ENSCO PLC

FORM 10-Q
(Quarterly Report)

Filed 07/31/97 for the Period Ending 06/30/97

Telephone	4402076594660
CIK	0000314808
Symbol	ESV
SIC Code	1381 - Drilling Oil and Gas Wells
Industry	Oil Well Services & Equipment
Sector	Energy
Fiscal Year	12/31

ENSCO INTERNATIONAL INC

FORM 10-Q
(Quarterly Report)

Filed 7/31/1997 For Period Ending 6/30/1997

Address	500 NORTH AKARD STREET SUITE 4300
	DALLAS, Texas 75201-3331
Telephone	214-397-3000
CIK	0000314808
Industry	Oil Well Services & Equipment
Sector	Energy
Fiscal Year	12/31

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q

(Mark One)

[X] Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 1997

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 1-8097

ENSCO INTERNATIONAL INCORPORATED
(Exact name of registrant as specified in its charter)

DELAWARE	76-0232579
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2700 Fountain Place 1445 Ross Avenue, Dallas, Texas	75202 - 2792
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (214) 922-1500

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 twelve 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 [X] NO [ ]

There were 70,994,806 shares of Common Stock, $.10 par value, of the registrant outstanding as of July 28, 1997.

ENSCO INTERNATIONAL INCORPORATED

INDEX TO FORM 10-Q

FOR THE QUARTER ENDED JUNE 30, 1997

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of ENSCO International Incorporated

We have reviewed the accompanying consolidated balance sheet of ENSCO International Incorporated as of June 30, 1997 and the related consolidated statements of income and of cash flows for the three and six month periods ended June 30, 1997 and 1996. This financial information is the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, 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 accompanying financial information for it to be in conformity with generally accepted accounting principles.

We previously audited in accordance with generally accepted auditing standards, the consolidated balance sheet as of December 31, 1996, and the related consolidated statements of income and of cash flows for the year then ended (not presented herein), and in our report dated January 28, 1997 we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet information as of December 31, 1996, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

/s/ Price Waterhouse LLP

Dallas, Texas
July 28, 1997

ENSCO INTERNATIONAL INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
(In thousands, except per share data)
(Unaudited)

	THREE MONTHS ENDED JUNE 30,	
	1997	1996
OPERATING REVENUES	$195,418	$ 97,249
EXPENSES		
Operating expenses	77,157	49,227
Depreciation and amortization	25,780	17,880
General and administrative	3,804	2,950
	106,741	70,057
OPERATING INCOME	88,677	27,192
OTHER INCOME (EXPENSE)		
Interest income	1,287	1,098
Interest expense	(4,806)	(4,387)
Other, net	69	7,458
	(3,450)	4,169
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST	85,227	31,361
PROVISION FOR INCOME TAXES		
Current income taxes	18,402	594
Deferred income taxes	13,749	8,255
	32,151	8,849
MINORITY INTEREST	850	931
NET INCOME	$ 52,226	$ 21,581
EARNINGS PER SHARE	$ .74	$ .34
WEIGHTED AVERAGE SHARES OUTSTANDING	70,895	62,788

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

ENSCO INTERNATIONAL INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
(In thousands, except per share data)
(Unaudited)

	SIX MONTHS ENDED JUNE 30, 1997	SIX MONTHS ENDED JUNE 30, 1996
OPERATING REVENUES	$357,018	$181,795
EXPENSES		
Operating expenses	147,268	92,751
Depreciation and amortization	49,965	34,254
General and administrative	6,886	5,165
	204,119	132,170
OPERATING INCOME	152,899	49,625
OTHER INCOME (EXPENSE)		
Interest income	2,701	2,334
Interest expense	(10,663)	(8,436)
Other, net	160	7,722
	(7,802)	1,620
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST	145,097	51,245
PROVISION FOR INCOME TAXES		
Current income taxes	27,593	961
Deferred income taxes	27,223	12,655
	54,816	13,616
MINORITY INTEREST	1,778	1,358
NET INCOME	$ 88,503	$ 36,271
EARNINGS PER SHARE	$ 1.25	$ .59
WEIGHTED AVERAGE SHARES OUTSTANDING	70,882	61,719

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

ENSCO INTERNATIONAL INCORPORATED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(In thousands, except for share amounts)

