we closed an underwritten public offering of 65,550,000 Class A ordinary shares at $9.25 per share, inclusive of shares purchased under an underwriters' option. We received net proceeds from the offering of approximately $585.5 million .

Note 7 - Debt

Tender Offers

On March 7, 2016, we launched cash tender offers (the "Tender Offers") for up to $750.0 million aggregate purchase price of certain series of senior notes issued by us and Pride International, Inc., our wholly owned subsidiary. The Tender Offers expired on April 1, 2016. On April 5, 2016, we purchased the following amounts (in millions):

	Aggregate Principal Amount Purchased [1]	Aggregate Purchase Price [2]	Discount %
8.50% Senior Notes due 2019	$ 45.7	$ 38.3	16.2%
6.875% Senior Notes due 2020	140.1	103.7	26.0%
4.70% Senior Notes due 2021	642.5	462.6	28.0%
4.50% Senior Notes due 2024	1.7	0.9	47.1%
5.20% Senior Notes due 2025	30.7	16.8	45.3%
Total	$ 860.7	$ 622.3	27.7%

(1) As of March 31, 2016, these amounts, along with associated discounts, premiums and debt issuance costs, were classified as current liabilities in our condensed consolidated balance sheet.

(2) Excludes accrued interest paid to holders who tendered in connection with the Tender Offers.

During the second quarter, we expect to recognize a pre-tax gain from debt extinguishment of approximately $245.0 million related to the Tender Offers, net of discounts, premiums, debt issuance costs and transaction costs.

After giving effect to the Tender Offers, our next debt maturity is $454.3 million during 2019, followed by $759.9 million , $857.5 million , $623.3 million and $669.3 million during 2020, 2021, 2024 and 2025, respectively.

Revolving Credit

We have a $2.25 billion senior unsecured revolving credit facility with a syndicate of banks to be used for general corporate purposes with a term expiring on September 30, 2019 (the "Credit Facility"). Advances under the Credit Facility bear interest at Base Rate or LIBOR plus an applicable margin rate, depending on our credit ratings. We are required to pay a quarterly commitment fee on the undrawn portion of the $2.25 billion commitment, which is also based on our credit ratings.

In February 2016, Moody’s announced a downgrade of our credit rating to B1, which is below investment grade. This downgrade has resulted in an increase in our applicable margin rate by 0.25% per annum and our quarterly commitment fee by 0.075% per annum under our Credit Facility. Following the February 2016 downgrade, the applicable margin rates are 0.50% per annum for Base Rate advances and 1.50% per annum for LIBOR advances. Also, our quarterly commitment fee is 0.225% per annum on the undrawn portion of the $2.25 billion commitment. Any further downgrades will not impact our applicable margin rate on borrowings or our quarterly commitment fee. We have limited or no access to the commercial paper market as a result of our recent downgrade.

Our access to credit and capital markets depends on the credit ratings assigned to our debt by independent credit rating agencies. There can be no assurance that we will be able to maintain our credit ratings, and any additional actual or anticipated downgrades in our credit ratings, including any announcement that our ratings are under review for a downgrade, could limit our available options when accessing credit and capital markets, or when restructuring or refinancing our debt. In addition, future financings or refinancings may result in higher borrowing costs and require more restrictive terms and covenants.

The Credit Facility requires us to maintain a total debt to total capitalization ratio that is less than or equal to 60% . The Credit Facility also contains customary restrictive covenants, including, among others, prohibitions on creating, incurring or assuming certain debt and liens; entering into certain merger arrangements; selling, leasing, transferring or otherwise disposing of all or substantially all of our assets; making a material change in the nature of the business; and entering into certain transactions with affiliates. We have the right, subject to receipt of commitments from new or existing lenders, to increase the commitments under the Credit Facility to an aggregate amount of up to $2.75 billion and to extend the term of the Credit Facility by one year on up to two occasions.

As of March 31, 2016, we were in compliance in all material respects with our covenants under the Credit Facility. We had no amounts outstanding under the Credit Facility as of March 31, 2016 and December 31, 2015 .

Note 8 - Discontinued Operations

During 2014, ENSCO 5001, ENSCO 5002, ENSCO 6000, ENSCO 7500, ENSCO DS-2, ENSCO 58 and ENSCO 90 were removed from our portfolio of marketed rigs and reclassified as discontinued operations. The operating results from these rigs were included in loss from discontinued operations, net, in our condensed consolidated statements of income for the quarters ended March 31, 2016 and 2015.

In April 2016, we sold ENSCO 6000 for net proceeds of $600,000 . We will recognize the proceeds from the sale and pre-tax loss of $150,000 in connection with the disposal during the second quarter.

In December 2015, we sold ENSCO 5001 for net proceeds of $2.4 million . In June 2015, we sold ENSCO 5002 for net proceeds of $1.6 million . The remaining rigs are being actively marketed and were classified as held-for-sale on our March 31, 2016 condensed consolidated balance sheet.

In September 2014, we sold ENSCO 93, a jackup contracted to Pemex. In connection with the sale, we executed a charter agreement with the purchaser to continue operating the rig for the remainder of the Pemex contract, which ended in July 2015, less than one year from the date of sale. Our management services following the sale did not constitute significant ongoing involvement and therefore, ENSCO 93 operating results were included in loss from discontinued operations, net, in our condensed consolidated statement of income for the quarter ended March 31, 2015.

The following table summarizes loss from discontinued operations, net, for the quarter s ended March 31, 2016 and 2015 (in millions):

	2016	2015
Revenues	$ —	$ 9.6
Operating expenses	.8	21.9
Operating loss	(.8)	(12.3)
Income tax (expense) benefit	(.1)	12.1
Gain on disposal of discontinued operations, net	—	—
Loss from discontinued operations, net	$ (.9)	$ (.2)

Income tax benefit from discontinued operations for the quarter ended March 31, 2015 included $13.3 million of discrete tax benefits.

Debt and interest expense are not allocated to our discontinued operations.

Note 9 - Income Taxes

Our consolidated effective income tax rate for the quarter ended March 31, 2016 was 28.7% as compared to 19.1% in the prior year quarter. Excluding the impact of discrete tax items, our consolidated effective income tax rate for the quarter s ended March 31, 2016 and 2015 was 27.3% and 17.5% , respectively. The increase is primarily attributable to an increase in the relative components of our estimated 2016 earnings, excluding discrete items, generated in tax jurisdictions with higher tax rates.

Discrete tax expenses for the quarter s ended March 31, 2016 and 2015 were primarily attributable to the recognition of liabilities for unrecognized tax benefits associated with tax positions taken in prior years.

Note 10 - Contingencies

Brazil Internal Investigation

Pride International, Inc. (“Pride”), a company we acquired in 2011, commenced drilling operations in Brazil in 2001. In 2008, Pride entered into a drilling services agreement with Petrobras (the "DSA") for ENSCO DS-5, a drillship ordered from Samsung Heavy Industries, a shipyard in South Korea ("SHI"). Beginning in 2006, Pride conducted periodic compliance reviews of its business with Petrobras, and, after the acquisition of Pride, Ensco conducted similar compliance reviews, the most recent of which commenced in early 2015 after media reports were released regarding ongoing investigations of various kickback and bribery schemes in Brazil involving Petrobras.

While conducting our compliance review, we became aware of an internal audit report by Petrobras alleging irregularities in relation to the DSA. Upon learning of the Petrobras internal audit report, our Audit Committee appointed independent counsel to lead an investigation into the alleged irregularities. Further, in June and July 2015, we voluntarily contacted the SEC and the DOJ, respectively, to advise them of this matter and our Audit Committee’s investigation. Independent counsel, under the direction of our Audit Committee, has substantially completed its investigation by reviewing and analyzing available documents and correspondence and interviewing current and former employees involved in the DSA negotiations and the negotiation of the ENSCO DS-5 construction contract with SHI (the "DS-5 Construction Contract").

To date, our Audit Committee has found no evidence that Pride or Ensco or any of their current or former employees were aware of or involved in any wrongdoing, and our Audit Committee has found no evidence linking Ensco or Pride to any illegal acts committed by our former marketing consultant, who provided services to Pride and Ensco in connection with the DSA. Independent counsel has continued to provide the SEC and DOJ with updates throughout the investigation, including detailed briefings regarding its investigation and findings. On December 21, 2015, we entered into a one-year tolling agreement with the DOJ. On March 7, 2016, we entered into a one-year tolling agreement with the SEC.

Subsequent to initiating our Audit Committee investigation, Brazilian court documents connected to the prosecution of former Petrobras directors and employees as well as certain other third parties, including our former marketing consultant, referenced the alleged irregularities cited in the Petrobras internal audit report. Our former marketing consultant has entered into a plea agreement with the Brazilian authorities. On January 10, 2016, Brazilian authorities filed an indictment against a former Petrobras director. This indictment states that the former Petrobras director received bribes paid out of proceeds from a brokerage agreement entered into for purposes of intermediating a drillship construction contract between SHI and Pride, which we believe to be the DS-5 Construction Contract. The parties to the brokerage agreement were a company affiliated with a person acting on behalf of the former Petrobras director, a company affiliated with our former marketing consultant, and SHI. The indictment alleges that amounts paid by SHI under the brokerage agreement ultimately were used to pay bribes to the former Petrobras director. The indictment does not state that Pride or Ensco or any of their current or former employees were involved in the bribery scheme or had any knowledge of the bribery scheme.

On January 4, 2016, we received a notice from Petrobras declaring the DSA void effective immediately. Petrobras’ notice alleges that our former marketing consultant both received and procured the payment to employees of Petrobras of improper payments from SHI and that Pride had knowledge of this activity and assisted in the procurement of and/or facilitated these improper payments. We disagree with Petrobras’ allegations. See "—DSA Dispute" below for additional information.

Outside of Petrobras’ allegations, we have not been contacted by any Brazil governmental authority regarding alleged wrongdoing by Pride or Ensco or any of their current or former employees related to this matter. We cannot predict whether any U.S., Brazilian or other governmental authority will seek to investigate Pride's involvement in this matter, or if a proceeding were opened, the scope or ultimate outcome of any such investigation. If the SEC or DOJ determines that violations of the FCPA have occurred, or if any governmental authority determines that we have violated applicable anti-bribery laws, they could seek civil and criminal sanctions, including monetary penalties, against us, as well as changes to our business practices and compliance programs, any of which could have a material adverse effect on our business and financial condition. Our customers, business partners and other stakeholders could seek to take actions adverse to our interests. Further, investigating and resolving such allegations is expensive and could consume significant management time and attention. Although our internal investigation is substantially complete, we cannot predict whether any additional allegations will be made or whether any additional facts relevant to the investigation will be uncovered during the course of the investigation and what impact those allegations and additional facts will have on the timing or conclusions of the investigation. Our Audit Committee will examine any such additional allegations and additional facts and the circumstances surrounding them.

DSA Dispute

As described above, on January 4, 2016, Petrobras sent a notice to us declaring the DSA void effective immediately, reserving its rights and stating its intention to seek any restitution to which it may be entitled. We disagree with Petrobras’ declaration that the DSA is void. We believe that Petrobras has repudiated the DSA and have therefore accepted the DSA as terminated on April 8, 2016 (the "Termination Date"). At this time, we cannot reasonably determine the validity of Petrobras' claim or the range of our potential exposure, if any. As a result, there can be no assurance as to how this dispute will ultimately be resolved.

We did not recognize revenue for amounts owed to us under the DSA from the beginning of the fourth quarter of 2015 through the Termination Date as we concluded that collectability of these amounts was not reasonably assured. Additionally, our receivables from Petrobras related to the DSA from prior to the fourth quarter of 2015 are fully reserved on our condensed consolidated balance sheet as of March 31, 2016. We have initiated arbitration proceedings in the U.K. against Petrobras seeking payment of all amounts owed to us under the DSA, in addition to any other amounts to which we are entitled, and intend to vigorously pursue our claims. We have also initiated separate arbitration proceedings in the U.K. against SHI for any losses we have incurred in connection with the foregoing. There can be no assurance as to how these arbitration proceedings will ultimately be resolved.

Asbestos Litigation

We and certain subsidiaries have been named as defendants, along with numerous third-party companies as co-defendants, in multi-party lawsuits filed in Mississippi and Louisiana by approximately 47 plaintiffs. The lawsuits seek an unspecified amount of monetary damages on behalf of individuals alleging personal injury or death, primarily under the Jones Act, purportedly resulting from exposure to asbestos on drilling rigs and associated facilities during the 1960s through the 1980s.

During 2013, we reached an agreement in principle with 58 plaintiffs to settle lawsuits filed in Mississippi for a nominal amount. A special master reviewed all 58 cases and made an allocation of settlement funds among the parties. The District Court Judge reviewed the allocations and accepted the special master’s recommendations and approved the settlements. The settlement documents for most of the individual plaintiffs have been processed, and the cases have been dismissed. The settlement documents for approximately 13 individual plaintiffs are continuing to be processed.

We intend to vigorously defend against the remaining claims and have filed responsive pleadings preserving all defenses and challenges to jurisdiction and venue. However, discovery is still ongoing and, therefore, available information regarding the nature of all pending claims is limited. At present, we cannot reasonably determine how many of the claimants may have valid claims under the Jones Act or estimate a range of potential liability exposure, if any.

In addition to the pending cases in Mississippi and Louisiana, we have other asbestos or lung injury claims pending against us in litigation from time to time in other jurisdictions. Although we do not expect final disposition of these asbestos or lung injury lawsuits to have a material adverse effect upon our financial position, operating results or cash flows, there can be no assurances as to the ultimate outcome of the lawsuits.

Other Matters

In addition to the foregoing, we are named defendants or parties in certain other lawsuits, claims or proceedings incidental to our business and are involved from time to time as parties to governmental investigations or proceedings, including matters related to taxation, arising in the ordinary course of business. Although the outcome of such lawsuits or other proceedings cannot be predicted with certainty and the amount of any liability that could arise with respect to such lawsuits or other proceedings cannot be predicted accurately, we do not expect these matters to have a material adverse effect on our financial position, operating results or cash flows.

In the ordinary course of business with customers and others, we have entered into letters of credit and surety bonds to guarantee our performance as it relates to our drilling contracts, contract bidding, customs duties, tax appeals and other obligations in various jurisdictions. Letters of credit and surety bonds outstanding as of March 31, 2016 totaled $62.5 million and were issued under facilities provided by various banks and other financial institutions. Obligations under these letters of credit and surety bonds are not normally called as we typically comply with the underlying performance requirement. As of March 31, 2016 , we had not been required to make collateral deposits with respect to these agreements.

Note 11 - Segment Information

Our business consists of three operating segments: (1) Floaters, which includes our drillships and semisubmersible rigs, (2) Jackups and (3) Other, which consists of management services on rigs owned by third-parties. Our two reportable segments, Floaters and Jackups, provide one service, contract drilling.

Segment information for the quarters ended March 31, 2016 and 2015 is presented below (in millions). General and administrative expense and depreciation expense incurred by our corporate office are not allocated to our operating segments for purposes of measuring segment operating income and were included in "Reconciling Items." We measure segment assets as property and equipment.

<u>*Three Months Ended March 31, 2016*</u>

	Floaters	Jackups	Other	Operating Segments Total	Reconciling Items	Consolidated Total
Revenues	$ 512.6	$ 277.9	$ 23.5	$ 814.0	$ —	$ 814.0
Operating expenses						
Contract drilling (exclusive of depreciation)	211.3	134.5	17.9	363.7	—	363.7
Depreciation	80.3	28.6	—	108.9	4.4	113.3
General and administrative	—	—	—	—	23.4	23.4
Operating income	$ 221.0	$ 114.8	$ 5.6	$ 341.4	$ (27.8)	$ 313.6
Property and equipment, net	$ 8,480.6	$ 2,549.8	$ —	$ 11,030.4	$ 66.7	$ 11,097.1

Three Months Ended March 31, 2015

	Floaters	Jackups	Other	Operating Segments Total	Reconciling Items	Consolidated Total
Revenues	$ 695.0	$ 428.3	$ 40.6	$ 1,163.9	$ —	$ 1,163.9
Operating expenses						
Contract drilling (exclusive of depreciation)	293.5	191.5	33.3	518.3	—	518.3
Depreciation	93.0	41.5	—	134.5	2.6	137.1
General and administrative	—	—	—	—	30.1	30.1
Operating income	$ 308.5	$ 195.3	$ 7.3	$ 511.1	$ (32.7)	$ 478.4
Property and equipment, net	$ 9,453.5	$ 3,195.2	$ —	$ 12,648.7	$ 76.6	$ 12,725.3

Information about Geographic Areas

As of March 31, 2016 , the geographic distribution of our drilling rigs by reportable segment was as follows:

	Floaters	Jackups	Total (1)
North & South America	13	7	20
Europe & Mediterranean	3	11	14
Middle East & Africa	2	11	13
Asia & Pacific Rim	4	7	11
Middle East & Africa (under construction)	—	2	2
Asia & Pacific Rim (under construction)	1	1	2
Held-for-Sale	3	3	6
Total	26	42	68

(1) We provide management services on three rigs owned by third-parties not included in the table above.

Note 12 - Supplemental Financial Information

Condensed Consolidated Balance Sheet Information

Accounts receivable, net, consisted of the following (in millions):

	March 31, 2016	December 31, 2015
Trade	$ 590.6	$ 595.0
Other	15.5	16.3
	606.1	611.3
Allowance for doubtful accounts	(32.1)	(29.3)
	$ 574.0	$ 582.0

Other current assets consisted of the following (in millions):

	March 31, 2016	December 31, 2015
Inventory	$ 235.4	$ 235.3
Deferred costs	49.7	52.1
Prepaid taxes	49.2	73.5
Prepaid expenses	12.3	20.5
Assets held-for-sale	5.4	5.5
Other	17.8	14.9
	$ 369.8	$ 401.8

Other assets, net, consisted of the following (in millions):

	March 31, 2016	December 31, 2015
Deferred tax assets	$ 61.6	$ 94.8
Deferred costs	48.4	55.8
Prepaid taxes on intercompany transfers of property	34.2	37.1
Supplemental executive retirement plan assets	32.7	33.1
Other	13.2	16.8
	$ 190.1	$ 237.6

Accrued liabilities and other consisted of the following (in millions):

	March 31, 2016	December 31, 2015
Deferred revenue	$ 189.1	$ 197.2
Personnel costs	107.7	161.6
Taxes	71.5	70.8
Accrued interest	32.1	88.4
Derivative liabilities	10.9	21.6
Other	13.1	11.3
	$ 424.4	$ 550.9

Other liabilities consisted of the following (in millions):

	March 31, 2016	December 31, 2015
Deferred revenue	$ 177.4	$ 218.6
Unrecognized tax benefits (inclusive of interest and penalties)	157.2	149.7
Supplemental executive retirement plan liabilities	33.8	34.4
Personnel costs	11.5	17.7
Deferred income taxes	9.9	4.4
Intangible liabilities	5.8	12.6
Other	9.6	11.8
	$ 405.2	$ 449.2

Accumulated other comprehensive income consisted of the following (in millions):

	March 31, 2016	December 31, 2015
Currency Translation Adjustment	$ 7.7	$ 7.8
Derivative Instruments	16.0	6.6
Other	(1.9)	(1.9)
	$ 21.8	$ 12.5

Concentration of Risk

We are exposed to credit risk related to our receivables from customers, our cash and cash equivalents, our short-term investments and our use of derivatives in connection with the management of foreign currency exchange rate risk. We mitigate our credit risk relating to receivables from customers, which consist primarily of major international, government-owned and independent oil and gas companies, by performing ongoing credit evaluations. We also maintain reserves for potential credit losses, which generally have been within management's expectations. We mitigate our credit risk relating to cash and cash equivalents by focusing on diversification and quality of instruments. Cash equivalents consist of a portfolio of high-grade instruments. Custody of cash and cash equivalents is maintained at several well-capitalized financial institutions, and we monitor the financial condition of those financial institutions.

We mitigate our credit risk relating to derivative counterparties through a variety of techniques, including transacting with multiple, high-quality financial institutions, thereby limiting our exposure to individual counterparties and by entering into International Swaps and Derivatives Association, Inc. (“ISDA”) Master Agreements, which include provisions for a legally enforceable master netting agreement, with almost all of our derivative counterparties. The terms of the ISDA agreements may also include credit support requirements, cross default provisions, termination events or set-off provisions. Legally enforceable master netting agreements reduce credit risk by providing protection in bankruptcy in certain circumstances and generally permitting the closeout and netting of transactions with the same counterparty upon the occurrence of certain events. See "Note 3 - Derivative Instruments" for additional information on our derivatives.

Consolidated revenues by customer for the quarters ended March 31, 2016 and 2015 were as follows:

	March 31, 2016	March 31, 2015
Petrobras [(1)]	16%	11%
Total [(1)]	15%	8%
BP [(2)]	14%	13%
Other	55%	68%
	100%	100%

(1) During the quarters ended March 31, 2016 and 2015 , all revenues were provided by our Floaters segment.

(2) During the quarters ended March 31, 2016 and 2015 , 76% and 85% of the revenues provided by BP, respectively, were attributable to our Floaters segment.

Consolidated revenues by region for the quarters ended March 31, 2016 and 2015 were as follows:

	March 31, 2016	March 31, 2015
U.S. Gulf of Mexico [(1)]	$ 160.2	$ 338.8
Angola [(2)]	136.2	169.3
Brazil [(3)]	121.0	122.7
United Kingdom [(4)]	73.8	120.6
Other	322.8	412.5
	$ 814.0	$ 1,163.9

(1) During the quarters ended March 31, 2016 and 2015 , 84% of the revenues earned in the U.S. Gulf of Mexico were attributable to our Floaters segment.

(2) During the quarters ended March 31, 2016 and 2015 , 87% and 90% of the revenues earned in Angola, respectively, were attributable to our Floaters segment.

(3) During the quarters ended March 31, 2016 and 2015 , all revenues were provided by our Floaters segment.

(4) During the quarters ended March 31, 2016 and 2015 , all revenues were provided by our Jackups segment.

Note 13 - Guarantee of Registered Securities

During 2011, Ensco plc completed a merger transaction (the "Merger") with Pride International Inc. ("Pride"). In connection with the Merger, Ensco plc and Pride entered into a supplemental indenture to the indenture dated as of July 1, 2004 between Pride and the Bank of New York Mellon, as indenture trustee, providing for, among other matters, the full and unconditional guarantee by Ensco plc of Pride’s 8.5% unsecured senior notes due 2019 , 6.875% unsecured senior notes due 2020 and 7.875% unsecured senior notes due 2040 , which had an aggregate outstanding principal balance of $1.7 billion as of March 31, 2016 . The Ensco plc guarantee provides for the unconditional and irrevocable guarantee of the prompt payment, when due, of any amount owed to the holders of the notes.

Ensco plc is also a full and unconditional guarantor of the 7.2% debentures due 2027 issued by ENSCO International Incorporated during 1997, which had an aggregate outstanding principal balance of $150.0 million as of March 31, 2016 .

All guarantees are unsecured obligations of Ensco plc ranking equal in right of payment with all of its existing and future unsecured and unsubordinated indebtedness.

The following tables present the unaudited condensed consolidating statements of income for the three month periods ended March 31, 2016 and 2015 ; the unaudited condensed consolidating statements of comprehensive income for the three month periods ended March 31, 2016 and 2015 ; the condensed consolidating balance sheets as of March 31, 2016 (unaudited) and December 31, 2015 ; and the unaudited condensed consolidating statements of cash flows for the three month periods ended March 31, 2016 and 2015 , in accordance with Rule 3-10 of Regulation S-X.

ENSCO PLC AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF INCOME
Three Months Ended March 31, 2016
(in millions)
(Unaudited)

	Ensco plc	ENSCO International Incorporated	Pride International, Inc.	Other Non-Guarantor Subsidiaries of Ensco	Consolidating Adjustments	Total
OPERATING REVENUES	$ 7.2	$ 35.6	$ —	$ 843.3	$ (72.1)	$ 814.0
OPERATING EXPENSES						
Contract drilling (exclusive of depreciation)	7.2	35.7	—	392.9	(72.1)	363.7
Depreciation	—	4.3	—	109.0	—	113.3
General and administrative	6.2	.1	—	17.1	—	23.4
OPERATING (LOSS) INCOME	(6.2)	(4.5)	—	324.3	—	313.6
OTHER (EXPENSE) INCOME, NET	(36.8)	1.6	(19.1)	(10.3)	—	(64.6)
(LOSS) INCOME BEFORE INCOME TAXES	(43.0)	(2.9)	(19.1)	314.0	—	249.0
INCOME TAX PROVISION	—	31.0	—	40.4	—	71.4
DISCONTINUED OPERATIONS, NET	—	—	—	(.9)	—	(.9)
EQUITY EARNINGS IN AFFILIATES, NET OF TAX	218.3	33.5	53.6	—	(305.4)	—
NET INCOME (LOSS)	175.3	(0.4)	34.5	272.7	(305.4)	176.7
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—	—	—	(1.4)	—	(1.4)
NET INCOME (LOSS) ATTRIBUTABLE TO ENSCO	$ 175.3	$ (.4)	$ 34.5	$ 271.3	$ (305.4)	$ 175.3

ENSCO PLC AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF INCOME
Three Months Ended March 31, 2015
(in millions)
(Unaudited)

	Ensco plc	ENSCO International Incorporated	Pride International, Inc.	Other Non-Guarantor Subsidiaries of Ensco	Consolidating Adjustments	Total
OPERATING REVENUES	$ 8.7	$ 34.8	$ —	$ 1,191.6	$ (71.2)	$ 1,163.9
OPERATING EXPENSES						
Contract drilling (exclusive of depreciation)	6.8	34.8	—	547.9	(71.2)	518.3
Depreciation	.1	2.5	—	134.5	—	137.1
General and administrative	13.3	.1	—	16.7	—	30.1
OPERATING (LOSS) INCOME	(11.5)	(2.6)	—	492.5	—	478.4
OTHER (EXPENSE) INCOME, NET	(59.9)	(16.8)	(15.9)	20.0	—	(72.6)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(71.4)	(19.4)	(15.9)	512.5	—	405.8
INCOME TAX PROVISION	—	13.8	—	63.9	—	77.7
DISCONTINUED OPERATIONS, NET	—	—	—	(.2)	—	(.2)
EQUITY EARNINGS IN AFFILIATES, NET OF TAX	396.1	45.2	63.9	—	(505.2)	—
NET INCOME	324.7	12.0	48.0	448.4	(505.2)	327.9
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—	—	—	(3.2)	—	(3.2)
NET INCOME ATTRIBUTABLE TO ENSCO	$ 324.7	$ 12.0	$ 48.0	$ 445.2	$ (505.2)	$ 324.7

ENSCO PLC AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME
Three Months Ended March 31, 2016
(in millions)
(Unaudited)

	Ensco plc	ENSCO International Incorporated	Pride International, Inc.	Other Non-Guarantor Subsidiaries of Ensco	Consolidating Adjustments	Total
NET INCOME	$ 175.3	$ (.4)	$ 34.5	$ 272.7	$ (305.4)	$ 176.7
OTHER COMPREHENSIVE INCOME, NET						
Net change in fair value of derivatives	—	3.5	—	—	—	3.5
Reclassification of net losses on derivative instruments from other comprehensive income into net income	—	5.9	—	—	—	5.9
Other	—	—		(.1)	—	(.1)
NET OTHER COMPREHENSIVE INCOME	—	9.4	—	(.1)	—	9.3
COMPREHENSIVE INCOME	175.3	9.0	34.5	272.6	(305.4)	186.0
COMPREHENSIVE INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—	—	—	(1.4)	—	(1.4)
COMPREHENSIVE INCOME ATTRIBUTABLE TO ENSCO	$ 175.3	$ 9.0	$ 34.5	$ 271.2	$ (305.4)	$ 184.6

ENSCO PLC AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME
Three Months Ended March 31, 2015
(in millions)
(Unaudited)

	Ensco plc	ENSCO International Incorporated	Pride International, Inc.	Other Non-Guarantor Subsidiaries of Ensco	Consolidating Adjustments	Total
NET INCOME	$ 324.7	$ 12.0	$ 48.0	$ 448.4	$ (505.2)	$ 327.9
OTHER COMPREHENSIVE (LOSS) INCOME, NET						
Net change in fair value of derivatives	—	(17.4)	—	—	—	(17.4)
Reclassification of net losses on derivative instruments from other comprehensive income into net income	—	5.0	—	—	—	5.0
Other	—	—	—	2.6	—	2.6
NET OTHER COMPREHENSIVE (LOSS) INCOME	—	(12.4)	—	2.6	—	(9.8)
COMPREHENSIVE INCOME (LOSS)	324.7	(.4)	48.0	451.0	(505.2)	318.1
COMPREHENSIVE INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—	—	—	(3.2)	—	(3.2)
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO ENSCO	$ 324.7	$ (.4)	$ 48.0	$ 447.8	$ (505.2)	$ 314.9

ENSCO PLC AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEETS
March 31, 2016
(in millions)
(Unaudited)

	Ensco plc	ENSCO International Incorporated	Pride International, Inc.	Other Non-Guarantor Subsidiaries of Ensco	Consolidating Adjustments	Total
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	$ 1,049.7	$ —	$ 2.0	$ 32.3	$ —	$ 1,084.0
Short-term investments	295.0	—	—	—	—	295.0
Accounts receivable, net	1.1	—	—	572.9	—	574.0
Accounts receivable from affiliates	698.4	735.2	—	648.6	(2,082.2)	—
Other	.1	16.3	—	353.4	—	369.8
Total current assets	2,044.3	751.5	2.0	1,607.2	(2,082.2)	2,322.8
PROPERTY AND EQUIPMENT, AT COST	1.8	117.5	—	12,721.9	—	12,841.2
Less accumulated depreciation	1.8	52.0	—	1,690.3	—	1,744.1
Property and equipment, net	—	65.5	—	11,031.6	—	11,097.1
DUE FROM AFFILIATES	1,315.3	5,018.5	2,039.2	6,664.8	(15,037.8)	—
INVESTMENTS IN AFFILIATES	7,978.8	—	—	—	(7,978.8)	—
OTHER ASSETS, NET	—	41.1	—	308.2	(159.2)	190.1
	$ 11,338.4	$ 5,876.6	$ 2,041.2	$ 19,611.8	$ (25,258.0)	$ 13,610.0
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Accounts payable and accrued liabilities	$ 53.6	$ 23.4	$ 24.1	$ 536.3	$ —	$ 637.4
Accounts payable to affiliates	32.9	674.2	—	1,375.1	(2,082.2)	—
Current maturities of long-term debt	665.1	—	204.9	—	—	870.0
Total current liabilities	751.6	697.6	229.0	1,911.4	(2,082.2)	1,507.4
DUE TO AFFILIATES	761.4	4,096.8	1,806.6	8,373.0	(15,037.8)	—
LONG-TERM DEBT	3,119.0	149.1	1,722.9	—	—	4,991.0
INVESTMENTS IN AFFILIATES	—	372.5	1,225.8	—	(1,598.3)	—
OTHER LIABILITIES	—	169.0	—	395.4	(159.2)	405.2
ENSCO SHAREHOLDERS' EQUITY	6,706.4	391.6	(2,943.1)	8,926.3	(6,380.5)	6,700.7
NONCONTROLLING INTERESTS	—	—	—	5.7	—	5.7
Total equity	6,706.4	391.6	(2,943.1)	8,932.0	(6,380.5)	6,706.4
	$ 11,338.4	$ 5,876.6	$ 2,041.2	$ 19,611.8	$ (25,258.0)	$ 13,610.0

ENSCO PLC AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEETS
December 31, 2015
(in millions)

	Ensco plc	ENSCO International Incorporated	Pride International, Inc.	Other Non-Guarantor Subsidiaries of Ensco	Consolidating Adjustments	Total
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	$ 94.0	$ —	$ 2.0	$ 25.3	$ —	$ 121.3
Short-term investments	1,180.0	—	—	—	—	1,180.0
Accounts receivable, net	1.2	—	—	580.8	—	582.0
Accounts receivable from affiliates	808.7	237.3	—	148.1	(1,194.1)	—
Other	.2	229.3	—	172.3	—	401.8
Total current assets	2,084.1	466.6	2.0	926.5	(1,194.1)	2,285.1
PROPERTY AND EQUIPMENT, AT COST	1.8	117.5	—	12,600.1	—	12,719.4
Less accumulated depreciation	1.8	47.7	—	1,582.1	—	1,631.6
Property and equipment, net	—	69.8	—	11,018.0	—	11,087.8
DUE FROM AFFILIATES	1,303.7	5,270.0	2,035.5	6,869.9	(15,479.1)	—
INVESTMENTS IN AFFILIATES	7,743.8	—	—	—	(7,743.8)	—
OTHER ASSETS, NET	—	43.1	—	324.9	(130.4)	237.6
	$ 11,131.6	$ 5,849.5	$ 2,037.5	$ 19,139.3	$ (24,547.4)	$ 13,610.5
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Accounts payable and accrued liabilities	$ 60.7	$ 69.6	$ 34.8	$ 610.4	$ —	$ 775.5
Accounts payable to affiliates	19.4	176.3	—	998.4	(1,194.1)	—
Current maturities of long-term debt	—	—	—	—	—	—
Total current liabilities	80.1	245.9	34.8	1,608.8	(1,194.1)	775.5
DUE TO AFFILIATES	751.9	4,354.3	1,763.7	8,609.2	(15,479.1)	—
LONG-TERM DEBT	3,782.4	149.0	1,937.2	—	—	5,868.6
INVESTMENTS IN AFFILIATES	—	442.0	1,319.3	—	(1,761.3)	—
OTHER LIABILITIES	—	135.7	—	443.9	(130.4)	449.2
ENSCO SHAREHOLDERS' EQUITY	6,517.2	522.6	(3,017.5)	8,473.1	(5,982.5)	6,512.9
NONCONTROLLING INTERESTS	—	—	—	4.3	—	4.3
Total equity	6,517.2	522.6	(3,017.5)	8,477.4	(5,982.5)	6,517.2
	$ 11,131.6	$ 5,849.5	$ 2,037.5	$ 19,139.3	$ (24,547.4)	$ 13,610.5

ENSCO PLC AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
Three Months Ended March 31, 2016
(in millions)
(Unaudited)

	Ensco plc	ENSCO International Incorporated	Pride International, Inc.	Other Non-guarantor Subsidiaries of Ensco	Consolidating Adjustments	Total
OPERATING ACTIVITIES						
Net cash (used in) provided by operating activities	$ (46.3)	$ 0.7	$ (39.2)	$ 317.9	$ —	$ 233.1
INVESTING ACTIVITIES						
Additions to property and equipment	—	—	—	(158.1)	—	(158.1)
Purchases of short-term investments	965.0	—	—	—	—	965.0
Maturities of short-term investments	(80.0)	—	—	—	—	(80.0)
Other	—	—	—	.1	—	.1
Net cash used in investing activities	885.0	—	—	(158.0)	—	727.0
FINANCING ACTIVITIES						
Proceeds from issuance of senior notes	—	—	—	—	—	—
Reduction of long-term borrowings	—	—	—	—	—	—
Cash dividends paid	(2.4)	—	—	—	—	(2.4)
Premium paid on redemption of debt	—	—	—	—	—	—
Debt financing costs	—	—	—	—	—	—
Advances (to) from affiliates	119.8	(0.7)	39.2	(158.3)	—	—
Other	(0.4)	—	—	(.1)	—	(0.5)
Net cash provided by (used in) financing activities	117.0	(0.7)	39.2	(158.4)	—	(2.9)
DISCONTINUED OPERATIONS						
Operating activities	—	—	—	5.6	—	5.6
Investing activities	—	—	—	—	—	—
Net cash used in discontinued operations	—	—	—	5.6	—	5.6
Effect of exchange rate changes on cash and cash equivalents	—	—	—	(.1)	—	(.1)
NET INCREASE IN CASH AND CASH EQUIVALENTS	955.7	—	—	7.0	—	962.7
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	94.0	—	2.0	25.3	—	121.3
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 1,049.7	$ —	$ 2.0	$ 32.3	$ —	$ 1,084.0

ENSCO PLC AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
Three Months Ended March 31, 2015
(in millions)
(Unaudited)

	Ensco plc	ENSCO International Incorporated	Pride International, Inc.	Other Non-guarantor Subsidiaries of Ensco	Consolidating Adjustments	Total
OPERATING ACTIVITIES						
Net cash (used in) provided by operating activities of continuing operations	$ (35.4)	$ (10.8)	$ (36.3)	$ 550.2	$ —	$ 467.7
INVESTING ACTIVITIES						
Additions to property and equipment	—	(5.1)	—	(392.0)	—	(397.1)
Purchases on short-term investments	—	—	—	12.0	—	12.0
Other	—	—	—	.4	—	.4
Net cash used in investing activities of continuing operations	—	(5.1)	—	(379.6)	—	(384.7)
FINANCING ACTIVITIES						
Proceeds from issuance of senior notes	1,078.7	—	—	—	—	1,078.7
Reduction of long-term borrowings	(854.6)	—	—	(7.1)	—	(861.7)
Cash dividends paid	(35.2)	—	—	—	—	(35.2)
Premium paid on redemption of debt	(23.4)	—	—	—	—	(23.4)
Debt financing costs	(8.9)	—	—	—	—	(8.9)
Advances (to) from affiliates	(121.1)	15.9	194.9	(89.7)	—	—
Other	(1.0)	—	—	(0.3)	—	(1.3)
Net cash provided by (used in) financing activities	34.5	15.9	194.9	(97.1)	—	148.2
DISCONTINUED OPERATIONS						
Operating activities	—	—	—	(8.7)	—	(8.7)
Investing activities	—	—	—	0.4	—	0.4
Net cash used in discontinued operations	—	—	—	(8.3)	—	(8.3)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	.1	—	.1
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(0.9)	—	158.6	65.3	—	223.0
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	287.4	—	90.8	286.6	—	664.8
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 286.5	$ —	$ 249.4	$ 351.9	$ —	$ 887.8

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the accompanying unaudited condensed consolidated financial statements as of March 31, 2016 and for the quarter s ended March 31, 2016 and 2015 included elsewhere herein and with our annual report on Form 10-K for the year ended December 31, 2015 . The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth under "Risk Factors" in Item 1A of our annual report and elsewhere in this quarterly report. See "Forward-Looking Statements."