	JUNE 30, 1997 (Unaudited)	DECEMBER 31, 1996
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 71,715	$ 80,698
Accounts and notes receivable, net	142,607	111,033
Prepaid expenses and other	16,301	19,668
Total current assets	230,623	211,399
PROPERTY AND EQUIPMENT, AT COST	1,361,834	1,248,873
Less accumulated depreciation	304,944	257,284
Property and equipment, net	1,056,890	991,589
OTHER ASSETS, NET	126,287	112,432
	$1,413,800	$1,315,420
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 10,556	$ 11,447
Accrued liabilities	73,546	57,490
Current maturities of long-term debt	35,356	34,943
Total current liabilities	119,458	103,880
LONG-TERM DEBT	215,553	258,635
DEFERRED INCOME TAXES	101,758	72,963
OTHER LIABILITIES	41,808	33,991
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Common stock, $.10 par value, 250.0 million shares authorized, 77.3 million and 77.2 million shares issued	7,733	7,718
Additional paid-in capital	838,235	835,475
Retained earnings	160,305	71,802
Restricted stock (unearned compensation)	(4,801)	(4,929)
Cumulative translation adjustment	(1,086)	(1,086)
Treasury stock at cost, 6.4 million and 6.3 million shares	(65,163)	(63,029)
Total stockholders' equity	935,223	845,951
	$1,413,800	$1,315,420

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

ENSCO INTERNATIONAL INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(In thousands)
(Unaudited)

	SIX MONTHS ENDED JUNE 30, 1997	SIX MONTHS ENDED JUNE 30, 1996
OPERATING ACTIVITIES		
Net income	$ 88,503	$ 36,271
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	49,965	34,254
Deferred income tax provision	27,223	12,655
Amortization of other assets	2,954	1,646
Other	(306)	(2,104)
Changes in operating assets and liabilities:		
Increase in accounts receivable	(31,579)	(8,881)
(Increase) decrease in prepaid expenses and other	(679)	2,566
Increase in accounts payable	1,343	2,228
Increase in accrued liabilities	7,629	5,312
Net cash provided by operating activities	145,053	83,947
INVESTING ACTIVITIES		
Additions to property and equipment	(114,041)	(69,289)
Sale of short-term investments	-	5,000
Net cash acquired in Dual acquisition	-	8,529
Other	852	1,495
Net cash used by investing activities	(113,189)	(54,265)
FINANCING ACTIVITIES		
Proceeds from long-term borrowings	-	45,000
Reduction of long-term borrowings	(42,282)	(57,590)
Pre-acquisition purchase of Dual debt	-	(18,112)
Reduction in restricted cash	1,631	-
Other	(196)	699
Net cash used by financing activities	(40,847)	(30,003)
DECREASE IN CASH AND CASH EQUIVALENTS	(8,983)	(321)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	80,698	77,064
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 71,715	$ 76,743

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 - Unaudited Financial Statements

The consolidated financial statements included herein have been prepared by ENSCO International Incorporated (the "Company"), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission and in accordance with generally accepted accounting principles and, in the opinion of management, reflect all adjustments (which consist of normal recurring adjustments) which are necessary for a fair presentation of the financial position, results of operations and of cash flows for the interim periods presented.

The financial data for the three and six month periods ended June 30, 1997 included herein have been subjected to a limited review by Price Waterhouse LLP, the registrant's independent accountants. The accompanying review report of independent accountants is not a report within the meaning of Sections 7 and 11 of the Securities Act of 1933 and the independent accountant's liability under Section 11 does not extend to it.

Results of operations for the three and six month periods ended June 30, 1997 are not necessarily indicative of the results of operations that will be realized for the year ending December 31, 1997. It is recommended that these financial statements be read in conjunction with the Company's consolidated financial statements and notes thereto for the year ended December 31, 1996 included in the Company's Annual Report to the Securities and Exchange Commission on Form 10-K.

Note 2 - Acquisition of DUAL DRILLING COMPANY

On June 12, 1996, the Company acquired DUAL DRILLING COMPANY ("Dual"), pursuant to an Agreement and Plan of Merger among the Company, a wholly owned subsidiary of the Company, and Dual. The acquisition was approved on that date by Dual stockholders who received 0.625 shares of the Company's common stock for each share of Dual common stock. The Company issued approximately 10.1 million shares of its common stock to Dual stockholders in connection with the acquisition, resulting in an acquisition price of approximately $218.4 million.

The Company accounted for the acquisition of Dual under the purchase accounting method. The excess of the purchase price over net assets acquired approximated $115 million and is being amortized over 40 years.