EXECUTIVE SUMMARY

Our Business

We are one of the leading providers of offshore contract drilling services to the international oil and gas industry. We currently own and operate an offshore drilling rig fleet of 63 rigs, with drilling operations in most of the strategic markets around the globe. We also have four rigs under construction. Our rig fleet includes ten drillships, 12 dynamically positioned semisubmersible rigs, three moored semisubmersible rigs and 42 jackup rigs, including rigs under construction. Our offshore rig fleet is the world's second largest amongst competitive rigs, our ultra-deepwater fleet is one of the newest in the industry, and our premium jackup fleet is the largest of any offshore drilling company.

Five of our older, less capable rigs are being marketed for sale as part of our fleet high-grading strategy and are classified as held-for-sale. During the first quarter, we announced plans to scrap or permanently retire five more jackups and one floater not currently classified as held-for-sale. All 11 of these rigs have been cold-stacked to significantly reduce operating expenses.

Our Industry

The contracting environment remained very challenging during the first quarter. Oil prices have declined by nearly 70% since mid-2014, with crude oil prices trading between $30 and $40 per barrel thus far in 2016, in contrast to prices in excess of $100 per barrel in July 2014. The decline in oil prices has caused a significant decline in the demand for offshore drilling services as many projects become uneconomical, resulting in fewer market tenders. Operators continue to significantly reduce capital spending budgets, including the cancellation or deferral of existing programs, and are expected to continue operating under reduced budgets in the current commodity price environment. These declines in capital spending levels, together with the oversupply of rigs, have resulted in significantly reduced day rates and utilization, and we expect this trend to continue. If commodity prices remain at current levels, we do not expect a meaningful improvement in demand for offshore drilling services, and contractors may be unable to secure contracts at economically favorable terms.

In general, recent contract awards, have been short-term in nature and subject to an extremely competitive bidding process. The intense pressure on operating day rates may result in rates that approximate direct operating expenses. In addition, we are seeing increased pressure to accept other less favorable contractual and commercial terms, including reduced or no mobilization and/or demobilization fees; reduced day rates during downtime; reduced standby, redrill and moving rates; caps on reimbursements for downhole tools; reduced periods to remediate equipment breakdowns or other deviations from contractual standards of performance; certain limitations on our ability to be indemnified; and reduced early termination fees and/or termination notice periods.

Liquidity Position

We have historically relied on our cash flow from continuing operations to meet liquidity needs and fund the majority of our cash requirements. We periodically rely on the issuance of debt and/or equity securities to supplement our liquidity needs. Based on our balance sheet, our April equity offering, our contractual backlog and $2.25 billion available under our revolving credit facility, we expect to fund our short-term and long-term liquidity needs, including contractual obligations and anticipated capital expenditures, as well as working capital requirements, from cash and cash equivalents, short-term investments, operating cash flows and, if necessary, funds borrowed under our revolving credit facility or other future financing arrangements. Notwithstanding our current liquidity position, if we experience significant further deterioration in demand for offshore drilling and a significantly protracted downturn, our ability to maintain a sufficient level of liquidity to meet our financial obligations would be materially and adversely impacted.

Equity Offering

On April 20, 2016, we closed an underwritten public offering of 65,550,000 Class A ordinary shares at $9.25 per share, inclusive of shares purchased under an underwriters' option. We received net proceeds from the offering of approximately $585.5 million .

Cash and Debt

As of March 31, 2016, we had $5.9 billion in total debt outstanding, representing approximately 46.6% of our total capitalization. We also had $1.4 billion in cash and cash equivalents and short-term investments and a $2.25 billion undrawn senior unsecured revolving credit facility with a term that expires in September 2019 (the "Credit Facility"). The Credit Facility requires us to maintain a total debt to total capitalization ratio that is less than or equal to 60%.

In March 2016, we launched cash tender offers to purchase up to $750.0 million aggregate purchase price of our outstanding debt. The tenders expired on April 1, 2016, and we received tenders totaling $860.7 million for an aggregate purchase price of $622.3 million . In April, we used cash on hand to settle the tendered debt, and as a result, we expect to recognize a pre-tax gain from debt extinguishment of approximately $245.0 million , net of discounts, premiums, debt issuance costs and transaction costs, during the second quarter.

After giving effect to the Tender Offers, our next debt maturity is $454.3 million during 2019, followed by $759.9 million , $857.5 million , $623.3 million and $669.3 million during 2020, 2021, 2024 and 2025, respectively.

Credit Rating

In February 2016, Moody's announced a downgrade of our credit rating to B1, which is below investment grade. This downgrade has resulted in an increase in our applicable margin rate by 0.25% per annum and our quarterly commitment fee by 0.075% per annum under our Credit Facility. Any further downgrades will not impact our applicable margin rate on borrowings or our quarterly commitment fee. We have limited or no access to the commercial paper market as a result of our recent downgrade.

Our access to credit and capital markets depends on the credit ratings assigned to our debt by independent credit rating agencies. There can be no assurance that we will be able to maintain our credit ratings, and any additional actual or anticipated downgrades in our credit ratings, including any announcement that our ratings are under review for a downgrade, could limit our available options when accessing credit and capital markets, or when restructuring or refinancing our debt. In addition, future financings or refinancings may result in higher borrowing costs and require more restrictive terms and covenants.

Backlog

As of March 31, 2016, our backlog was $5.2 billion as compared to $5.8 billion as of December 31, 2015. Our lower backlog, coupled with lower demand, will result in a decline in revenues and operating cash flows throughout 2016. As our customers continue to reduce capital spending, we will likely experience further declines in backlog during the remainder of the year. However, we are seeking opportunities to reduce capital expenditures and operating expenses to preserve liquidity and provide greater flexibility during the current downturn.

We are currently in discussions with Petrobras regarding revised commercial terms with respect to the ENSCO 6001, 6002, 6003 and 6004 drilling contracts. Subject to negotiation and execution of final documentation, we expect these contracts to be early terminated or subject to reduced day rates in May 2016, which we expect will be partially offset by term extensions with respect to one or more such contracts, resulting in an aggregate backlog reduction of approximately $ 140.0 million .

BUSINESS ENVIRONMENT

Floaters

The floater contracting environment continues to be very challenging due to reduced demand, as well as excess newbuild supply. Floater demand has declined significantly due to lower commodity prices which have caused our customers to rationalize capital expenditures, resulting in the cancellation and delay of drilling programs. In addition, certain customers are exploring subletting opportunities for contracted rigs as well as requesting contract concessions or terminating or otherwise repudiating drilling contracts. During the first quarter, we received a letter of award from our customer to extend the contract term of ENSCO 5004 by 18 months at a reduced rate, which resulted in additional backlog. We expect that floater day rates and utilization will remain under pressure until we see a meaningful recovery in commodity prices and there could be further floater contract concessions during 2016.

Currently, there are approximately 66 competitive newbuild drillships and semisubmersible rigs reported to be under construction, of which approximately 20 are scheduled to be delivered by the end of the year. Roughly half of the anticipated 2016 deliveries are without contracts. Several newbuild deliveries have already been delayed into future years, and we expect that more uncontracted newbuilds will be delayed or cancelled.

Drilling contractors have scrapped or cold-stacked approximately 90 floaters since the third quarter of 2014 due to a lack of contracting opportunities. Additionally, approximately 45 floaters older than 30 years of age are currently idle. Approximately 35 floaters greater than 30 years old have contracts that will expire by year-end 2017 without follow-on work. Operating costs for idle rigs as well as expenditures required to recertify rigs during regulatory surveys may prove cost prohibitive, and drilling contractors may elect to scrap or cold-stack these rigs. We expect floater scrapping and cold-stacking to continue throughout 2016 and 2017.

Jackups

Demand for jackups also declined significantly due to lower commodity prices. As customers continue to rationalize spending, they have cancelled and delayed drilling programs. In addition, certain customers are requesting contract concessions or terminating drilling contracts.

During the first quarter, we agreed to reduced day rates on our jackup rigs contracted with Saudi Aramco. We expect that jackup day rates and utilization will remain under pressure until we see a meaningful recovery in commodity prices and there could be further jackup concessions during 2016.

In March, our customers issued notices of termination for convenience for ENSCO 75, ENSCO 72 and ENSCO 110. The estimated effective dates of the contract terminations are June 2016, September 2016 and October 2016, respectively.

Currently, there are approximately 114 competitive newbuild jackup rigs reported to be under construction, of which approximately 100 are scheduled to be delivered by the end of 2017, most of which are without a contract. Over the past year, some jackup orders have been cancelled, and many newbuild jackups have been delayed. We expect that additional rigs may be delayed or cancelled given limited contracting opportunities. Currently, approximately 75 marketed jackups older than 30 years of age are idle. Furthermore, approximately 70 competitive jackups that are 30 years of age or older have contracts that expire before the end of 2017, and these rigs may be unable to find additional work. Operating costs for idle rigs as well as expenditures required to recertify rigs during regulatory surveys may prove cost prohibitive, and drilling contractors may instead elect to scrap or cold-stack these rigs. Although not significant to date, we expect jackup scrapping and cold-stacking to accelerate during 2016 and into 2017.

RESULTS OF OPERATIONS

The following table summarizes our condensed consolidated results of operations for the quarter s ended March 31, 2016 and 2015 (in millions):

	2016	2015
Revenues	$ 814.0	$ 1,163.9
Operating expenses		
Contract drilling (exclusive of depreciation)	363.7	518.3
Depreciation	113.3	137.1
General and administrative	23.4	30.1
Operating income	313.6	478.4
Other expense, net	(64.6)	(72.6)
Provision for income taxes	71.4	77.7
Income from continuing operations	177.6	328.1
Loss from discontinued operations, net	(.9)	(.2)
Net income	176.7	327.9
Net income attributable to noncontrolling interests	(1.4)	(3.2)
Net income attributable to Ensco	$ 175.3	$ 324.7

For the quarter ended March 31, 2016 , revenues declined $349.9 million , or 30% , as compared to the prior year quarter due to fewer days under contract across our fleet, lower revenues from ENSCO DS-5 and, to a lesser extent, lower average day rates. These declines were partially offset by newbuild additions to our fleet, more days under contract for ENSCO 5006 and revenue generated from jackup rigs that were undergoing shipyard projects during the first quarter of 2015.

Contract drilling expense declined by $154.6 million , or 30% , as compared to the prior year quarter primarily due to rig stackings, as well as other cost control initiatives which reduced offshore personnel costs and daily rig operating expenses, and lower repair costs on jackup rigs that were undergoing shipyard projects during the first quarter of 2015.

General and administrative expenses declined by $6.7 million , or 22% , as compared to the prior year quarter primarily due to cost control initiatives which reduced onshore personnel costs.

A significant number of our drilling contracts are of a long-term nature. Accordingly, an increase or decline in demand for contract drilling services generally affects our operating results and cash flows gradually over future quarters as long-term contracts expire. We expect operating results to decline during 2016 and 2017 as long-term contracts expire, and our rigs either go uncontracted or we renew contracts at significantly lower day rates.

Rig Counts, Utilization and Average Day Rates

The following table summarizes our offshore drilling rigs by reportable segment and rigs under construction as of March 31, 2016 and 2015 :

	2016	2015
Floaters [1]	22	20
Jackups [1][2]	36	36
Under construction [1]	4	7
Held-for-sale [2][3][4]	6	7
Total	68	70

(1) During the second and third quarter of 2015, we accepted delivery of ultra-deepwater drillships, ENSCO DS-9 and ENSCO DS-8, respectively. During the second quarter of 2015, we accepted delivery of ENSCO 110, a premium jack-up rig.

(2) During the third quarter of 2015, we classified ENSCO 91 as held-for-sale.

(3) During the second and fourth quarter of 2015, we sold ENSCO 5002 and ENSCO 5001, respectively.

(4) Held-for-sale includes ENSCO 6000, which was sold during April 2016.

The following table summarizes our rig utilization and average day rates by reportable segment for the quarter s ended March 31, 2016 and 2015 :

	2016	2015
Rig Utilization [1]		
Floaters	64%	86%
Jackups	66%	87%
Total	65%	86%
Average Day Rates [2]		
Floaters	$ 364,771	$ 425,278
Jackups	118,138	144,139
Total	$ 208,117	$ 243,902

(1) Rig utilization is derived by dividing the number of days under contract by the number of days in the period. Days under contract equals the total number of days that rigs have earned and recognized day rate revenue, including days associated with early contract terminations, compensated downtime and mobilizations. When revenue is earned but is deferred and amortized over a future period, for example when a rig earns revenue while mobilizing to commence a new contract or while being upgraded in a shipyard, the related days are excluded from days under contract.

For newly-constructed or acquired rigs, the number of days in the period begins upon commencement of drilling operations for rigs with a contract or when the rig becomes available for drilling operations for rigs without a contract.

(2) Average day rates are derived by dividing contract drilling revenues, adjusted to exclude certain types of non-recurring reimbursable revenues, lump sum revenues and revenues attributable to amortization of drilling contract intangibles, by the aggregate number of contract days, adjusted to exclude contract days associated with certain mobilizations, demobilizations, shipyard contracts and standby contracts.

Operating Income

Our business consists of three operating segments: (1) Floaters, which includes our drillships and semisubmersible rigs, (2) Jackups and (3) Other, which consists of management services on rigs owned by third-parties. Our two reportable segments, Floaters and Jackups, provide one service, contract drilling.

Segment information is presented below (in millions). General and administrative expense and depreciation expense incurred by our corporate office are not allocated to our operating segments for purposes of measuring segment operating income and were included in the column "Reconciling Items."

Three Months Ended March 31, 2016

	Floaters	Jackups	Other	Operating Segments Total	Reconciling Items	Consolidated Total
Revenues	$ 512.6	$ 277.9	$ 23.5	$ 814.0	$ —	$ 814.0
Operating expenses						
Contract drilling (exclusive of depreciation)	211.3	134.5	17.9	363.7	—	363.7
Depreciation	80.3	28.6	—	108.9	4.4	113.3
General and administrative	—	—	—	—	23.4	23.4
Operating income	$ 221.0	$ 114.8	$ 5.6	$ 341.4	$ (27.8)	$ 313.6

Three Months Ended March 31, 2015

	Floaters	Jackups	Other	Operating Segments Total	Reconciling Items	Consolidated Total
Revenues	$ 695.0	$ 428.3	$ 40.6	$ 1,163.9	$ —	$ 1,163.9
Operating expenses						
Contract drilling (exclusive of depreciation)	293.5	191.5	33.3	518.3	—	518.3
Depreciation	93.0	41.5	—	134.5	2.6	137.1
General and administrative	—	—	—	—	30.1	30.1
Operating income	$ 308.5	$ 195.3	$ 7.3	$ 511.1	$ (32.7)	$ 478.4

Floaters

Floater revenues for the quarter ended March 31, 2016 declined by $182.4 million , or 26% , as compared to the prior year quarter primarily due to fewer days under contract, lower revenues from ENSCO DS-5 and, to a lesser extent, lower average day rates. These declines were partially offset by the addition of ENSCO DS-8 to the active fleet in the fourth quarter of 2015, termination revenues from ENSCO DS-9 and revenues from ENSCO 5006 which was undergoing a shipyard project during the first quarter of 2015.

Floater contract drilling expense declined $82.2 million , or 28% , as compared to the prior year quarter primarily due to rig stackings, as well as other cost control initiatives which reduced offshore personnel costs and daily rig operating expenses. These declines were partially offset by higher contract drilling expense for the three aforementioned floaters.

Depreciation expense declined by $12.7 million , or 14% , as compared to the prior year quarter primarily due lower depreciation expense on floaters that were impaired during 2015, partially offset by the addition of ENSCO DS-8 to the active fleet.

Jackups

Jackup revenues for the quarter ended March 31, 2016 declined by $150.4 million , or 35% , as compared to the prior year quarter primarily due to fewer days under contract and, to a lesser extent, lower average day rates. These declines were partially offset by ENSCO 101 and ENSCO 76 which were undergoing shipyard projects during the first quarter of 2015 and the addition of ENSCO 110 to the active fleet during the second quarter of 2015.

Jackup contract drilling expense declined $57.0 million , or 30% , as compared to the prior year quarter primarily due to rig stackings, as well as other cost control initiatives which reduced offshore personnel costs and daily rig operating expenses, and reduced repair costs from the aforementioned jackups that were undergoing shipyard projects during the first quarter of 2015. These declines were partially offset by the addition of ENSCO 110 to the active fleet during the second quarter of 2015. Depreciation expense declined by $12.9 million , or 31% , as compared to the prior year quarter primarily due to lower depreciation expense on jackups that were impaired during 2015.

Other Income (Expense)

The following table summarizes other income (expense) for the quarter s ended March 31, 2016 and 2015 (in millions):

	2016	2015
Interest income	$ 2.3	$ 2.4
Interest expense, net:		
Interest expense	(77.2)	(72.0)
Capitalized interest	12.1	19.6
	(65.1)	(52.4)
Other, net	(1.8)	(22.6)
	$ (64.6)	$ (72.6)

Interest expense increased from the prior year quarter due to our March 2015 debt offerings of $700.0 million and $400.0 million at relatively higher interest rates, partially offset by the redemption of $1.0 billion of debt. Interest expense capitalized during the quarter declined as compared to the prior year quarter due to newbuild rigs placed in service during 2015.

Other, net, for the quarter ended March 31, 2015 included a pre-tax loss on extinguishment of $26.6 million related to make-whole premiums on the aforementioned redemption of debt.

Our functional currency is the U.S. dollar, and a portion of the revenues earned and expenses incurred by certain of our subsidiaries are denominated in currencies other than the U.S. dollar ("foreign currencies"). These transactions are remeasured in U.S. dollars based on a combination of both current and historical exchange rates. Inclusive of offsetting fair value derivatives, net foreign currency exchange losses of $1.7 million and net foreign exchange gains of $2.2 million were included in other, net, in our condensed consolidated statement of income for the quarter s ended March 31, 2016 and 2015 , respectively.