The acquired Dual operations consisted of a fleet of 20 offshore drilling rigs, including 10 jackup rigs and 10 platform rigs. Four of the jackup rigs are presently located in the Gulf of Mexico and six are located in various locations throughout Southeast Asia. Of the 10 platform rigs operated by Dual, seven are currently located in the Gulf of Mexico and one, which is not owned but managed, is located off the coast of China. The remaining two platform rigs were retired in September 1996.

The following unaudited pro forma information shows the consolidated results of operations for the six months ended June 30, 1996 based upon adjustments to the historical financial statements of the Company and the historical financial statements of Dual to give effect to the acquisition by the Company as if such acquisition had occurred January 1, 1996 (in thousands, except per share data):

	1996
Operating revenues	$235,337
Operating income	$ 52,700
Net income	$ 34,773
Earnings per share	$ .48

The pro forma consolidated results of operations are not necessarily indicative of the actual results that would have occurred had the acquisition occurred on January 1, 1996 or of results that may occur in the future.

Note 3 - Purchase of Additional Rig Interest

In May 1997, the Company acquired the remaining 51% interest in a jointly owned premium jackup rig located in Southeast Asia. The Company previously acquired a 49% interest in the rig as a result of the acquisition of Dual.

Note 4 - Long-Term Debt

On February 27, 1997, the Company amended and restated its $150.0 million revolving credit facility with a group of international banks, increasing availability under the amended and restated revolving credit facility (the "Facility") to $200.0 million and reducing the interest rate margin and the commitment fee. Availability under the Facility will be reduced by $14.0 million on a semi-annual basis beginning April 1998. The final maturity date of the Facility remains October 2001 and the Facility continues to be collateralized by the majority of the Company's jackup rigs. The covenants under the Facility are similar to the covenants that existed under the original revolving credit facility and the interest rate continues to be tied to the London InterBank Offered Rate. As of June 30, 1997, $100.0 million was outstanding and $100.0 million was available for future borrowing under the Facility. The weighted-average interest rate on the Facility was 6.5% as of June 30, 1997.

Note 5 - Related Party Transaction

In January 1997, a director of the Company settled a $675,000 note payable to the Company. The note payable related to the director's purchase of 168,750 shares of restricted common stock of the Company in 1988. The note was settled through the delivery to the Company of restricted shares of the Company's common stock valued at a formula price provided for in the director's 1988 stock purchase agreement. As a result, the director retained 132,998 net shares of common stock and $238,000 cash after repayment of the note.

Note 6 - Amendment of Shareholder Rights Plan

On March 3, 1997, the Board of Directors of ENSCO amended the Shareholder Rights Plan of the Company to increase the purchase price from $50.00 to $250.00 for each one one-hundredth of a share of preferred stock purchasable upon the exercise of a Right, subject to adjustment.

Note 7 - Earnings Per Share

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share," (the "Statement") which establishes new standards for computing and presenting earnings per share. The new Statement is intended to simplify the standard for computing earnings per share and will require the presentation of basic and diluted earnings per share on the face of the income statement, including all prior periods presented. The Statement is effective for financial statements issued for periods ending after December 15, 1997, and earlier adoption is not permitted. For the quarters ended June 30, 1997 and 1996, the calculation of earnings per share in accordance with the provisions of SFAS No. 128 would have resulted in basic earnings per share of $.74 and $.35 and diluted earnings per share of $.73 and $.34, for the respective periods. For the six months ended June 30, 1997 and 1996, the calculation of earnings per share in accordance with SFAS No. 128 would have resulted in basic earnings per share of $1.26 and $.59 and diluted earnings per share of $1.24 and $.58, for the respective periods.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements based on current expectations that involve a number of risks and uncertainties that could cause actual results to differ materially from the results discussed in the forward-looking statements. Generally, forward-looking statements include words or phrases such as "management anticipates", "the Company believes", "the Company anticipates" and words and phrases of similar impact. The forward-looking statements are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The factors that could cause actual results to differ materially include, but are not limited to: (i) industry conditions and competition, (ii) the cyclical nature of the industry, (iii) worldwide expenditures for oil and gas drilling, (iv) operational risks and insurance, (v) risks associated with operating in foreign jurisdictions, (vi) environmental liabilities which may arise in the future which are not covered by insurance or indemnity,
(vii) the impact of current and future laws and governmental regulation, as well as repeal or modification of the same, affecting the oil and gas industry and the Company's operations in particular, and (viii) the risks described from time to time in the Company's reports to the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the year ended December 31, 1996.

Demand for the Company's services is significantly affected by worldwide expenditures for oil and gas drilling. Expenditures for oil and gas drilling activity fluctuate based upon many factors including world economic conditions, the legislative environment in the U.S. and other major countries, production levels and other activities of OPEC and other oil and gas producers and the impact that those and other events have on the current and expected future pricing of oil and natural gas.

BUSINESS ENVIRONMENT

ENSCO International Incorporated is one of the largest providers of offshore drilling services and marine transportation services to the oil and gas industry. The Company's operations are conducted in the geographic cores of North America, Europe, Asia Pacific and South America. The geographic region in which the Company has the largest operation is North America where the Company operates primarily in the Gulf of Mexico. The Company's European operations are concentrated in the North Sea and the South American operations are conducted on Lake Maracaibo, Venezuela.

Offshore drilling and marine transportation services are largely affected by the supply and demand for available equipment. Currently, nearly all actively marketed offshore rigs in the world are under contract and the demand for high quality rigs exceeds supply in most areas. Based on current industry conditions and the projected capital spending levels of major oil and gas companies, the Company believes the outlook remains positive for additional increases in day rates and continued high demand for the remainder of 1997.

Offshore rig and marine vessel industry utilization for the three and six months ended June 30, 1997 and 1996 are summarized below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	1997	1996	1997	1996
INDUSTRY WIDE AVERAGES *				
Offshore Rigs				
U.S. Gulf of Mexico:				
All Rigs:				
Rigs Under Contract	167	156	167	153
Total Rigs Available	180	179	181	178
% Utilization	93%	87%	92%	86%
Jackup Rigs:				
Rigs Under Contract	127	121	125	118
Total Rigs Available	133	137	134	137
% Utilization	95%	88%	93%	86%
Platform Rigs:				
Rigs Under Contract	22	18	20	16
Total Rigs Available	27	26	26	25
% Utilization	81%	69%	77%	63%
Worldwide:				
All Rigs:				
Rigs Under Contract	600	572	592	562
Total Rigs Available	635	640	635	641
% Utilization	94%	89%	93%	88%
Jackup Rigs:				
Rigs Under Contract	364	346	359	340
Total Rigs Available	378	384	378	384
% Utilization	96%	90%	95%	89%
Platform Rigs:				
Rigs Under Contract	114	90	113	86
Total Rigs Available	124	122	123	118
% Utilization	92%	74%	92%	73%
Marine Vessels				
U.S. Gulf of Mexico:				
Vessels Under Contract	278	258	278	263
Total Vessels Available	297	278	293	280
% Utilization	94%	93%	95%	94%

* Industry utilization based on data published by OFFSHORE DATA SERVICES, INC.

RESULTS OF OPERATIONS

The following analysis highlights the Company's operating results for the three and six months ended June 30, 1997 and 1996 (in thousands):

Operating Results	Three months ended June 30, 1997	Three months ended June 30, 1996	Six months ended June 30, 1997	Six months ended June 30, 1996
Revenues	$195,418	$ 97,249	$357,018	$181,795
Operating margin <F1>	118,261	48,022	209,750	89,044
Operating income	88,677	27,192	152,899	49,625
Other income (expense)	(3,450)	4,169	(7,802)	1,620
Provision for income taxes	32,151	8,849	54,816	13,616
Minority interest	850	931	1,778	1,358
Net income	52,226	21,581	88,503	36,271
Revenues				
Contract drilling				
Jackup rigs:				
North America	$ 86,928	$ 41,279	$154,611	$ 77,332
Europe	39,394	19,824	71,644	40,746
Asia Pacific <F2>	18,281	1,933	31,144	1,933
Total jackup rigs	144,603	63,036	257,399	120,011
Barge rigs - South America	20,542	19,179	41,085	35,087
Platform rigs <F2>	7,405	1,459	14,816	1,459
Total contract drilling	172,550	83,674	313,300	156,557
Marine transportation				
AHTS <F4>	5,390	3,852	10,085	7,630
Supply	14,760	7,811	28,329	14,406
Mini-supply	2,718	1,912	5,304	3,202
Total marine transportation	22,868	13,575	43,718	25,238
Total	$195,418	$ 97,249	$357,018	$181,795
Operating Margin <F1>				
Contract drilling				
Jackup rigs:				
North America	$ 56,743	$ 20,305	$ 98,413	$ 36,459
Europe	25,602	6,592	44,889	16,021
Asia Pacific <F2>	8,293	690	10,719	690
Total jackup rigs	90,638	27,587	154,021	53,170
Barge rigs - South America	12,021	13,119	25,110	23,113
Platform rigs <F2>	1,645	509	3,986	509
Land rig <F3>	-	(15)	-	(46)
Total contract drilling	104,304	41,200	183,117	76,746
Marine transportation				
AHTS <F4>	2,770	1,827	5,582	4,004
Supply	9,680	3,988	18,133	6,889
Mini-supply	1,507	1,007	2,918	1,405
Total marine transportation	13,957	6,822	26,633	12,298
Total	$118,261	$ 48,022	$209,750	$ 89,044