Provision for Income Taxes

Ensco plc, our parent company, is domiciled and resident in the U.K. Our subsidiaries conduct operations and earn income in numerous countries and are subject to the laws of taxing jurisdictions within those countries. The income of our non-U.K. subsidiaries is not subject to U.K. taxation. Income tax rates imposed in the tax jurisdictions in which our subsidiaries conduct operations vary, as does the tax base to which the rates are applied. In some cases, tax rates may be applicable to gross revenues, statutory or negotiated deemed profits or other bases utilized under local tax laws, rather than to net income. Our drilling rigs frequently move from one taxing jurisdiction to another to perform contract drilling services. In some instances, the movement of drilling rigs among taxing jurisdictions will involve the transfer of ownership of the drilling rigs among our subsidiaries. As a result of frequent changes in the taxing jurisdictions in which our drilling rigs are operated and/or owned, changes in the overall level of our income and changes in tax laws, our consolidated effective income tax rate may vary substantially from one reporting period to another.

Income tax expense for the quarters ended March 31, 2016 and 2015 was $ 71.4 million and $ 77.7 million , respectively. The $ 6.3 million decline in income tax expense as compared to the prior year quarter was due to lower income levels, partially offset by an increase in our consolidated effective income tax rate to 28.7% from 19.1% in the prior year quarter. Excluding the impact of discrete tax items, our consolidated effective income tax rate for the quarter s ended March 31, 2016 and 2015 was 27.3% and 17.5% , respectively. The increase is primarily attributable to an increase in the relative components of our estimated 2016 earnings, excluding discrete items, generated in tax jurisdictions with higher tax rates.

Discontinued Operations

During 2014, ENSCO 5001, ENSCO 5002, ENSCO 6000, ENSCO 7500, ENSCO DS-2, ENSCO 58 and ENSCO 90 were removed from our portfolio of marketed rigs and reclassified as discontinued operations. The operating results from these rigs were included in loss from discontinued operations, net, in our condensed consolidated statements of income for the quarters ended March 31, 2016 and 2015.

In April 2016, we sold ENSCO 6000 for net proceeds of $600,000 . We will recognize the sale and the pre-tax loss of $150,000 in connection with the disposal during the second quarter.

In December 2015, we sold ENSCO 5001 for net proceeds of $2.4 million , and in June 2015, we sold ENSCO 5002 for net proceeds of $1.6 million . The remaining rigs are being actively marketed and were classified as held-for-sale on our March 31, 2016 condensed consolidated balance sheet.

Income tax benefit from discontinued operations for the quarter ended March 31, 2015 included $13.3 million of discrete tax benefits.

LIQUIDITY AND CAPITAL RESOURCES

We have historically relied on our cash flow from continuing operations to meet liquidity needs and fund the majority of our cash requirements. We periodically rely on the issuance of debt and/or equity securities to supplement our liquidity needs. A substantial portion of our operating cash flow has been invested in the expansion and enhancement of our fleet of drilling rigs through newbuild construction and upgrade projects and the return of capital to shareholders through dividend payments. We expect cash flow generated during 2016 will primarily be used to fund capital expenditures, most notably milestone payments for newbuild rigs and to repurchase debt.

On April 20, 2016, we closed an underwritten public offering of 65,550,000 Class A ordinary shares at $9.25 per share, inclusive of shares purchased under an underwriters' option. We received net proceeds from the offering of $585.5 million.

In March 2016, we launched cash tender offers to purchase up to $750.0 million aggregate purchase price of our outstanding debt. The tenders expired on April 1, 2016, and we received tenders totaling $860.7 million for an aggregate purchase price of $622.3 million . In April, we used cash on hand to settle the tendered debt.

Our Board of Directors declared a $0.01 quarterly cash dividend during the first quarter. The Board of Directors reduced the dividend by $0.14 per share from the prior level primarily to improve capital management flexibility during the downturn. The declaration and amount of future dividends is at the discretion of our Board of Directors. In the future, our Board of Directors may, without advance notice, determine to reduce or suspend our dividend in order to maintain our financial flexibility and best position the company for long-term success. When evaluating dividend payment timing and amounts, our Board of Directors considers several factors, including our profitability, liquidity, financial condition, market outlook, reinvestment opportunities and capital requirements.

During the quarter ended March 31, 2016 , our primary source of cash was $965.0 million from the liquidation of short-term investments in anticipation of the tender settlement early in the second quarter and $233.1 million generated from operating activities of continuing operations. Our primary use of cash for the same period was $158.1 million for the construction, enhancement and other improvement of our drilling rigs.

During the quarter ended March 31, 2015 , our primary source of cash was $1.1 billion in proceeds from the issuance of senior notes and $467.7 million generated from operating activities of continuing operations. Our primary use of cash for the same period was $861.7 million for the repayment of debt and $397.1 million for the construction, enhancement and other improvement of our drilling rigs.

Cash Flow and Capital Expenditures

Our cash flow from operating activities of continuing operations and capital expenditures for the quarter s ended March 31, 2016 and 2015 were as follows (in millions):

	2016	2015
Cash flow from operating activities of continuing operations	$ 233.1	$ 467.7
Capital expenditures		
New rig construction	$ 101.2	$ 259.1
Rig enhancements	10.0	74.2
Minor upgrades and improvements	46.9	63.8
	$ 158.1	$ 397.1

Cash flows from operating activities of continuing operations declined $234.6 million , or 50% , compared to the prior year period. The decline primarily resulted from a $441.7 million decline in net cash receipts from contract drilling services offset by a $221.1 million decline in net cash payments for contract drilling services.

We currently have four rigs under construction, an ultra-deepwater drillship, a premium jackup rig and two ultra-premium harsh environment jackup rigs. In February, we agreed with the shipyard to delay the delivery of ENSCO 123 until the first quarter of 2018.

The following table summarizes the cumulative amount of contractual payments made as of March 31, 2016 for our rigs under construction and estimated timing of our remaining contractual payments (in millions):

	Cumulative Paid (1)	Remaining 2016	2017	2018	Total (2)
ENSCO DS-10	$ 238.5	$ 6.9	$ 308.9	$ —	$ 554.3
ENSCO 123	53.5	4.0	8.0	215.3	280.8
ENSCO 140	156.8	39.9	—	—	196.7
ENSCO 141	156.8	38.8	—	—	195.6
	$ 605.6	$ 89.6	$ 316.9	$ 215.3	$ 1,227.4

(1) Cumulative paid represents the aggregate amount of contractual payments made from commencement of the construction agreement through March 31, 2016 .

(2) Total commitments are based on fixed-price shipyard construction contracts, exclusive of costs associated with commissioning, systems integration testing, project management and capitalized interest.

The actual timing of these expenditures may vary based on the completion of various construction milestones, which are, to a large extent, beyond our control.

Based on our current projections, we expect capital expenditures during 2016 to include approximately $250.0 million for newbuild construction, approximately $25.0 million for rig enhancement projects and approximately $120.0 million for minor upgrades and improvements. Depending on market conditions and future opportunities, we may make additional capital expenditures to upgrade rigs for customer requirements and construct or acquire additional rigs.

Financing and Capital Resources

Equity Offering

We filed an automatically effective shelf registration statement on Form S-3 with the U.S. Securities and Exchange Commission on January 15, 2015, which provides us the ability to issue debt securities, equity securities, guarantees and/or units of securities in one or more offerings. The registration statement, as amended, expires in January 2018.

On April 20, 2016, we closed an underwritten public offering of 65,550,000 Class A ordinary shares at $9.25 per share, inclusive of shares purchased under an underwriters' option. We received net proceeds from the offering of approximately $585.5 million .

Tender Offers

On March 7, 2016, we launched cash tender offers (the "Tender Offers") for up to $750.0 million aggregate purchase price of certain series of senior notes issued by us and Pride International, Inc., our wholly owned subsidiary. The Tender Offers expired on April 1, 2016. On April 5, 2016, we purchased the following amounts (in millions):

	Aggregate Principal Amount Purchased (1)	Aggregate Purchase Price (2)	Discount %
8.50% Senior Notes due 2019	$ 45.7	$ 38.3	16.2%
6.875% Senior Notes due 2020	140.1	103.7	26.0%
4.70% Senior Notes due 2021	642.5	462.6	28.0%
4.50% Senior Notes due 2024	1.7	0.9	47.1%
5.20% Senior Notes due 2025	30.7	16.8	45.3%
Total	$ 860.7	$ 622.3	27.7%

(1) As of March 31, 2016, these amounts, along with associated discounts, premiums and debt issuance costs, were classified as current liabilities in our condensed consolidated balance sheet.

(2) Excludes accrued interest paid to holders who tendered in connection with the Tender Offers.

During the second quarter, we expect to recognize a pre-tax gain from debt extinguishment of approximately $245.0 million related to the Tender Offers, net of discounts, premiums, debt issuance costs and transaction costs.

After giving effect to the Tender Offers, our next debt maturity is $454.3 million during 2019, followed by $759.9 million , $857.5 million , $623.3 million and $669.3 million during 2020, 2021, 2024 and 2025, respectively.

Debt to Capital

Our total debt, total capital and total debt to total capital ratios are summarized below (in millions, except percentages):

	Pro-Forma (1) March 31, 2016	March 31, 2016	December 31, 2015
Total debt	$ 4,991.0	$ 5,861.0	$ 5,868.6
Total capital (2)	$ 12,506.6	$ 12,561.7	$ 12,381.5
Total debt to total capital	39.9%	46.6%	47.4%

(1) Pro-Forma balances represent total debt, total capital and the total debt to total capital ratio on an adjusted basis after giving effect to the Tender Offers and equity issuance described above.

(2) Total capital consists of total debt and Ensco shareholders' equity.

Revolving Credit

We have a $2.25 billion senior unsecured revolving credit facility with a syndicate of banks to be used for general corporate purposes with a term expiring on September 30, 2019 (the "Credit Facility"). Advances under the Credit Facility bear interest at Base Rate or LIBOR plus an applicable margin rate, depending on our credit rating. We are required to pay a quarterly commitment fee on the undrawn portion of the $2.25 billion commitment, which is also based on our credit ratings.

In February 2016, Moody's announced a downgrade of our credit rating to B1, which is below investment grade. This downgrade has resulted in an increase in our applicable margin rate by 0.25% per annum and our quarterly commitment fee by 0.075% per annum under our Credit Facility. Following the February 2016 downgrade, the applicable margin rates are 0.50% per annum for Base Rate advances and 1.50% per annum for LIBOR advances. Also, our quarterly commitment fee is 0.225% per annum on the undrawn portion of the $2.25 billion commitment. Any further downgrades will not impact our applicable margin rate on borrowings or our quarterly commitment fee. We have limited or no access to the commercial paper market as a result of our recent downgrade.

Our access to credit and capital markets depends on the credit ratings assigned to our debt by independent credit rating agencies. There can be no assurance that we will be able to maintain our credit ratings, and any additional actual or anticipated downgrades in our credit ratings, including any announcement that our ratings are under review for a downgrade, could limit our available options when accessing credit and capital markets, or when restructuring or refinancing our debt. In addition, future financings or refinancings may result in higher borrowing costs and require more restrictive terms and covenants.

The Credit Facility requires us to maintain a total debt to total capitalization ratio that is less than or equal to 60% . The Credit Facility also contains customary restrictive covenants, including, among others, prohibitions on creating, incurring or assuming certain debt and liens; entering into certain merger arrangements; selling, leasing, transferring or otherwise disposing of all or substantially all of our assets; making a material change in the nature of the business; and entering into certain transactions with affiliates. We have the right, subject to receipt of commitments from new or existing lenders, to increase the commitments under the Credit Facility to an aggregate amount of up to $2.75 billion and to extend the term of the Credit Facility by one year on up to two occasions.

As of March 31, 2016, we were in compliance in all material respects with our covenants under the Credit Facility. We had no amounts outstanding under the Credit Facility as of March 31, 2016 and December 31, 2015 .

Other Financing

During 2013, our shareholders approved a share repurchase program. Subject to certain provisions under English law, including the requirement of Ensco plc to have sufficient distributable reserves, we may purchase shares up to a maximum of $2.0 billion in the aggregate under the program, but in no case more than 35.0 million shares. The program terminates in May 2018.

From time to time, we and our affiliates may purchase our outstanding senior notes in the open market, in privately negotiated transactions, through tender offers, exchange offers or otherwise, or we may redeem senior notes that are able to be redeemed, pursuant to their terms. In connection with any exchange, we may issue equity, issue new debt and/or pay cash consideration. Any future purchases, exchanges or redemptions will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) we may choose to pursue in the future. There can be no assurance that an active trading market will exist for our outstanding senior notes following any such transactions.

Other Commitments

As of March 31, 2016 , we were contingently liable for an aggregate amount of $62.5 million under outstanding letters of credit and surety bonds which guarantee our performance as it relates to our drilling contracts, contract bidding, customs duties, tax appeals and other obligations in various jurisdictions. Obligations under these letters of credit and surety bonds are not normally called, as we typically comply with the underlying performance requirement. As of March 31, 2016 , we had not been required to make any collateral deposits with respect to these agreements.

Liquidity

Our liquidity position is summarized in the table below (in millions, except ratios):

	Pro-Forma [1] March 31, 2016	March 31, 2016	December 31, 2015
Cash and cash equivalents	$ 1,040.2	$ 1,084.0	$ 121.3
Short-term investments	$ 295.0	$ 295.0	$ 1,180.0
Working capital	$ 1,630.3	$ 815.4	$ 1,509.6
Current ratio	3.5	1.5	2.9

[1] Pro-Forma balances represent cash and cash equivalents, short-term investments, working capital and the current ratio on an adjusted basis after giving effect to the Tender Offers and equity offering discussed above under *Financing and Capital Resources* .

We expect to fund our short-term liquidity needs, including contractual obligations and anticipated capital expenditures, as well as working capital requirements, from our cash and cash equivalents, short-term investments, operating cash flows, and, if necessary, funds borrowed under our revolving credit facility.

We expect to fund our long-term liquidity needs, including contractual obligations and anticipated capital expenditures from our operating cash flows and, if necessary, funds borrowed under our revolving credit facility or other future financing arrangements.

We may decide to access debt and/or equity markets to raise additional capital or increase liquidity as necessary.

MARKET RISK

We use derivatives to reduce our exposure to foreign currency exchange rate risk. Our functional currency is the U.S. dollar. As is customary in the oil and gas industry, a majority of our revenues and expenses are denominated in U.S. dollars; however, a portion of the revenues earned and expenses incurred by certain of our subsidiaries are denominated in currencies other than the U.S. dollar. We maintain a foreign currency exchange rate risk management strategy that utilizes derivatives to reduce our exposure to unanticipated fluctuations in earnings and cash flows caused by changes in foreign currency exchange rates.

We utilize cash flow hedges to hedge forecasted foreign currency denominated transactions, primarily to reduce our exposure to foreign currency exchange rate risk on future expected contract drilling expenses and capital expenditures denominated in various foreign currencies. We predominantly structure our drilling contracts in U.S. dollars, which significantly reduces the portion of our cash flows and assets denominated in foreign currencies. As of March 31, 2016 , we had cash flow hedges outstanding to exchange an aggregate $264.2 million for various foreign currencies.

We have net assets and liabilities denominated in numerous foreign currencies and use various strategies to manage our exposure to changes in foreign currency exchange rates. We occasionally enter into derivatives that hedge the fair value of recognized foreign currency denominated assets or liabilities, thereby reducing exposure to earnings fluctuations caused by changes in foreign currency exchange rates. We do not designate such derivatives as hedging instruments. In these situations, a natural hedging relationship generally exists whereby changes in the fair value of the derivatives offset changes in the fair value of the underlying hedged items. As of March 31, 2016 , we held derivatives not designated as hedging instruments to exchange an aggregate $135.4 million for various foreign currencies.

If we were to incur a hypothetical 10% adverse change in foreign currency exchange rates, net unrealized losses associated with our foreign currency denominated assets and liabilities as of March 31, 2016 would approximate $15.6 million . Approximately $11.4 million of these unrealized losses would be offset by corresponding gains on the derivatives utilized to offset changes in the fair value of net assets and liabilities denominated in foreign currencies.

We utilize derivatives and undertake foreign currency exchange rate hedging activities in accordance with our established policies for the management of market risk. We mitigate our credit risk related to derivative counterparties through a variety of techniques, including transacting with multiple, high-quality financial institutions, thereby limiting our exposure to individual counterparties and by entering into ISDA Master Agreements, which include provisions for a legally enforceable master netting agreement, with almost all of our derivative counterparties. The terms of the ISDA agreements may also include credit support requirements, cross default provisions, termination events, or set-off provisions. Legally enforceable master netting agreements reduce credit risk by providing protection in bankruptcy in certain circumstances and generally permitting the closeout and netting of transactions with the same counterparty upon the occurrence of certain events.

We do not enter into derivatives for trading or other speculative purposes. We believe that our use of derivatives and related hedging activities reduces our exposure to foreign currency exchange rate risk and does not expose us to material credit risk or any other material market risk. All of our derivatives mature during the next 18 months . See Note 3 to our condensed consolidated financial statements for additional information on our derivative instruments.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America requires us to make estimates, judgments and assumptions that affect the amounts reported in our condensed consolidated financial statements and accompanying notes. Our significant accounting policies are included in Note 1 to our audited consolidated financial statements for the year ended December 31, 2015 included in our annual report on Form 10-K filed with the SEC on February 24, 2016 . These policies, along with our underlying judgments and assumptions made in their application, have a significant impact on our condensed consolidated financial statements.

We identify our critical accounting policies as those that are the most pervasive and important to the portrayal of our financial position and operating results and that require the most difficult, subjective and/or complex judgments by us regarding estimates in matters that are inherently uncertain. Our critical accounting policies are those related to property and equipment, impairment of long-lived assets and income taxes. For a discussion of the critical accounting policies and estimates that we use in the preparation of our condensed consolidated financial statements, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates" in Part II of our annual report on Form 10-K for the year ended December 31, 2015 . During the quarter ended March 31, 2016 , there were no material changes to the judgments, assumptions or policies upon which our critical accounting estimates are based.

New Accounting Pronouncements

In March 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-09, *Compensation — Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* ("Update 2016-09"), which simplifies several aspects of accounting for share-based payment transactions including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. This update is effective for annual and interim periods beginning after December 15, 2016, with early adoption permitted. Transition methods vary for the related amendments being adopted. We are currently evaluating the effect that Update 2016-09 will have on our condensed consolidated financial statements and related disclosures.

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-02, *Leases (Topic 842): Amendments to the FASB Accounting Standards Codification* ("Update 2016-02"), which requires an entity to recognize lease assets and lease liabilities on the balance sheet and to disclose key information about the entity's leasing arrangements. This update is effective for annual and interim periods beginning after December 15, 2018, with early application permitted. A modified retrospective approach is required. We are currently evaluating the effect that Update 2016-02 will have on our condensed consolidated financial statements and related disclosures.