<F1> Defined as revenues less operating expenses, exclusive of depreciation and general and administrative expenses.
<F2> The 1996 amounts for Asia Pacific and the platform rigs are comprised exclusively of operations acquired in the Dual acquisition on June 12, 1996.
<F3> The Company sold its remaining land rig in July 1996.
<F4> Anchor handling tug supply vessels.

The following is an analysis of certain operating information of the Company for the three and six months ended June 30, 1997 and 1996:

	Three months ended June 30, 1997	Three months ended June 30, 1996	Six months ended June 30, 1997	Six months ended June 30, 1996

Contract Drilling				
Utilization:				
Jackup rigs:				
North America	98%	91%	95%	91%
Europe	100%	78%	100%	86%
Asia Pacific	78%	86%	70%	86%
Total jackup rigs	95%	88%	92%	89%
Barge rigs - South America	100%	85%	100%	82%
Platform rigs	62%	78%	62%	78%
Total	91%	87%	89%	87%
Average day rates:				
Jackup rigs:				
North America	$ 43,979	$ 25,825	$ 40,635	$ 24,631
Europe	71,917	45,522	66,384	44,375
Asia Pacific	37,333	24,772	35,396	24,772
Total jackup rigs	47,989	29,640	44,729	28,821
Barge rigs - South America	22,559	24,768	22,685	23,327
Platform rigs	17,563	15,074	17,739	15,074
Total	$ 39,898	$ 27,879	$ 37,375	$ 27,106
Marine Transportation				
Utilization:				
AHTS <F1>	82%	72%	81%	80%
Supply	94%	90%	94%	90%
Mini-supply	98%	95%	97%	80%
Total	93%	88%	93%	86%
Average day rates:				
AHTS <F1>	$ 11,974	$ 9,767	$ 11,496	$ 8,713
Supply	7,535	4,142	7,249	3,840
Mini-supply	3,811	2,766	3,769	2,730
Total	$ 7,324	$ 4,568	$ 7,060	$ 4,351

<F1> - Anchor handling tug supply vessels.

The Company's consolidated revenues, operating margin and operating income for the three and six months ended June 30, 1997 increased significantly from the same periods in 1996. The increases were due to higher average day rates and utilization for the Company's drilling rigs and marine vessels over 1996 levels and the results from the drilling rigs acquired in the Dual acquisition in mid-June 1996.

Contract Drilling

The following is an analysis of the Company's offshore drilling rigs at June 30, 1997 and 1996:

	1997	1996
Jackup rigs:		
North America	22	23
Europe	6	6
Asia Pacific	7	5
Total jackup rigs	35	34
Barge rigs - South America	10	10
Platform rigs*	8	10
Total	53	54

* Seven are located in the Gulf of Mexico and one, which is not owned but operated under a management contract, is located off the coast of China.

Revenues and operating margin for the Company's contract drilling segment for the quarter ended June 30, 1997 were up $88.9 million, or 106%, and $63.1 million, or 153%, respectively, from the comparable prior year quarter. For the six months ended June 30, 1997, revenues were up $156.7 million, or 100%, and operating margin increased $106.4 million, or 139%, respectively, compared to the same period in the prior year. The significantly improved 1997 results were primarily due to increased day rates and utilization for rigs owned by the Company in both the current and prior year comparable periods and from the revenues and operating margin generated from the rigs acquired in the mid-June 1996 acquisition of Dual.

For the quarter ended June 30, 1997, revenues and operating margin from the Company's North America jackup rigs increased by $45.6 million, or 111%, and $36.4 million, or 179%, respectively, over the prior year quarter. For the six months ended June 30, 1997, revenues and operating margin increased by $77.3 million, or 100%, and $62.0 million, or 170%, respectively, from the comparable prior year period. These improvements are due primarily to increased average day rates of 70% and 65% for the three and six months ended June 30, 1997, respectively, over the comparable prior year periods. In addition, the North America jackup rigs acquired in the Dual acquisition increased revenues and operating margin by approximately $13.2 million and $8.3 million, respectively, for the three and six months ended June 30, 1997.

Revenues and operating margin from the Company's Europe jackup rigs increased by $19.6 million, or 99%, and $19.0 million, or 288%, respectively, for the quarter ended June 30, 1997 over the comparable prior year quarter. For the six months ended June 30, 1997, revenues and operating margin increased by $30.9 million, or 76%, and $28.9 million, or 180%, respectively, compared to the same period in the prior year. These improvements are due primarily to increased average day rates of 58% and 50% for the three and six months ended June 30, 1997, respectively, over the same periods in the prior year. Also, utilization increased to 100% in the current year periods from 78% and 86% for the comparable three and six month periods in the prior year, respectively. In the prior year, two of the Company's Europe jackup rigs were undergoing modifications and enhancements for a portion of the first six months of 1996.

The Company's Asia Pacific operations were acquired as part of the Dual acquisition and the prior year results included only a partial month of operations. Subsequent to the Dual acquisition, the Company purchased an additional jackup rig located in Southeast Asia in November 1996 and transferred another jackup rig from the Gulf of Mexico to Southeast Asia in the first quarter of 1997. In May 1997, the Company completed the acquisition of the remaining 51% interest in a jointly owned jackup rig located in Southeast Asia. This rig is currently undergoing modifications and enhancement and will remain in the shipyard for most of the third quarter of 1997. During the second quarter of 1997, two of the Company's Asia Pacific jackup rigs that had been in the shipyard since late 1996 undergoing modifications and enhancements returned to work.

Revenues from the Company's South America barge rigs increased by $1.4 million, or 7%, and operating margin decreased by $1.1 million, or 8%, respectively, for the quarter ended June 30, 1997 compared to same period in the prior year. For the six months ended June 30, 1997, revenues and operating margin increased by $6.0 million, or 17%, and $2.0 million, or 9%, respectively, compared to the same period in the prior year. These improvements are due primarily to increased utilization to 100% in the current year from 85% and 82% for the three and six months ended June 30, 1996, respectively. The increase in utilization is attributable to two of the Company's barge drilling rigs that were undergoing modification for most of the first six months of the prior year that returned to work in May and June of 1996. The increased utilization is offset by a decrease in average day rates from the comparable 1996 periods due to the recovery of prior cost increases included in the second quarter of 1996. These cost recoveries were the primary factor in the decrease in operating margin for the quarter ended June 30, 1997 compared to the prior year quarter.

Marine Transportation

The following is an analysis of the Company's marine transportation vessels as of June 30, 1997 and 1996:

	1997	1996
AHTS *	6	6
Supply	23	23
Mini-Supply	8	8
Total	37	37

* Anchor handling tug supply vessels.

Revenues and operating margin for the Company's marine transportation segment for the quarter ended June 30, 1997 were up $9.3 million, or 68%, and $7.1 million, or 105%, respectively, from the comparable prior year quarter. For the six months ended June 30, 1997, revenues and operating margins increased $18.5 million, or 73%, and $14.3 million, or 117%, respectively, from the prior year period. The 1997 results improved significantly over the prior year periods due to increased utilization and increased average day rates of approximately 60% and 62% for the comparable three and six month periods of 1996 and 1997, respectively.

Depreciation and Amortization

Depreciation and amortization expense increased by $7.9 million, or 44%, and $15.7 million, or 46%, for the three and six months ended June 30, 1997, respectively, as compared to the same prior year periods. These increases were due primarily to depreciation and amortization from the additional drilling rigs and goodwill associated with the Dual acquisition, and depreciation associated with major modifications and enhancements to the Company's fleet in 1996 and the first part of 1997.

Other Income (Expense)

Other income (expense) for the three and six months ended June 30, 1997 and 1996 was as follows (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	1997	1996	1997	1996
Interest income	$ 1,287	$ 1,098	$ 2,701	$ 2,334
Interest expense	(4,806)	(4,387)	(10,663)	(8,436)
Other, net	69	7,458	160	7,722
	$(3,450)	$ 4,169	$(7,802)	$ 1,620

The Company's interest income increased for the three and six month periods ended June 30, 1997 over the comparable prior year periods due primarily to higher average cash balances in the current year.

Interest expense increased for the three and six month periods ended June 30, 1997 over the comparable prior year periods due primarily to the additional debt assumed in the Dual acquisition, offset, in part, by debt repayments.

"Other, net" decreased for the three and six month periods ended June 30, 1997 as compared to the prior year periods due primarily to a $6.4 million gain on a settlement with TransAmerican Natural Gas Corporation recorded in the second quarter of 1996.