During 2014, the Financial Accounting Standards Board issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("Update 2014-09"), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. In 2015, the Financial Accounting Standards Board voted to delay the effective date one year. Update 2014-09 is now effective for annual and interim periods for fiscal years beginning after December 15, 2017, though companies have an option of adopting the standard for fiscal years beginning after December 15, 2016. During 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations* ("Update 2016-08") and Accounting Standards Updated 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing* ("Update 2016-10"). The amendments in Update 2016-08 and 2016-10 do not change the core principle of Update 2014-09 but instead clarify the implementation guidance on principle versus agent considerations and identify performance obligations and the licensing implementation guidance, respectively. Update 2014-09 will replace most existing revenue recognition guidance in U.S. GAAP and may be adopted using a retrospective, modified retrospective or prospective with a cumulative catch-up approach. We are currently evaluating the effect that Update 2014-09 will have on our condensed consolidated financial statements and related disclosures.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

Information required under Item 3. has been incorporated into "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations - Market Risk."

Item 4. *Controls and Procedures*

Based on their evaluation as of the end of the period covered by this quarterly report on Form 10-Q, our Chief Executive Officer and Chief Financial Officer have concluded that, as of such date, our disclosure controls and procedures, as defined in Rule 13a-15 under the Exchange Act, are effective.

During the fiscal quarter ended March 31, 2016 , there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. *Legal Proceedings*

Brazil Internal Investigation

Pride International, Inc. (“Pride”), a company we acquired in 2011, commenced drilling operations in Brazil in 2001. In 2008, Pride entered into a drilling services agreement with Petrobras (the "DSA") for ENSCO DS-5, a drillship ordered from Samsung Heavy Industries, a shipyard in South Korea ("SHI"). Beginning in 2006, Pride conducted periodic compliance reviews of its business with Petrobras, and, after the acquisition of Pride, Ensco conducted similar compliance reviews, the most recent of which commenced in early 2015 after media reports were released regarding ongoing investigations of various kickback and bribery schemes in Brazil involving Petrobras.

While conducting our compliance review, we became aware of an internal audit report by Petrobras alleging irregularities in relation to the DSA. Upon learning of the Petrobras internal audit report, our Audit Committee appointed independent counsel to lead an investigation into the alleged irregularities. Further, in June and July 2015, we voluntarily contacted the SEC and the DOJ, respectively, to advise them of this matter and our Audit Committee’s investigation. Independent counsel, under the direction of our Audit Committee, has substantially completed its investigation by reviewing and analyzing available documents and correspondence and interviewing current and former employees involved in the DSA negotiations and the negotiation of the ENSCO DS-5 construction contract with SHI (the "DS-5 Construction Contract").

To date, our Audit Committee has found no evidence that Pride or Ensco or any of their current or former employees were aware of or involved in any wrongdoing, and our Audit Committee has found no evidence linking Ensco or Pride to any illegal acts committed by our former marketing consultant, who provided services to Pride and Ensco in connection with the DSA. Independent counsel has continued to provide the SEC and DOJ with updates throughout the investigation, including detailed briefings regarding its investigation and findings. On December 21, 2015, we entered into a one-year tolling agreement with the DOJ. On March 7, 2016, we entered into a one-year tolling agreement with the SEC.

Subsequent to initiating our Audit Committee investigation, Brazilian court documents connected to the prosecution of former Petrobras directors and employees as well as certain other third parties, including our former marketing consultant, referenced the alleged irregularities cited in the Petrobras internal audit report. Our former marketing consultant has entered into a plea agreement with the Brazilian authorities. On January 10, 2016, Brazilian authorities filed an indictment against a former Petrobras director. This indictment states that the former Petrobras director received bribes paid out of proceeds from a brokerage agreement entered into for purposes of intermediating a drillship construction contract between SHI and Pride, which we believe to be the DS-5 Construction Contract. The parties to the brokerage agreement were a company affiliated with a person acting on behalf of the former Petrobras director, a company affiliated with our former marketing consultant, and SHI. The indictment alleges that amounts paid by SHI under the brokerage agreement ultimately were used to pay bribes to the former Petrobras director. The indictment does not state that Pride or Ensco or any of their current or former employees were involved in the bribery scheme or had any knowledge of the bribery scheme.

On January 4, 2016, we received a notice from Petrobras declaring the DSA void effective immediately. Petrobras’ notice alleges that our former marketing consultant both received and procured the payment to employees of Petrobras of improper payments from SHI and that Pride had knowledge of this activity and assisted in the procurement of and/or facilitated these improper payments. We disagree with Petrobras’ allegations. See "—DSA Dispute" below for additional information.

Outside of Petrobras’ allegations, we have not been contacted by any Brazil governmental authority regarding alleged wrongdoing by Pride or Ensco or any of their current or former employees related to this matter. We cannot predict whether any U.S., Brazilian or other governmental authority will seek to investigate Pride's involvement in this matter, or if a proceeding were opened, the scope or ultimate outcome of any such investigation. If the SEC or DOJ determines that violations of the FCPA have occurred, or if any governmental authority determines that we have violated applicable anti-bribery laws, they could seek civil and criminal sanctions, including monetary penalties, against us, as well as changes to our business practices and compliance programs, any of which could have a material adverse effect on our business and financial condition. Our customers, business partners and other stakeholders could seek to take actions adverse to our interests. Further, investigating and resolving such allegations is expensive and could consume significant management time and attention. Although our internal investigation is substantially complete, we cannot predict whether any additional allegations will be made or whether any additional facts relevant to the investigation will be uncovered during the course of the investigation and what impact those allegations and additional facts will have on the timing or conclusions of the investigation. Our Audit Committee will examine any such additional allegations and additional facts and the circumstances surrounding them.

DSA Dispute

As described above, on January 4, 2016, Petrobras sent a notice to us declaring the DSA void effective immediately, reserving its rights and stating its intention to seek any restitution to which it may be entitled. We disagree with Petrobras' declaration that the DSA is void. We believe that Petrobras has repudiated the DSA and have therefore accepted the DSA as terminated on April 8, 2016 (the "Termination Date"). At this time, we cannot reasonably determine the validity of Petrobras' claim or the range of our potential exposure, if any. As a result, there can be no assurance as to how this dispute will ultimately be resolved.

We did not recognize revenue for amounts owed to us under the DSA from the beginning of the fourth quarter of 2015 through the Termination Date as we concluded that collectability of these amounts was not reasonably assured. Additionally, our receivables from Petrobras related to the DSA from prior to the fourth quarter of 2015 are fully reserved on our condensed consolidated balance sheet as of March 31, 2016. We have initiated arbitration proceedings in the U.K. against Petrobras seeking payment of all amounts owed to us under the DSA, in addition to any other amounts to which we are entitled, and intend to vigorously pursue our claims. We have also initiated separate arbitration proceedings in the U.K. against SHI for any losses we have incurred in connection with the foregoing. There can be no assurance as to how these arbitration proceedings will ultimately be resolved.

Pride FCPA Investigation

During 2010, Pride and its subsidiaries resolved their previously disclosed investigations into potential violations of the U.S. Foreign Corrupt Practices Act of 1977 (the "FCPA") with the U.S. Department of Justice ("DOJ") and SEC. The settlement with the DOJ included a deferred prosecution agreement (the "DPA") between Pride and the DOJ and a guilty plea by Pride Forasol, S.A.S., one of Pride's subsidiaries, to FCPA-related charges. During 2012, the DOJ moved to (i) dismiss the charges against Pride and end the DPA one year prior to its scheduled expiration; and (ii) terminate the unsupervised probation of Pride Forasol, S.A.S. The Court granted the motions.

Pride has received preliminary inquiries from governmental authorities of certain countries referenced in its settlements with the DOJ and SEC. We could face additional fines, sanctions and other penalties from authorities in these and other relevant jurisdictions, including prohibition of our participating in or curtailment of business operations in certain jurisdictions and the seizure of rigs or other assets. At this stage of such inquiries, we are unable to determine what, if any, legal liability may result. Our customers in certain jurisdictions could seek to impose penalties or take other actions adverse to our business. We could also face other third-party claims by directors, officers, employees, affiliates, advisors, attorneys, agents, stockholders, debt holders, or other stakeholders. In addition, disclosure of the subject matter of the investigations and settlements could adversely affect our reputation and our ability to obtain new business or retain existing business, to attract and retain employees and to access the capital markets.

We cannot currently predict what, if any, actions may be taken by any other applicable government or other authorities or our customers or other third parties or the effect any such actions may have on our financial position, operating results or cash flows.

Asbestos Litigation

We and certain subsidiaries have been named as defendants, along with numerous third-party companies as co-defendants, in multi-party lawsuits filed in Mississippi and Louisiana by approximately 48 plaintiffs. The lawsuits seek an unspecified amount of monetary damages on behalf of individuals alleging personal injury or death, primarily under the Jones Act, purportedly resulting from exposure to asbestos on drilling rigs and associated facilities during the 1960s through the 1980s.

During 2013, we reached an agreement in principle with 58 plaintiffs to settle lawsuits filed in Mississippi for a nominal amount. A special master reviewed all 58 cases and made an allocation of settlement funds among the parties. The District Court Judge reviewed the allocations and accepted the special master's recommendations and approved the settlements. The settlement documents for most of the individual plaintiffs have been processed, and the cases have been dismissed. The settlement documents for approximately 13 individual plaintiffs are continuing to be processed.

We intend to vigorously defend against the remaining claims and have filed responsive pleadings preserving all defenses and challenges to jurisdiction and venue. However, discovery is still ongoing and, therefore, available information regarding the nature of all pending claims is limited. At present, we cannot reasonably determine how many of the claimants may have valid claims under the Jones Act or estimate a range of potential liability exposure, if any.

In addition to the pending cases in Mississippi and Louisiana, we have other asbestos or lung injury claims pending against us in litigation from time to time in other jurisdictions. Although we do not expect final disposition of these asbestos or lung injury lawsuits to have a material adverse effect upon our financial position, operating results or cash flows, there can be no assurances as to the ultimate outcome of the lawsuits.

Environmental Matters

We are currently subject to pending notices of assessment relating to spills of drilling fluids, oil, brine, chemicals, grease or fuel from drilling rigs operating offshore Brazil from 2008 to 2015, pursuant to which the governmental authorities have assessed, or are anticipated to assess, fines in an aggregate amount of approximately $160,000 . We have contested these notices and appealed certain adverse decisions and are awaiting decisions in these cases. Although we do not expect final disposition of these assessments to have a material adverse effect on our financial position, operating results or cash flows, there can be no assurance as to the ultimate outcome of these assessments. A $160,000 liability related to these matters was included in accrued liabilities and other on our condensed consolidated balance sheet as of March 31, 2016 .

We currently are subject to a pending administrative proceeding initiated during 2009 by a Spanish government authority seeking payment in an aggregate amount of approximately $3.1 million for an alleged environmental spill originating from ENSCO 5006 while it was operating offshore Spain. Our customer has posted guarantees with the Spanish government to cover potential penalties. Additionally, we expect to be indemnified for any payments resulting from this incident by our customer under the terms of the drilling contract. A criminal investigation of the incident was initiated during 2010 by a prosecutor in Tarragona, Spain, and the administrative proceedings have been suspended pending the outcome of this investigation. We do not know at this time what, if any, involvement we may have in this investigation.

We intend to vigorously defend ourselves in the administrative proceeding and any criminal investigation. At this time, we are unable to predict the outcome of these matters or estimate the extent to which we may be exposed to any resulting liability. Although we do not expect final disposition of this matter to have a material adverse effect on our financial position, operating results or cash flows, there can be no assurance as to the ultimate outcome of the proceedings.

Other Matters

In addition to the foregoing, we are named defendants or parties in certain other lawsuits, claims or proceedings incidental to our business and are involved from time to time as parties to governmental investigations or proceedings, including matters related to taxation, arising in the ordinary course of business. Although the outcome of such lawsuits or other proceedings cannot be predicted with certainty and the amount of any liability that could arise with respect to such lawsuits or other proceedings cannot be predicted accurately, we do not expect these matters to have a material adverse effect on our financial position, operating results or cash flows.

Item 1A. *Risk Factors*

There are numerous factors that affect our business and results of operations, many of which are beyond our control. In addition to information set forth in this quarterly report, you should carefully read and consider "Item 1A. Risk Factors" in Part I and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II of our annual report on Form 10-K for the year ended December 31, 2015 , which contains descriptions of significant risks that might cause our actual results of operations in future periods to differ materially from those currently anticipated or expected. There have been no material changes from the risks previously disclosed in our annual report on Form 10-K for the year ended December 31, 2015 .

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Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

The table below provides a summary of our repurchases of equity securities during the quarter ended March 31, 2016 :

Issuer Purchases of Equity Securities

Period	Total Number of Securities Purchased (1)	Average Price Paid per Security	Total Number of Securities Purchased as Part of Publicly Announced Plans or Programs (2)	Approximate Dollar Value of Securities that May Yet Be Purchased Under Plans or Programs
January 1 - January 31	1,093	$ 15.39	—	$ 2,000,000,000
February 1 - February 29	1,250	$ 9.23	—	$ 2,000,000,000
March 1 - March 31	40,972	$ 8.93	—	$ 2,000,000,000
Total	43,315	$ 9.10	—	

(1) Equity securities were repurchased from employees and non-employee directors by an affiliated employee benefit trust in connection with the settlement of income tax withholding obligations arising from the vesting of share awards. Such securities remain available for re-issuance in connection with employee share awards.

(2) During 2013, our shareholders approved a new share repurchase program. Subject to certain provisions under English law, including the requirement of Ensco plc to have sufficient distributable reserves, we may purchase up to a maximum of $2.0 billion in the aggregate under the program, but in no case more than 35.0 million shares. The program terminates in May 2018.

Item 6. *Exhibits*

Exhibit Number	Exhibit
*10.1	Form of Change in Control Severance Agreement for Executive Officers
*12.1	Computation of ratio of earnings to fixed charges.
*15.1	Letter regarding unaudited interim financial information.
*31.1	Certification of the Chief Executive Officer of Registrant Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*31.2	Certification of the Chief Financial Officer of Registrant Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
**32.1	Certification of the Chief Executive Officer of Registrant Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
**32.2	Certification of the Chief Financial Officer of Registrant Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*101.INS	XBRL Instance Document
*101.SCH	XBRL Taxonomy Extension Schema
*101.CAL	XBRL Taxonomy Extension Calculation Linkbase
*101.DEF	XBRL Taxonomy Extension Definition Linkbase
*101.LAB	XBRL Taxonomy Extension Label Linkbase
*101.PRE	XBRL Taxonomy Extension Presentation Linkbase

* Filed herewith.
** Furnished herewith.

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 thereunto duly authorized.

Ensco plc

Date: April 28, 2016

/s/ JONATHAN H. BAKSHT

Jonathan H. Baksht
Senior Vice President and
Chief Financial Officer
(principal financial officer)

/s/ ROBERT W. EDWARDS III

Robert W. Edwards III
Vice President - Finance (principal
accounting officer)

INDEX TO EXHIBITS

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** Furnished herewith.

[FORM OF] CHANGE IN CONTROL SEVERANCE AGREEMENT

This Change in Control Severance Agreement (this " **Agreement** "), dated and effective 29 January 2016 (the (" **Effective Date** "), is by and between Ensco plc, a company organized and existing under the laws of England and Wales(the " **Company** ") and [*name of executive officer*] (the " **Executive** ").

STATEMENT OF PURPOSE

The Company desires, for its continued success, to have the benefit of services of experienced management personnel like the Executive. The Company therefore believes it is in the best interest of the Company and its shareholders that, in the event of a Change in Control of the Company, the Executive be reasonably secure in his employment and position with the Company, so that the Executive can exercise independent judgment as to the best interest of the Company and its owners, without distraction by uncertainties or risks regarding the Executive's continued employment with the Company created by the possibility of a Change in Control. The Company thus believes it is imperative to (1) diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change in Control, (2) encourage the Executive's full attention and dedication to the Company currently and in the event of any threatened or pending Change in Control, and (3) provide the Executive with a severance benefits opportunity following a Change in Control. Therefore, the Company and the Executive now desire to enter into this Agreement in order to accomplish these objectives.

AGREEMENT

In consideration of the statements made in the Statement of Purpose and the mutual agreements set forth below, the Company and the Executive hereby enter into this Agreement, as follows:

1. **Definitions and Interpretation .** Various terms used in this Agreement are defined in Exhibit A ; each of the defined terms used in this Agreement begins with a capital letter. Various interpretative matters for this Agreement are also set forth in Exhibit A which is an integral part of this Agreement and incorporated herein by reference.

2. **Term of Agreement.**

(a) This Agreement will commence on the Effective Date and shall continue in effect through and including December 31, 2016, unless extended as set out below (the original term and all extended terms being referred herein as the " **Term** ").

The Term of this Agreement shall be extended automatically for an additional successive one-year period, effective as of January 1, 2017 (the " **Initial Extension Date** ") and each annual anniversary thereof that occurs while this Agreement remains in effect so that the remaining term is one year; provided, however, if, at any time prior to the date that is sixty (60) days before the Initial Extension Date or any annual anniversary thereof, either Party gives notice of termination to the other Party that no such automatic extension shall occur, this Agreement shall terminate at the end of the then current one-year period.

This Agreement may be terminated following a Change in Control or within three months prior to a Change in Control only by mutual written agreement of the Parties.

(b) Benefits shall be provided under this Agreement only in the event of a Severance Payment Event that occurs during the Term. If there is not a Severance Payment Event during the Term, then no Severance Payment or other post-termination benefits shall be provided under this Agreement.

3. **Termination Payments** . Upon the occurrence of a Severance Payment Event, subject to satisfaction of the conditions contained in Section 4 , the following shall occur:

(a) The Company shall pay the Executive in cash, within five (5) Business Days after the Employment Termination Date, all of his Base Salary and all other earned but unpaid cash compensation or entitlements due to the Executive through (and including) the Employment Termination Date, including any unused accrued vacation pay and reimbursable business expenses in accordance with the policies, standards and/or procedures maintained by the Company for such purposes.