Provision for Income Taxes

The Company's provisions for income taxes increased significantly for the three and six months ended June 30, 1997 as compared to the prior year periods due primarily to the increased profitability of the Company and the recognition of the remaining net operating losses for financial reporting purposes in 1996.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow and Capital Expenditures

The Company's cash flow from operations and capital expenditures for the six months ended June 30, 1997 and 1996 were as follows (in thousands):

	1997	1996
Cash flow from operations	$145,053	$ 83,947
Capital expenditures		
Sustaining	$ 13,316	$ 6,264
Enhancements	79,049	49,754
Acquisitions	21,676	13,271
	$114,041	$ 69,289

Cash flow from operations increased by $61.1 million for the six months ended June 30, 1997 as compared to the same period in the prior year. The increase in cash flow from operations is primarily a result of increased operating margins in the first six months of 1997 offset, in part, by a decrease in cash flow from the net change in various working capital accounts.

Management anticipates that capital expenditures in 1997, excluding acquisitions, will be approximately $170.0 million to $190.0 million, represented by approximately $30.0 million for existing operations and $140.0 million to $160.0 million for modifications and enhancements of rigs and vessels. The Company may spend additional funds to acquire rigs or vessels in 1997, depending on market conditions and opportunities.

Financing and Capital Resources

The Company's long-term debt, total capital and debt to capital ratios at June 30, 1997 and December 31, 1996 are summarized below (in thousands, except percentages):

	June 30, 1997	December 31, 1996
Long-term debt	$ 215,553	$ 258,635
Total capital	1,150,776	1,104,586
Long-term debt to total capital	19%	23%

The decrease in long-term debt is due to $42.3 million of debt repayments in the first six months of 1997. The total capital of the Company increased due primarily to the profitability of the Company for the first six months of 1997.

On February 27, 1997, the Company amended and restated its $150.0 million revolving credit facility with a group of international banks, increasing availability under the amended and restated revolving credit facility (the

"Facility") to $200.0 million and reducing the interest rate margin and the commitment fee. Availability under the Facility will be reduced by $14.0 million on a semi-annual basis beginning April 1998. The final maturity date of the Facility remains October 2001 and the Facility continues to be collateralized by the majority of the Company's jackup rigs. The covenants under the Facility are similar to the covenants that existed under the original revolving credit facility and the interest rate continues to be tied to the London InterBank Offered Rate. As of June 30, 1997, $100.0 million was outstanding and $100.0 million was available for future borrowing under the Facility. The weighted-average interest rate on the Facility was 6.5% as of June 30, 1997.

The Company's liquidity position at June 30, 1997 and December 31, 1996 is summarized in the table below (in thousands, except ratios):

	June 30, 1997	December 31, 1996
Cash and cash equivalent	$ 71,715	$ 80,698
Working capital	111,165	107,519
Current ratio	1.9	2.0

Based on current energy industry conditions, management believes cash flow from operations, the Company's existing credit facility and the Company's working capital should be sufficient to fund the Company's short and long- term liquidity needs.

OTHER MATTERS

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share," (the "Statement") which establishes new standards for computing and presenting earnings per share. The new Statement is intended to simplify the standard for computing earnings per share and will require the presentation of basic and diluted earnings per share on the face of the income statement, including all prior periods presented. The Statement is effective for financial statements issued for periods ending after December 15, 1997, and earlier adoption is not permitted. For the quarters ended June 31, 1997 and 1996, the calculation of earnings per share in accordance with the provisions of SFAS No. 128 would have resulted in basic earnings per share of $.74 and $.35 and diluted earnings per share of $.73 and $.34, for the respective periods. For the six months ended June 30, 1997 and 1996, the calculation of earnings per share in accordance with SFAS No. 128 would have resulted in basic earnings per share of $1.26 and $.59 and diluted earnings per share of $1.24 and $.58, for the respective periods.

PART II - OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On May 13 1997, the Company held an annual meeting of stockholders to consider the following proposals: "Proposal 1" - To elect two Class I Directors; "Proposal 2" - To approve the amendment of Article 4 of the Company's Restated Certificate of Incorporation to increase the authorized common stock from 125 million shares to 250 million shares; and "Proposal 3" - To approve the appointment of Price Waterhouse LLP as the Company's independent accountants for 1997. A description of the foregoing matters is contained in the Company's proxy statement, dated March 27, 1997, relating to the 1997 annual meeting of stockholders.