(b) Subject to continued compliance with Sections 4, 5 and 23 , the Company shall (i) pay the cash portion of the Severance Payment in a lump sum payment within thirty (30) days after (A) the Severance Payment Event, or (B) in the event of an Anticipatory Termination, the Change in Control Date; provided, however, if such 30-day period (and/or the Release delivery and non-revocation period described in Section 4) begins in one taxable year of the Executive and ends in a second taxable year, such payment shall not be made until the second taxable year and (ii) honor its obligations to provide continued group health plan coverage as part of the Severance Payment; and further provided, if the Executive is determined to be a Specified Employee as of the Employment Termination Date, then such lump sum payment, to the extent not exempt from, or excepted under, Section 409A, shall be made within ten (10) business days following the date that is six (6) months after the Employment Termination Date. [*EV- references to 409A here and elsewhere in the document have been deleted as not applicable under English law*]

4. **Release Agreement** . As a condition to the receipt of the Severance Payment under Section 3 , the Executive must first execute and return to the Company a release agreement (the " **Release** ") that is substantially in the same form as attached hereto as Exhibit B (with any changes to such form as the Parties may reasonably request to reflect the circumstances relating to the termination of the Executive's employment, any changes in applicable law, or any agreement by the Company not to require a release with respect to one or more particular claims or potential claims). [*EV- includes language to ensure the release operates as a settlement agreement under English law*] The Company shall deliver such Release to the Executive within five (5) days after the Employment Termination Date. The Executive must return the executed Release within the twenty-one (21) or forty-five (45) day period following the date of his receipt of the Release, as applicable and stated in the Release. If the Release delivery and non-revocation period spans two

taxable years, the Severance Payment will always commence or be made in the second taxable year. The Company shall also execute the Release. No Severance Payment shall be payable or provided by the Company unless and until the Release has been executed by the Executive, has not been revoked, and is no longer subject to revocation by the Executive. The Release shall not release any claim or cause of action by or on behalf of the Executive for (a) any payment or other benefit that is required under this Agreement or any Plan prior to the receipt of such benefit by or on behalf of the Executive, or (b) a breach of this Agreement by the Company. [*EV- there is not revocation provision as not applicable under English law*]

5. **Post-Termination Restrictive Covenants .** As an inducement to the Company to enter into this Agreement, the Executive represents to, and covenants with or in favor of the Company, Executive's compliance with (a) any post-termination restrictive agreements, policies or covenants that apply to, or cover, the Executive, including, without limitation, those regarding Confidential Information, return of Company property and non-disparagement, as set forth in Sections 8, 9 and 10 hereof, and (b) all of the Company's policies, standards and procedures covering the Executive as an employee, officer or director of the Company or any of its Affiliates.

6. **No Mitigation** . Executive shall not be required to mitigate the amount of any payment or other benefits provided under this Agreement by seeking other employment.

7. **Full Settlement .** Except with respect to compliance with Sections 4 and 5, the Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any setoff, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. This Agreement does not adversely affect Executive's rights under any Plan; provided, however, Executive acknowledges and agrees that he shall not be a participant in, and he hereby waives any right to participate in, any severance pay plan (as the same may be amended from time to time) that generally covers the employees of the Company or its Affiliates such as to preclude duplicative severance pay benefits that are in addition to those provided to Executive under the terms of this Agreement and, in such event, such other severance pay benefits shall not be provided to Executive.

8. **Confidential Information .**

(a) For purposes of this Section 8 , the term " **Company** " shall include the Company and its Affiliates. During the course of the Executive's employment with the Company, the Company will (1) disclose or entrust to the Executive, and provide the Executive with access to, Confidential Information, (2) place the Executive in a position to develop business goodwill belonging to the Company, and (3) disclose or entrust to the Executive business opportunities to be developed for the Company.

(b) Protection of Confidential Information .

(1) Executive acknowledges that Confidential Information has been and will be developed or acquired by the Company through the expenditure of substantial time, effort and money and provides the Company with an advantage over competitors who do not know or use the Confidential Information. Executive further acknowledges and agrees that the nature of the

Confidential Information obtained during the Executive's employment would make it difficult, if not impossible, for Executive to perform in a similar capacity for a business competitive with the Company without disclosing or utilizing Confidential Information.

(2) During and following the Executive's employment by the Company, the Executive shall hold in confidence and not directly or indirectly disclose, use, copy or make lists of any Confidential Information, except to the extent necessary to carry out the Executive's duties on behalf of the Company. Executive agrees to give the Company notice of any and all attempts to compel disclosure of any Confidential Information within one (1) Business Day after the Executive is informed that such disclosure is being, or will be, compelled. Such written notice shall include a description of the Confidential Information to be disclosed, the court, government agency, or other forum through which the disclosure is sought, and the date by which the Confidential Information is to be disclosed, and shall contain a copy of the subpoena, order or other process used to compel disclosure. For the avoidance of doubt, the provisions of this Section 8 shall not apply to (a) any disclosure or use authorized by the Company or required by applicable law and (b) any information that is or becomes generally available to the public (other than as a result of the Executive's unauthorized disclosure). [*EV-includes a reference to protected disclosure under English law*]

(3) This confidentiality covenant shall be in addition to, and not limit or restrict in any way, any other confidentiality agreement or other post-employment covenant between the Parties.

9. **Company Documents and Property**. All writings, records, and other documents and things comprising, containing, describing, discussing, explaining, or evidencing any Confidential Information, and all equipment, computers, mobile phones, components, manuals, parts, keys, tools, and the like in Executive's custody, possession or control that have been obtained by, prepared by, or provided to, Executive by the Company or any Affiliate in the course or scope of Executive's employment with the Company (or any Affiliate) shall be the exclusive property of the Company (or such Affiliate, as applicable), shall not be copied and/or removed from the premises of the Company or any Affiliate, except in pursuit of the business of the Company or an Affiliate, and shall be delivered to the Company or an Affiliate, as applicable, without Executive retaining any copies or electronic versions, within one (1) day following the Employment Termination Date or at any other time requested by the Company.

10. **No Disparaging Comments**. Executive and the Company shall refrain from any criticisms or disparaging comments about each other or in any way relating to Executive's employment or separation from employment with the Company; provided, however, that nothing in this Agreement shall apply to or restrict in any way the communication of information to any governmental law enforcement agency by either Party that is required by compulsion of law. A violation or threatened violation of this prohibition may be enjoined by a court of competent jurisdiction. The rights under this provision are in addition to any and all rights and remedies otherwise afforded by law to the Parties.

Executive acknowledges that in executing this Agreement, he has knowingly, voluntarily, and intelligently waived any free speech, free association, free press or First Amendment to the United States Constitution (including, without limitation, any counterpart or similar provision or right under any other state constitution which may be deemed to apply) and rights to disclose, communicate, or publish disparaging information or comments concerning or related to the Company; provided, however, nothing in this Agreement shall be deemed to prevent Executive from testifying fully and truthfully in response to a subpoena from any court or from responding to an investigative inquiry from any governmental agency. [*EV-references to US Constitution and state constitutions are deleted and replaced with a reference to English law*]

For all purposes of the obligations of Executive under this Section 10 , the term "Company" refers to the Company and its Affiliates, and its and their directors, officers, employees, shareholders, investors, partners and agents.

11. **Tax and Other Withholdings .** The Company or its Affiliate shall withhold from any payments or benefits under this Agreement (whether or not otherwise acknowledged under this Agreement) all federal, state, local, or other taxes that it is required to withhold, as well as any other required deductions such as, for example, employee benefits coverage. [*EV-references to federal, state, local and other taxes deleted and replaced with a reference to taxes and National Insurance Contributions applicable under English law*]

12. **Employment Status .** Nothing in this Agreement provides the Executive with any right to continued employment with the Company or any Affiliate, or shall interfere with the right of the Company or an Affiliate to terminate the Executive's employment at any time subject to their obligations under this Agreement.

13. **No Exclusivity .** Except as expressly provided herein, this Agreement shall not prevent or limit the Executive's participation in any Plan for which the Executive qualifies, nor shall it impair any rights that the Executive may have under any other plan, program, contract or agreement with the Company or any Affiliate.

14. **Indemnification** . The Deed of Indemnity entered into by Executive and the Company shall continue in effect in all respects during the "Employment Period" (as such term, or similar term, is defined in the Deed of Indemnity) and for such periods of time following the end of the Employment Period as are established in such Deed of Indemnity. Further, Executive will be entitled to the benefit of any other indemnity provisions contained in the constituent and/or governing documents of the Company as well as any insurance policies the Company maintains for the benefit of its officers and directors against all liabilities, claims, costs, charges and expenses incurred in connection with any action, suit or proceeding to which he may be made, or threatened to be made, a party, witness or other participant by reason of being an officer or employee of the Company. Additionally, if the Company fails to administer any provision of this Agreement consistent with its terms, the Company shall indemnify Executive fully for any costs or other liability to Executive, other than legal fees, resulting from such error.

15. **Company's Successor and Assignment .** In addition to any obligations imposed by law upon any successor to the Company, this Agreement shall be binding upon and inure to the benefit of the Company and any successor of the Company (whether direct or indirect, by purchase, merger, consolidation or otherwise). The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same

manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company, as previously defined, and any successor by operation of law or otherwise, and any successor to the business and/or assets of the Company (as provided above) which assumes and agrees to perform this Agreement.

16. **Executive's Successor.** This Agreement is personal to the Executive and shall not be assigned by the Executive. Any purported assignment by the Executive shall be null and void from the initial date of the purported assignment. If the Executive should die after a Severance Payment Event, but before any payment or other benefit to which the Executive is entitled to receive under this Agreement has been fully received by Executive, all payments or other benefits which the Executive would have been entitled to receive had he continued to live shall be made or provided in accordance with the terms of this Agreement to Executive's surviving lawful spouse, if any, or if not, to his estate upon receipt by the Company of proper instructions regarding the lawful representative of such estate.

17. **Restricted Assignment.** Except as expressly provided in Sections 15 and 16, this Agreement, and the rights and obligations of the Parties hereunder, are personal in nature, and neither this Agreement, nor any right, benefit, or obligation of either Party hereto, shall be subject to voluntary or involuntary assignment, alienation or transfer, whether by operation of law or otherwise, without the prior written consent of the other Party. Any attempted assignment, transfer, or delegation in violation of the preceding sentence shall be void and of no force or effect.

18. **Waiver and Amendment.** No term or condition of this Agreement shall be deemed waived other than by a writing signed by the Party against whom or which enforcement of the waiver is sought. Without limiting the generality of the preceding sentence, a Party's failure to insist upon the other Party's strict compliance with any provision of this Agreement or to assert any right that a Party may have under this Agreement shall not be deemed a waiver of that provision or that right. Any written waiver shall operate only as to the specific term or condition waived under the specific circumstances, and shall not constitute a waiver of that term or condition for the future or a waiver of any other term or condition. No amendment, termination or other modification of this Agreement shall be effective unless stated in a writing signed by the Parties.

19. **Entire Agreement** . This Agreement, including the Statement of Purpose, contains the Parties' entire agreement regarding the subject matter of this Agreement, and supersedes any and all prior agreements, promises, understandings, and representations between them regarding such subject matter. The Parties have made no agreements, representations, or warranties regarding the subject matter of this Agreement that are not set forth in this Agreement.

20. **Notice** . Each Notice or other communication required or permitted under this Agreement shall be in writing and transmitted or delivered by personal delivery, prepaid courier or messenger service (whether overnight or same-day), prepaid telecopy or facsimile, or prepaid certified United States mail (with return receipt requested), addressed (in any case) to the other Party at the address for that Party set forth below that Party's signature on this Agreement, or at such other address as the recipient has designated by Notice to the other Party.

Each Notice or communication so transmitted, delivered, or sent in person, by courier or messenger service, or by certified United States mail, shall be deemed given, received, and effective on the date delivered to or refused by the intended recipient (with the return receipt, or the equivalent record of the courier or messenger, being deemed conclusive evidence of delivery or refusal.) Nevertheless, if the date of delivery is after 5:00 p.m. (local time of the recipient) on a Business Day, the Notice or other communication shall be deemed given, received and effective on the next Business Day.

21. **Executive Acknowledgment** . The Executive acknowledges that (a) he is knowledgeable and sophisticated as to business matters, including the subject matter of this Agreement, (b) he has read this Agreement and understands its terms and conditions, (c) he has had ample opportunity to discuss this Agreement with his legal counsel prior to execution, and (d) no strict rules of construction shall apply for or against the drafter or any other Party. The Executive represents that he is free to enter into this Agreement including, without limitation, that he is not subject to any restrictive covenant that would conflict with his duties and covenants under this Agreement.

22. **Severability and Reformation** . It is the desire of the Parties hereto that this Agreement be enforced to the maximum extent permitted by applicable law, and should any provision contained herein be held invalid or otherwise unenforceable by a court of competent jurisdiction, the Parties hereby agree that such provision shall be reformed to create a valid and enforceable provision to the maximum extent permitted by applicable law; provided, however, if such provision cannot be reformed, it shall be deemed ineffective and deleted herefrom without affecting any other provision of this Agreement which shall remain fully enforceable. This Agreement should be construed by limiting and reducing it only to the minimum extent necessary to be enforceable under then applicable law. Any such determination or reformation shall not be binding on any court or other governmental authority not otherwise bound to follow such conclusions pursuant to applicable law.

23. **Compliance with Section 409A** . Any provisions of the Agreement that are subject to Section 409A are intended to comply with all applicable requirements of Section 409A, or an exemption from the application of Section 409A, and shall be interpreted and administered accordingly. Notwithstanding any provision of this Agreement to the contrary, a termination of

employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amount or benefit that constitutes "non-qualified deferred compensation" (within the meaning of Section 409A) upon or following a termination of the Executive's employment unless such termination is also a "separation from service" within the meaning of Section 409A and, for purposes of any such provision, references herein to a "termination," "termination of employment" or like terms shall mean "separation from service" within the meaning of Section 409A.

Notwithstanding any provision of this Agreement to the contrary, if any payment or other benefit provided herein would be subject to additional taxes and interest under Section 409A because the timing of such payment is not delayed as required by Section 409A for a Specified Employee, then if the Executive is on the applicable date a Specified Employee, any such payment that the Executive would otherwise be entitled to receive during the first six months following his "separation from service" (as defined under Section 409A) shall be accumulated and paid, within ten (10) days after the date that is six months following the Executive's date of "separation from service", or such earlier date upon which such amount can be paid under Section 409A without being subject to such additional taxes and interest such as, for example, upon the Executive's death.

With respect to any amounts or benefits that are subject to Section 409A, this Agreement shall in all respects be administered in accordance with Section 409A. Each payment under this Agreement shall be treated as a separate payment for purposes of Section 409A. In no event may the Executive, directly or indirectly, designate the calendar year of any payment to be made under this Agreement.

All reimbursements and in-kind benefits provided under this Agreement that constitute deferred compensation within the meaning of Section 409A shall be made or provided in accordance with the requirements of Section 409A. Within the time period permitted by Section 409A, the Company may, in consultation with the Executive, modify the Agreement in the least restrictive manner necessary and without any diminution in the value of payments or other benefits to the Executive hereunder, in order to avoid the imposition of accelerated tax, additional tax and/or penalties on the Executive under Section 409A. [*EV-this section deleted as 409A not applicable under English law*]

24. **Governing Law; Jurisdiction . TO THE EXTENT PERMITTED BY LAW, THIS AGREEMENT SHALL IN ALL RESPECTS BE INTERPRETED, ENFORCED AND GOVERNED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO ANY CHOICE-OF-LAW PRINCIPLE THAT WOULD RESULT IN THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION, EXCEPT AS PREEMPTED BY FEDERAL LAW; AND EXCLUSIVE VENUE FOR ANY LEGAL PROCEEDINGS BROUGHT TO ENFORCE ITS PROVISIONS SHALL BE IN HARRIS COUNTY, TEXAS, WHERE ONE OR MORE OF THE PARTIES' OBLIGATIONS CREATED HEREUNDER ARE PERFORMABLE.** [*EV- reference to Texas law and Texas courts deleted and replaced with references to English law and English courts*]

25. **Survival of Certain Provisions .** Wherever appropriate to the intention of the Parties, the respective rights and obligations of the Parties hereunder shall survive any termination or expiration of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF , the Parties have approved and executed this Agreement below, to be effective as of the Effective Date.

WITNESS : **EXECUTIVE** : [name of senior executive]

Signature: ___________ Signature: ___________

Name: _____________ Name: _____________

Date: _____________ Date: _____________

Address for Notices:
[address of senior executive]

ATTEST: **COMPANY:** ENSCO PLC

By: _____________ By: _____________

Title: _____________ Its: _____________

Name: _____________ Name: _____________

Date: _____________ Date: _____________

Address for Notices: 6 Chesterfield Gardens, London W1J 5BQ

[Exhibits A and B follow]

EXHIBIT A
TO
CHANGE IN CONTROL SEVERANCE AGREEMENT

A. DEFINED TERMS . In the Agreement, the following terms shall have the meanings set forth below:

1. " **Affiliate** " has the meaning ascribed to such term in Rule 12b-2 under the Exchange Act. [*EV-reference to Exchange Act deleted and replaced with language indicating entities that are controlled or under common control*]

2. " **Agreement** " means the Change in Control Severance Agreement between the Parties, as it may hereafter be amended or supplemented, of which this Exhibit A is a part.

3. " **Anticipatory Termination** " means a termination of the Executive's employment with the Company and all Affiliates within the time period that begins on the first day of the month that is three (3) months immediately preceding the first day of the month containing the Change in Control Date and ends on the Change in Control Date, but only if the termination of the Executive's employment was (a) due to a termination by the Company without Cause or (b) a termination by the Executive for Good Reason. For purposes of clarification and not limitation, termination of the Executive's employment for Cause, or due to Executive's death or Disability or his voluntary resignation without Good Reason, is not an Anticipatory Termination.

4. " **Base Salary** " means the Executive's annual base salary from the Company or an Affiliate.

5. " **Board** " means the then-current Board of Directors of the Company.

6. " **Business Day** " means any Monday through Friday, excluding any such day on which banks are authorized to be closed in Texas. [*EV-reference to Texas deleted and replaced with United Kingdom*]

7. " **Cause** " means any of the following: (a) the willful and continued failure of the Executive to perform substantially the Executive's duties and obligations (other than any such failure resulting from bodily injury or disease or any other incapacity due to mental or physical illness), (b) gross misconduct by the Executive, (c) the willful and material breach by the Executive of any Company policies or the Company's "Code of Conduct", or (d) the conviction of the Executive by a court of competent jurisdiction, from which conviction no further appeal can be taken, of a felony-grade crime involving moral turpitude [*EV-reference to felonies or moral turpitude deleted and replaced with crimes punishable by imprisonment*]; provided, however, that in any of the aforementioned cases the cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a resolution duly adopted by the Board specifying that the Executive is being terminated for Cause.

8. “ **Change in Control** ” means the occurrence of any of the following events: (a) a change in the ownership of Ensco plc, which occurs on the date that any one person, or more than one person acting in concert (as defined in the City Code on Takeovers and Mergers, acquires ownership of shares in the capital of Ensco plc (the “ **Shares** ”) that, together with Shares held by such person or persons acting in concert, constitutes more than fifty percent (50%) of the total voting power of the Shares; or (b) the majority of the members of the board of directors of Ensco plc **(“ENSCO plc Board** ”) is replaced during any twelve (12) month period by directors whose appointment or election is not endorsed by a majority of the members of the ENSCO plc Board prior to the date of the appointment or election; or (c) a sale of all or substantially all of the assets of Ensco plc; provided, however, a Change in Control of Ensco plc shall not be deemed to have occurred by virtue of the consummation of any transaction or series of related transactions immediately following which the beneficial holders of the voting Shares immediately before such transaction or series of transactions continue to have a majority of the direct or indirect ownership in one or more entities which, singly or together, immediately following such transaction or series of transactions, either (i) own all or substantially all of the assets of Ensco plc as constituted immediately prior to such transaction or series of transactions, or (ii) are the ultimate parent with direct or indirect ownership of all of the voting Shares after such transaction or series of transactions. For further clarification, a "Change in Control" of Ensco plc shall not be deemed to have occurred by virtue of the consummation of any transaction or series of related transactions effected for the purpose of changing the place of incorporation or form of organization of Ensco plc or the ultimate parent company of Ensco plc and its subsidiaries.

9. “ **Change in Control Date** ” means the effective date of the occurrence of a Change in Control.

10. “ **Code** ” means the Internal Revenue Code of 1986, as amended from time to time. References herein to any Section of the Code shall include any successor provisions of the Code. [*EV-deleted*]

11. “ **Common Stock** ” means the common stock, $0.10 par value per Class A Ordinary Share.

12. “ **Company** ” means Ensco plc, a United Kingdom company, or its successor in interest.

13. **“Confidential Information”** means information (whether or not recorded in documentary form, or stored on any magnetic or optical disk or memory) relating to the business, products, affairs and finances of the Company or any Affiliates for the time being confidential to the Company or its Affiliate, and trade secrets including, without limitation, technical data and know-how relating to the business of the Company or any Affiliate or any of their business contacts, including in particular (by way of illustration only and without limitation): (a) information relating to the business of exploring, acquiring, developing, exploiting and disposing of oil and natural gas resources (regardless of when conceived, made, developed or acquired); (b) information relating to the business or prospective business, current or projected plans or internal affairs of the Company or any Affiliate; (c) information relating to the current or prospective marketing or sales of any products or services of the Company or any Affiliate, including non-public lists of customers' and suppliers' names, addresses and contacts; sales targets and statistics; market share and pricing

information; marketing surveys; research and reports; non-public advertising and promotional material; strategies; and financial and sales data; (d) information relating to any actual or prospective business strategies of the Company or any Affiliate; (e) information relating to any actual acquisitions, investments or corporate opportunities or prospective acquisition, investment targets or corporate opportunity; (f) know-how, trade secrets, unpublished information relating to the Company or any Affiliate's intellectual property and to the creation, production or supply of any products or services of any Company or Affiliate; (g) information to which the Company or any Affiliate owes an obligation of confidence to a third party (including, without limitation, customers, clients, suppliers, partners, joint venturers and professional advisors of the Company or any Affiliate); and (h) other commercial, financial or technical information relating to the business or prospective business of the Company or any Affiliate, or to any past, current or prospective client, customer, supplier, licensee, officer or employee, agent of the Company or any Affiliate, or any member or Person interested in the share capital or assets of the Company or any Affiliate, and any other Person to whom the Company or any Affiliate may provide or from whom they may receive information (whether marked confidential or not).

14. " **Dispute** " means any dispute, disagreement, claim, or controversy arising in connection with or relating to the Agreement, or to the validity, interpretation, performance, breach, or termination of the Agreement.

15. **"ECIP"** means the Company's 2005 Cash Incentive Plan, as amended from time to time.

16. " **Employment Agreement** " means any employment contract that was entered into between the Company (or its Affiliate) and the Executive and is in effect as of the relevant time, as such employment contract may be amended from time to time; provided, however, if there is no such Employment Agreement in effect at the relevant time, then any reference in this Agreement to an Employment Agreement shall be disregarded and have no force or effect for all purposes of this Agreement.

17. " **Employment Period** " means the time period during which the Executive is employed as an employee or officer of the Company or any Affiliate.

18. " **Employment Termination Date** " means the date that the Executive's employment with the Company, and its Affiliates if applicable, is terminated for whatever reason. Notwithstanding anything contained herein to the contrary, the date on which such a "separation from service" (as defined in Section 409A) takes place shall be the "Employment Termination Date" with respect to any payment of deferred compensation hereunder that is subject to, and not exempt under, Section 409A. [*EV-references to 409A deleted*]

19. " **Exchange Act** " means the Securities Exchange Act of 1934, as amended from time to time. [*EV- deleted*]

20. **"Good Reason"** means the occurrence of any of the following events (without the Executive's express written consent) arising during the Executive's employment with the Company and all Affiliates: (a) a material reduction in the Executive's base salary or a material reduction in

the aggregate overall compensation opportunity available to Executive, provided that the Board shall have the discretion to modify the Executive's overall compensation package subject to the foregoing restrictions, (b) a material diminution in the Executive's authority, duties or responsibilities, (c) in connection with the occurrence of a Change in Control, a permanent relocation in the geographic location at which the Executive must perform services to a location outside the Houston, Texas, or the London, England, metropolitan area, or (d) any other action or inaction that constitutes a material breach by the Company of its obligations under this Agreement. In the case of the Executive's allegation of Good Reason, (i) the Executive shall provide notice to the Board of the event alleged to constitute Good Reason within ninety (90) days of the occurrence of such event, and (ii) the Company shall have the opportunity to remedy the alleged Good Reason event within thirty (30) days from receipt of notice of such allegation. If the Company does not cure the circumstance giving rise to Good Reason to the Executive's reasonable satisfaction, the Executive must terminate his employment with the Company within thirty (30) days following the end of the thirty (30) day cure period described in clause (ii) above in order for his termination to be considered a termination for Good Reason.

This definition of “Good Reason” is intended to comply with the requirements for such a definition under Section 409A, but only to the extent that Section 409A is applicable to the payment or benefit being provided under the Agreement and, in that case, this term shall be interpreted in a manner which is consistent with such intent under Section 409A. [*EV-deleted due to references to 409A*]

21. “ **Notice** ” means a written communication complying with Section 20 of the Agreement (“Notify” has the correlative meaning).

22. “ **Notice of Termination** ” means a written Notice which (a) indicates the specific termination provision in this Agreement or the Employment Agreement that is being relied upon, (b) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive’s employment under the provision so indicated, and (c) if the Employment Termination Date is other than the date of receipt of such Notice, specifies the termination date (which date shall be not more than 60 days after the giving of such Notice). The failure by one Party to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of such Party hereunder, or preclude such Party from asserting such fact or circumstance in enforcing such Party’s rights hereunder.

23. “ **Party** ” means either the Company or the Executive, which are the parties to this Agreement.

24. “ **Person** ” means any individual, firm, corporation, partnership, limited liability company, trust, or other entity, including any successor (by merger or otherwise) of such entity; except for purposes of the definition of Change in Control herein which uses a definition of “person” under the City Code on Takeovers and Mergers.

25. “ **Plan** ” means the ECIP and any bonus, incentive compensation, savings, retirement, long-term incentive plan (or other stock incentive plan), stock option, stock appreciation, stock

ownership or purchase, pension, deferred compensation, health or welfare benefits, or fringe benefit, plan, policy, practice, program or arrangement of (including any separate contract or agreement with) the Company or any Affiliate for its employees, including any "employee benefit plan" as defined in Section 3(3) of ERISA [*EV-reference to ERISA deleted as not applicable under English law*], but such term does not include (a) any Employment Agreement or (b) any severance pay benefit plan that is maintained generally for the employees of the Company or any Affiliate.

26. " **Section 409A** " means Code Section 409A, including the Treasury Regulations and other authoritative guidance issued thereunder by the appropriate governmental entity. [*EV-deleted*]

27. " **Severance Payment** " means an amount equal to the sum of:

(a) [*one (1) time for Senior Vice Presidents ("SVPs") and two (2) times for Executive Vice Presidents ("EVPs")*] the Executive's highest Base Salary in effect at any time within 12 months before the Change in Control Date; plus

(b) [*one (1) time for SVPs and two (2) times for EVPs*] an amount equal to 100% of the Executive's targeted bonus under the ECIP for the year which contains the Change in Control Date.

The amount determined under clauses (a) and (b) above shall be subject to all required withholdings pursuant to Section 11 of the Agreement.

In addition to (a) and (b) above, the Company shall maintain continued group health plan coverage following the Employment Termination Date under any of the Company's group health plans that covered Executive immediately before the Employment Termination Date which are subject to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (" **COBRA** ") (as codified in Code Section 4980B and Part 6 of Subtitle B of Title I of ERISA), for Executive and his eligible spouse and other eligible dependents (together, " **Dependents** "), for a period of [*one (1) year for SVPs and two (2) years for EVPs*]following the Employment Termination Date, at a reduced COBRA premium rate that will be charged to Executive (and his Dependents) which is the same as the charge for coverage that is then being charged by the Company to similarly-situated active employees for coverage under such plan at the same level as the COBRA coverage.

After the Employment Termination Date, Executive, and his Dependents, if any, must first elect and maintain any COBRA continuation coverage under the plan that they are entitled to receive under the terms of such plan and COBRA law. Except for the reduced COBRA premium rate for the first year of COBRA coverage, in all other respects, Executive and his Dependents shall be treated the same as other COBRA qualified beneficiaries under the terms of such plan and the requirements of COBRA law during the period while COBRA coverage remains in effect. After the end of such [*one (1) year for SVPs and two (2) year for EVPs*] (if COBRA coverage was not earlier terminated under applicable COBRA law, the premium rate for any remaining COBRA coverage will be the full COBRA premium rate as then in effect under the plan.

The Company's obligation to provide the COBRA coverage at the reduced COBRA premium rate shall be terminated if the Executive becomes eligible for group medical coverage provided by another employer. Executive covenants to give prompt notice to Company if the Executive becomes eligible for group medical coverage offered by another employer during such one-year period. [*EV-references to COBRA deleted as not applicable under English law and replaced with best efforts obligation to obtain underwriters approval to continue health plan*]

For purposes of clause (b) above of this definition: the "targeted bonus" for the Company in which the Change in Control occurs shall be the amount identified as a "target" for the Executive by the Company for that year.

28. " **Severance Payment Event** " means either of: (a) the termination of the Executive's employment with the Company and all Affiliates, for any reason other than (i) voluntarily by the Executive without Good Reason or (ii) involuntarily by the Company for Cause, provided that in any case such termination must occur within the time period beginning on the Change in Control Date and ending on the last day of the twelfth (12th) month next following the month containing the Change in Control Date (the " **Protection Period** "), or (b) an Anticipatory Termination. Any termination of the Executive's employment that does not occur within this prescribed time limit, or is for a reason other than as described in this paragraph, shall not be considered a Severance Payment Event.

Any transfer of the Executive's employment from the Company to an Affiliate, from an Affiliate to the Company, or from one Affiliate to another Affiliate, is not a termination of the Executive's employment by the Company for purposes of the Agreement (though any such transfer might, depending on the circumstances, constitute or result in a termination of employment by the Executive for Good Reason).

Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other Party.

29. **"Specified Employee"** means a "specified employee", as such term is defined in Section 409A. [*EV-deleted*]

30. " **Subsidiary** " means a corporation or other entity, whether incorporated or unincorporated, of which at least a majority of the Voting Securities is owned, directly or indirectly, by the Company.

31. " **Voting Securities** " means securities or other interests having by their terms ordinary voting power to elect members of the board of directors of a corporation or individuals serving similar functions for a non-corporate entity.

B. **INTERPRETIVE MATTERS.** In the interpretation of the Agreement, except where the context otherwise requires:

(a) " **including** " or " **include** " does not denote or imply any limitation;

(b) " **or** " has the inclusive meaning "and/or";

(c) the singular includes the plural, and vice versa, and each gender includes each of the others;

(d) captions or headings are for reference purposes only, and they are not to be considered in interpreting the Agreement;

(e) " **Section** " refers to a Section of the Agreement, unless otherwise stated in the Agreement;

(f) " **month** " refers to a calendar month; and

(g) a reference to any statute, rule, or regulation includes any amendment thereto or any statute, rule, or regulation enacted or promulgated in replacement thereof, as well as any regulation or other authority issued by the appropriate governmental entity under, or with respect to, a statute.

[End of Exhibit A]

EXHIBIT B
TO
CHANGE IN CONTROL SEVERANCE AGREEMENT

CONFIDENTIAL RELEASE AGREEMENT

In consideration of the payment of the Severance Payment set forth in that certain Change in Control Severance Agreement (the " **CiC Agreement** ") dated as of _____________, 201[__], and as it may be amended thereafter, by and between Ensco [*insert entity party to the CIC Agreement*] (the " **Company** ") and ____________________ (" **Executive** "), this Release Agreement (this " **Agreement** ") is made and entered into by the Company and the Executive. The Company and Executive may be individually referred to herein as " **Party** " and collectively as the " **Parties** ."

By signing this Agreement, Executive and the Company hereby agree as follows:

1. **Purpose.** Terms used in this Agreement with initial capital letters that are not defined herein are defined in the currently effective version of the CiC Agreement between the Parties, which CiC Agreement is incorporated herein by reference for this purpose. The purpose of this Agreement is to provide for the orderly termination of the employment relationship between the Parties, and to voluntarily resolve and provide a full and absolute and irrevocable release by the Executive of all current and future actual or potential disputes or claims that Executive has or might have, whether or not he has knowledge of them, whether or not they are in the contemplation of the parties and whether or not they exist in fact or law, as of the date of Executive's execution of this Agreement, against the Company and all of its respective owners, parents, predecessors, successors, divisions, Subsidiaries, Affiliates, related companies, and organizations, and its and their present and former agents, employees, managers, officers, directors, attorneys, stockholders, plan fiduciaries, assigns, representatives, executives, consultants, and all other Persons acting by, through, or in concert with any of them (individually and collectively, the " **Released Parties** "). Neither the fact that this Agreement has been proposed or executed, nor the terms of this Agreement, are intended to suggest, or should be construed as suggesting, that the Released Parties have acted unlawfully or violated any federal, state or local law or regulation, or any other duty, policy or contract. [*EV-delete reference to federal, state or local*]

2. **Termination of Employment.** Effective ___________ (the " **Termination Date** "), Executive's employment with the Company and its Affiliates has terminated.

3. **Severance Payment** . In consideration for Executive's execution of, and required performance under, this Agreement, the Company shall provide Executive with the Severance Payment. Executive confirms and agrees that he would not otherwise have received, or been entitled to receive, the Severance Payment or benefits other than those that are required to be provided under the Employee Retirement Income Security Act of 1974, as amended (" **ERISA** ") or such other laws that cannot be waived. [*EV-Executive's confirmation of receipt of benefits over and above required under ERISA and local laws deleted and replaced with acknowledgement of receipt of release by Company that has been signed by Executive's independent legal advisor*] All payments hereunder shall be net of

withholding for applicable federal, state and local taxes to the extent required by law and any other required deductions such as employee benefit coverages. [*EV- delete reference to federal, state and local laws and replace with references to income tax or National Insurance contributions*]

4. **Waiver of Additional Compensation or Benefits** . The Severance Payment to be made to Executive constitutes the entire amount of compensation and consideration due to Executive under this Agreement, and Executive acknowledges that he has no right to seek, and will not seek, any additional or different compensation or consideration for executing or performing under this Agreement.

5. **Neutral Employment Reference.** The Company shall provide a neutral employment reference to any potential employers that consider the employment of Executive or seek information concerning the reasons for the departure of Executive. The Company will provide to any such potential employers the identity of the positions held by Executive and the dates of Executive's employment with the Company.

6. **Tax Consequences.** The Company has made no representations to Executive regarding the tax consequences of any benefits received, or to be received, by Executive under the CiC Agreement.

7. **Certain Continuing Obligations.** Executive acknowledges and agrees that the post-termination restrictive covenants and obligations that apply to Executive as set forth in the CiC Agreement shall survive termination of the employment relationship and the execution of this Agreement, and Executive shall continue to fully honor his post-employment obligations.

8. **Executive Representations.** Executive expressly agrees to and acknowledges, confirms and represents to the following, and intends for the Company to rely upon the following in entering this Agreement:

(a) The term **"Released Parties"** means the Company and all of its Subsidiaries and Affiliates, and its and their present and former employees, managers, officers, directors, owners, partners, agents, attorneys, stockholders, plan fiduciaries, representatives, and successors and assigns, all other Persons acting by, through or in concert with any of them (collectively, the " **Released Parties** ").

(b) Executive has not filed any complaints, charges, claims or actions against the Company or any of the other Released Parties with any court, agency, or commission regarding any of the matters related to this Agreement or to his employment or separation from service with the Company. By executing this Agreement, Executive hereby waives the right to recover in any proceeding Executive may bring before the federal Equal Employment Opportunity Commission (" **EEOC** ") or any state human rights commission, or in any proceeding brought by the EEOC or any state human rights commission on Executive's behalf, against the Company or any of the other Released Parties. [*EV-references to EEOC deleted and replace with undertaking of Executive not to present or issue a claim to any court, tribunal, agency or commission*]

(c) Executive, by entering into this Agreement, is releasing the Released Parties from any and all claims that Executive may have against them under federal, state, or local laws, which have arisen on or before the Release Effective Date (as defined on the signature page of this Agreement). [*EV-reference to federal, state and local laws deleted and replaced with references to statute or contract*]

(d) Executive, by entering into this Agreement, is waiving all claims that Executive may have against the Released Parties under the federal Age Discrimination in Employment Act of 1967, as amended *(i.e.* , 29 USC § 621 et seq.), which have arisen on or before the Release Effective Date. [*EV-reference to US law deleted and replaced with a reference to the Equality Act*]

(e) Executive has reviewed all aspects of this Agreement, and has carefully read and fully understands this Agreement.

(f) **Executive has been hereby advised to consult with an attorney of his choice before signing this Agreement** . [*EV- added an affirmative acknowledgement that Executive has taken independent legal advice from an advisor*]

(g) Executive is knowingly and voluntarily entering into this Agreement, and has relied solely and completely upon his own judgment and, if applicable, the advice of his attorney before entering into this Agreement.

(h) Executive is not relying upon any representations, promises, predictions, projections, or statements made by or on behalf of the Company or any of the other Released Parties, other than those that are specifically stated in this Agreement.

(i) Executive represents and acknowledges that in executing this Release, he does not rely, and has not relied, on any prior oral or written communications, promises, agreements, statements, inducements, understandings, or representations by the Company or any of the Released Parties, except as expressly contained in this Agreement. Further, Executive expressly disclaims any reliance on any prior oral or written communications, promises, agreements, statements, inducements, understandings, or representations in entering into this Agreement and, therefore, Executive understands and agrees that he is precluded from bringing any fraud or similar claim against the Company or any of the other Released Parties associated with any such communications, promises, agreements, statements, inducements, understandings, or representations, and he is hereby entering into this Agreement based on his own independent judgment.

(j) Executive acknowledges that this Agreement shall be binding on Executive, and on his spouse, heirs, administrators, representatives, executors, beneficiaries, successors and assigns.

(k) Executive agrees that this Agreement shall, in all cases, be construed as a whole, according to its fair meaning, and not strictly for or against, either of the Parties.

(l) Executive does not waive any right or claim that initially arose for the first time after the Release Effective Date.

(m) Executive will receive payment of consideration under this Agreement that is beyond what Executive was entitled to receive before entering into this Agreement.

(n) Executive understands and agrees that this Agreement shall not in any way be construed as an admission by the Released Parties of any unlawful or wrongful acts whatsoever against Executive or any other Person; and the Released Parties specifically disclaim any liability to, or wrongful acts against, Executive or any other Person.

9. **Release.** Executive, on behalf of himself and his spouse, heirs, administrators, representatives, executors, beneficiaries, successors and assigns (individually and collectively, the " **Releasing Parties** "), hereby fully, unconditionally and forever releases, acquits and discharges the Released Parties, jointly and severally, from and against any and all claims, demands, actions, lawsuits, grievances, liabilities, and obligations of any nature whatsoever that the Releasing Parties had, have or may ever have against the Released Parties, or that might be assigned by the Releasing Parties, whether known or unknown, fixed or contingent, as of the Release Effective Date. Executive acknowledges, understands and agrees that this Agreement specifically includes, without limitation, (a) law or equity claims; (b) contract (express or implied) or tort claims; (c) claims arising under any federal, state or local laws of any jurisdiction that prohibit age, sex, race, national origin, color, disability, religion, veteran, military status, sexual orientation or any other form of discrimination, harassment, hostile work environment or retaliation (including, without limitation, the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act, the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments Act of 2008, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Civil Rights Acts of 1866 and/or 1871, 42 U.S.C. Section 1981, the Rehabilitation Act, the Family and Medical Leave Act, the Sarbanes-Oxley Act, the Executive Polygraph Protection Act, the Worker Adjustment and Retraining Notification Act, the Equal Pay Act of 1963, the Lilly Ledbetter Fair Pay Act, the Uniformed Services Employment and Reemployment Rights Act of 1994, the Genetic Information and Nondiscrimination Act of 2008, the Texas Commission on Human Rights Act, the Texas Labor Code, Section 1558 of the Patient Protection and Affordable Care Act of 2010, the Consolidated Omnibus Budget Reconciliation Act of 1985, and any other federal, state or local laws of any jurisdiction); (d) claims under any other federal, state, local, municipal or common law whistleblower protection, discrimination, wrongful discharge, anti-harassment or anti-retaliation statute or ordinance; (e) claims arising under ERISA; or (f) any other statutory or common law claims related to Executive's employment or separation from employment with the Company or its Affiliate. Executive further represents that, as of the Release Effective Date, he has not been the victim of any illegal or wrongful acts by any of the Released Parties, including, without limitation, discrimination, retaliation, harassment or any other wrongful act based on sex, age, race, religion, or any other legally protected characteristic. [*EV- references to US federal, state and local laws deleted and replace with corresponding provisions under English law*]

The release contained in this Section 9 does not include the following: (a) a claim for which the facts giving rise to such claim first occurred after the Release Effective Date; (b) any eligibility to receive continuation of health care coverage to the extent required under COBRA; (c) any vested benefit under any Plan to the extent required by ERISA and the terms of the Plan; (d) any claim for worker's compensation benefits that is currently pending as of the Release Effective Date; (e) any right of Executive to be indemnified by the Company or an Affiliate under the terms of a Deed of Indemnity and/or in his capacity as an officer or employee of the Company or any Affiliate during his employment period through the Termination Date, or as an insured under any applicable liability policy; (f) any claim challenging the validity of this release under the Older Workers Benefit Protection Act; and (g) any claim or cause of action by or on behalf of Executive (or his beneficiary) for (i) any payment or other benefit that is required under the terms of the CiC Agreement or any Plan, prior to the receipt thereof, or (ii) any breach of the CiC Agreement by the Company. [*EV-references to ERISA and COBRA deleted*]

10. **Time to Consider Agreement.** Executive shall have, and by signing this Agreement Executive acknowledges and represents that he has been given, a time period of at least [*insert twenty-one (21) or forty-five (45) as appropriate*] days to consider whether to elect to sign this Agreement, and to thereby waive and release the rights and claims addressed in this Agreement. [*Add if 45-day period applies* : , and Executive acknowledges that attached to this Agreement is a list provided to Executive by the Company of (a) the job titles and ages of all employees selected for participation in the employment termination or exit incentive program pursuant to which Executive is being offered this Agreement, (b) the job titles and ages of all employees in the same job classification or organizational unit who were not selected for participation in the program, and (c) information about the unit affected by the program, including any eligibility factors for such program and any time limits applicable to such program]. [*EV- references to alternative periods before signing deleted and replaced with a period of at least ten days*] Although Executive may sign this Agreement prior to the end of the applicable time period (as specified above), Executive may not sign this Agreement on or before the Termination Date. In addition, if Executive signs this Agreement prior to the end of the applicable time period, Executive shall be deemed, by doing so, to have certified and agreed that the decision to make such election prior to the expiration of the applicable time period is knowing and voluntary and was not induced by the Company through: (a) fraud, misrepresentation, or a threat to withdraw or alter the offer prior to the end of the applicable time period; or (b) an offer to provide different terms or benefits in exchange for signing the Agreement prior to the expiration of applicable time period.

11. **Seven Day Revocation Period.** Executive may revoke this Agreement at any time within seven (7) days after he signs it. To revoke the Agreement, Executive must deliver written Notice of such revocation to the attention of the Chief Executive Officer, or in the absence thereof, an Executive Vice President, within seven (7) days after the date that he signs this Agreement. Executive further understands that if he does not revoke the Agreement within seven (7) days following its execution (excluding the date of execution), it will become effective, binding, and enforceable as of the Release Effective Date. [*EV- Deleted*]

12. **Agreement Not to Sue.** Except as required by law that cannot be waived, Executive agrees that he will not commence, maintain, initiate, or prosecute, or cause, encourage, assist, volunteer, advise or cooperate with any other person to commence, maintain, initiate or prosecute, any action, lawsuit, proceeding, charge, petition, complaint or claim before any court, agency or tribunal against the Company or any other Released Party arising from, concerned with, or otherwise relating to, in whole or in part, Executive's employment or separation from employment with the Company or an Affiliate, or any of the other matters discharged and released in this Agreement. Executive further understands and agrees that if he, or someone acting on his behalf, should file, or cause to be filed, any such claim, charge, complaint, or action against the Company and/or any other Released Party, Executive expressly waives any and all rights to recover any damages or other relief from the Company and/or other Released Party including, without limitation, costs and attorneys' fees. Executive further represents and warrants that he has not filed or lodged, and has no outstanding claims, including, without limitation, any lawsuits, charges of discrimination, or administrative proceedings, against the Company or any of the Released Parties regarding matters that have been released pursuant to this Agreement.

13. **Participation in Investigations.** Notwithstanding any other provision of the Agreement to the contrary, the Agreement is not intended to interfere or prevent Executive from filing a charge or claim with any governmental agency charged with investigating employment claims, including, but not limited to, the EEOC, or, from participating in, cooperating with, or providing truthful evidence in connection with an investigation being conducted by a governmental agency responsible for investigating employment claims; provided, however, Executive hereby agrees that such filing or participation does not give Executive the right to recover any damages or equitable relief (including, but not limited to, reinstatement, back pay, front pay, damages, and attorneys' fees) against the Company or any of the other Released Parties based on his release of claims in this Agreement. By executing this Agreement, Executive also hereby waives the right to recover monetary damages in any proceeding he may bring before the EEOC or any state or local human rights commission or in any proceeding brought by the EEOC or any state or local human rights commission (or any other agency) on Executive's behalf. [*EV-Deleted references to EEOC*]

14. **Release by the Company** . Provided that Executive executes this Agreement and does not revoke it as provided in Section 11 ,[*EV-delete reference to revocation*] and Executive remains in continued compliance with this Agreement, the Company, on behalf of itself and its Affiliates, successors and assigns, hereby fully and forever releases, acquits and discharges Executive from all claims, demands, actions, lawsuits, grievances, and obligations of any nature whatsoever that the Company or its Affiliate has or might have against Executive as of the Release Effective Date arising from or in any way connected with or related to Executive's service as an officer, director, employee, or agent of the Company or any of its Affiliates; provided, however, that any such release (a) shall not apply to any claims, demands, actions, lawsuits, grievances or causes of action that the Company or Affiliate may have against Executive for past conduct that constitutes fraud or willful misconduct, (b) shall not serve to waive or release any rights or claims of the Company or Affiliate that first arise after the Release Effective Date, and (c) shall not affect any future obligation which Executive

may have to the Company, Affiliate, or any other Released Party under the terms of this Agreement, the CiC Agreement, or any Employment Agreement or indemnity agreement.

15. **Cooperation.** After Executive's termination of employment, he agrees to cooperate with the Company on the terms and conditions as set out in the CiC Agreement.

16. **Severability.** Should any provision of this Agreement be declared or be determined by any court of competent jurisdiction to be illegal, invalid or unenforceable, all remaining provisions of this Agreement shall otherwise remain in full force and effect and be construed as if such illegal, invalid, or unenforceable provision has not been included herein.

17. **Relief.** It is further understood and agreed that if a violation of any term of this Agreement is asserted, the Party who asserts such violation shall have the right to seek specific performance of that term and/or any other necessary and proper relief as permitted by law or equity, including but not limited to, damages from any court of competent jurisdiction, and the prevailing Party shall be entitled to recover its reasonable costs and attorney's fees. Nothing in this Agreement will be construed to prevent Executive from challenging the validity of this Agreement under the Age Discrimination in Employment Act or Older Workers' Benefit Protection Act.[*EV- previous sentence deleted*] Executive further understands and agrees that if he, or someone acting on his behalf, files, or causes to be filed, any such claim, charge, complaint, or action against the Company, any Affiliate, or other Released Parties, Executive expressly fully waives and relinquishes any right to recover any damages or other relief, whatsoever, from the Company, its Affiliates, and/or other entities, including costs and attorneys' fees.

18. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the Parties, and their respective heirs, executors, beneficiaries, personal representatives, successors and permitted assigns hereunder, but otherwise this Agreement shall not be for the benefit of any third parties.

19. **Entire Agreement.** This Agreement sets forth the entire agreement of the Parties and fully supersedes and replaces any and all prior agreements, promises, representations, or understandings, written or oral, between the Company (and any other Released Party) and the Executive that relates to the subject matter of this Agreement. This Agreement may be amended or modified only by a written instrument identified as an amendment hereto that is executed by both Parties. Executive acknowledges that in executing this Agreement, Executive does not rely, and has not relied, upon any oral or written representation, promise or inducement by the Company and/or any of the other Released Parties, except as expressly contained in this Agreement.

20. **Choice of Law and Forum. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS, EXCEPT TO THE EXTENT PREEMPTED BY CONTROLLING FEDERAL LAW, BUT WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS THAT MIGHT DIRECT THE APPLICATION OF THE LAW OF ANOTHER JURISDICTION. ANY ACTION TO ENFORCE THE PROVISIONS OF THIS AGREEMENT, OR ANY DISPUTE RELATING TO THIS AGREEMENT, MUST BE BROUGHT IN ANY FEDERAL OR STATE COURT OF COMPETENT**

JURISDICTION IN HARRIS COUNTY, TEXAS, AND THE PARTIES HEREBY WAIVE ANY OBJECTION TO SUCH EXCLUSIVE VENUE INCLUDING, WITHOUT LIMITATION, THAT IT IS INCONVENIENT. For all purposes of this Agreement, the term **"Dispute"** means any dispute, disagreement, controversy, claim, or cause of action arising in connection with or relating to this Agreement, the CiC Agreement, or to Executive's employment or termination of employment with the Company. [*EV-References to Texas law and courts deleted and replaced with English law and courts*]

21. **Waiver of Jury Trial** . **THE PARTIES HERETO WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THE PARTIES AGREE THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES TO IRREVOCABLY WAIVE TRIAL BY JURY, AND THAT ANY PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.** [*EV-Deleted*]

22. **Waiver.** A Party's waiver of any breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any later breach of the same or any other provision hereof by such Party.

23. **Assignment** . The Agreement may be assigned by the Company to its successor in interest, in which case the rights and obligations of the Company under the Agreement shall inure to the benefit of and shall be binding upon its successor in interest which shall then be the "Company" Party as referenced herein. Except as provided in the Agreement, Executive may not assign the Agreement, or any of his rights or obligations under the Agreement, without the written consent of the Company. Any attempted assignment by Executive in violation of the Agreement shall be null and void.

24. **Amendment** . The Agreement may be amended or modified only by a written instrument identified as an amendment hereto that is executed by both Parties.

25. **Survival of Certain Provisions.** Wherever appropriate to the intention of the Parties, the respective rights and obligations of the Parties hereunder shall survive any termination or expiration of this Agreement.

[*EV* **-** *New provision added regarding compliance with statutory requirements under English law*]

[*EV- Legal Advisers' certificate added*]

[Intentionally blank]

PLEASE READ CAREFULLY BEFORE SIGNING

- Executive acknowledges that he has carefully read and understands the terms of this Agreement and his obligations hereunder.
- Executive acknowledges that he has been advised to review this Agreement with an attorney of his choosing.
- Executive acknowledges that he has been given at least 21 days to consider whether to sign this Agreement. Executive acknowledges that if he signs this Agreement before the end of such period, it will be his personal and voluntary decision to do so.
- Executive understands that this Agreement will not become effective or enforceable until after the 7-day revocation period has expired. The Company will have no obligations to Executive under this Agreement or the CiC Agreement if Executive revokes the Agreement during such 7-day period. [*EV-deleted*]
- This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall be deemed one and the same instrument.

I ACKNOWLEDGE THAT (1) I HAVE CAREFULLY READ THE FOREGOING AGREEMENT, (2) I UNDERSTAND ALL OF ITS TERMS AND CONDITIONS, (3) I AM RELEASING CLAIMS, AND (4) I AM VOLUNTARILY ENTERING INTO THIS AGREEMENT.

[*Signature page follows*]

Please review this document carefully as it includes a release of claims.

IN WITNESS WHEREOF, the Executive has entered into this Agreement, and the Company has caused this Agreement to be executed in its name and on its behalf by its duly authorized officer, to be effective as of the date this Agreement is executed by Executive as set forth beneath Executive's signature below (the " **Release Effective Date** ").

This document was presented to Executive on ______________.

COMPANY

By:____

Printed Name:__________________________________
Title:____
Date:____
Address:
____
____

Note: ***Executive may not sign this Agreement on or before the Termination Date.***

EXECUTIVE

____

Executive's Signature
Printed Name: _______________________
Date:_________________________________

Address for Notice:
____
____
____

WITNESS

____

Witness' Signature
Printed Name: _______________________
Title:_________________________________
Date:_________________________________

ENSCO PLC AND SUBSIDIARIES
Statement of Calculation of Ratios of Earnings to Fixed Charges
(In millions, except ratios)
(Unaudited)

	Three Months Ended March 31, 2016	Year Ended December 31, 2015	2014	2013	2012	2011
Earnings						
Income (loss) from continuing operations before income tax	$ 249.0	$ (1,471.2)	$ (2,548.8)	$ 1,633.2	$ 1,304.7	$ 673.5
Fixed charges deducted from income (loss) from continuing operations	80.6	323.2	260.4	245.3	247.3	187.6
Amortization of capitalized interest	4.0	18.2	17.0	13.3	12.3	6.7
Less:						
Income from continuing operations before income tax attributable to noncontrolling interests	(1.9)	(10.5)	(15.5)	(9.7)	(7.4)	(5.8)
Interest capitalized	(12.1)	(87.4)	(78.2)	(67.7)	(105.8)	(80.2)
	319.6	(1,227.7)	(2,365.1)	1,814.4	1,451.1	781.8
Fixed Charges						
Interest on indebtedness, including amortization of deferred loan costs	65.1	216.3	161.4	158.8	123.6	95.9
Estimated interest within rental expense	3.4	19.5	20.8	18.8	17.9	11.5
Fixed charges deducted from income (loss) from continuing operations	68.5	235.8	182.2	177.6	141.5	107.4
Interest capitalized	12.1	87.4	78.2	67.7	105.8	80.2
Total	$ 80.6	$ 323.2	$ 260.4	$ 245.3	$ 247.3	$ 187.6
Ratio of Earnings to Fixed Charges	**4.0**	**(a)**	**(a)**	**7.4**	**5.9**	**4.2**

(a) For the years ended December 31, 2015 and December 31, 2014, our earnings were inadequate to cover our fixed charges by $1,550.9 million and $2,625.5 million, respectively. Net loss from continuing operations before income taxes of $1,471.2 million and $2,548.8 million for the years ended December 31, 2015 and December 31, 2014 included a non-cash loss on impairment of $2,746.4 million and $4,218.7 million, respectively.

April 28, 2016

Ensco plc
London, England

Re: Registration Statements on Form S-8 (Nos. 333-174611, 333-58625, 033-40282, 333-97757, 333-125048, 333-156530, 333-181593 and 333-204294) and Form S-3 (No. 333-201532)

With respect to the subject registration statements, we acknowledge our awareness of the use therein of our report dated April 28, 2016 related to our review of interim financial statements.

Pursuant to Rule 436 under the Securities Act of 1933 (the Act), such report is not considered part of a registration statement prepared or certified by an independent registered public accounting firm, or a report prepared or certified by an independent registered public accounting firm within the meaning of Sections 7 and 11 of the Act.

/s/ KPMG LLP

Houston, Texas

Exhibit 31.1

CERTIFICATION

I, Carl G. Trowell, certify that:

1. I have reviewed this report on Form 10-Q for the fiscal quarter ending March 31, 2016 of Ensco plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: April 28, 2016

/s/ Carl G. Trowell

Carl G. Trowell
Chief Executive Officer and President

Exhibit 31.2

CERTIFICATION

I, Jonathan H. Baksht, certify that:

1. I have reviewed this report on Form 10-Q for the fiscal quarter ending March 31, 2016 of Ensco plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: April 28, 2016

/s/ Jonathan H. Baksht

Jonathan H. Baksht
Senior Vice President and
Chief Financial Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Ensco plc (the "Company") on Form 10-Q for the period ending March 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Carl G. Trowell, Chief Executive Officer and President of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (the "Act"), that, to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act"); and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Carl G. Trowell

Carl G. Trowell
Chief Executive Officer and President
Dated: April 28, 2016

The foregoing certification is being furnished solely pursuant to § 906 of the Act and Rule 13a-14(b) promulgated under the Exchange Act and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Ensco plc (the "Company") on Form 10-Q for the period ending March 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jonathan H. Baksht, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (the "Act"), that, to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act"); and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jonathan H. Baksht

Jonathan H. Baksht
Senior Vice President and
Chief Financial Officer

Dated: April 28, 2016

The foregoing certification is being furnished solely pursuant to § 906 of the Act and Rule 13a-14(b) promulgated under the Exchange Act and is not being filed as part of the Report or as a separate disclosure document.