There were 70,866,746 shares of the Company's common stock entitled to vote at the annual meeting based on the March 26, 1997 record date. The Company solicited proxies pursuant to Regulation 14 of the Securities Exchange Act of 1934, and there was no solicitation in opposition to management's nominees for directors as listed in the proxy statement. Each director received a minimum of 63,000,000 votes, which was in excess of 88% of the outstanding common shares entitled to vote.

With respect to Proposal 1 listed above, the voting was as follows:

	Votes for	Votes Withheld
Gerald W. Haddock	63,331,567	995,197
Carl F. Thorne	64,126,449	200,315

With respect to Proposals 2 and 3 listed above, the voting was as follows:

	Votes for	Votes Against	Abstentions
Proposal 2	60,140,700	3,995,136	190,928
Proposal 3	64,174,130	40,347	112,287

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits Filed with this Report

EXHIBIT NO.

3.1 Amended and Restated Certificate of Incorporation.

15.1 Letter regarding unaudited interim financial information.

27.1 Financial Data Schedule. (Exhibit 27.1 is being submitted as an exhibit only in the electronic format of this Quarterly Report on Form 10-Q

submitted to the Securities and Exchange Commission.)

(b) Reports on Form 8-K

None

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 INTERNATIONAL INCORPORATED

Date: July 28, 1997	*/s/ C. Christopher Gaut* *C. Christopher Gaut* *Chief Financial Officer*
	/s/ H. E. Malone *H. E. Malone, Corporate Controller* *and Chief Accounting Officer*

ARTICLE 5

EXHIBIT NO. 27.1 This schedule contains summary financial information extracted from the June 30, 1997 financial statements and is qualified in its entirety by reference to such financial statements.

MULTIPLIER: 1,000

PERIOD TYPE: 6 MOS

FISCAL YEAR END: DEC 31 1997

PERIOD END: JUN 30 1997

CASH: $ 71,715

SECURITIES: 0

RECEIVABLES: 145,328

ALLOWANCES: 2,721

INVENTORY: 2,902

CURRENT ASSETS: 230,623

PP&E: 1,361,834

DEPRECIATION: 304,944

TOTAL ASSETS: 1,413,800

CURRENT LIABILITIES: 119,458

BONDS: 215,553

COMMON: 7,733

PREFERRED MANDATORY: 0

PREFERRED: 0

OTHER SE: 927,940

TOTAL LIABILITY AND EQUITY: 1,413,800

SALES: 0

TOTAL REVENUES: 357,018

CGS: 0

TOTAL COSTS: 147,268

OTHER EXPENSES: 56,851

LOSS PROVISION: 0

INTEREST EXPENSE: 10,663

INCOME PRETAX: 145,097

INCOME TAX: 54,816

INCOME CONTINUING: 88,503

DISCONTINUED: 0

EXTRAORDINARY: 0

CHANGES: 0

NET INCOME: 88,503

EPS PRIMARY: 1.25

EPS DILUTED: 0

EXHIBIT NO. 3.1

State of Delaware

OFFICE OF THE SECRETARY OF STATE

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "ENSCO INTERNATIONAL INCORPORATED", FILED IN THIS OFFICE ON THE TENTH DAY OF JUNE, A.D. 1997, AT 10:30 O'CLOCK A.M.

A CERTIFIED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS FOR RECORDING.

[S E A L]

/S/ EDWARD J. FREEL, SECRETARY OF STATE

Edward J. Freel, Secretary of State

2134970 8100 *AUTHENTICATION: 8503884*

971189079 *DATE: 06-10-97*

ENSCO INTERNATIONAL INCORPORATED

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

ENSCO International Incorporated (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware, does hereby certify that:

(i) The Corporation was incorporated under the name of Energy Service Company, Inc. on August 14, 1987 and its original certificate of incorporation (the "Original Certificate of Incorporation) was filed on such date with the Secretary of State of the State of Delaware.

(ii) The Original Certificate of Incorporation was amended by certificates of amendment filed with the Secretary of State of the State of Delaware on June 21, 1990, June 25, 1991, August 10, 1993, and May 27, 1994.

(iii) The Original Certificate of Incorporation was restated by the Restated Certificate of Incorporation filed with the Secretary of State of the State of Delaware on June 10, 1994 and such Restated Certificate of Incorporation was amended by certificates of amendment filed with the Secretary of State of the State of Delaware on May 23, 1995 and December 28, 1995. Pursuant to the Certificate of Amendment to the Restated Certificate of Incorporation filed May 23, 1995, the name of the Corporation was changed to ENSCO International Incorporated.

(iv) The stockholders of the Corporation authorized the amendment of Article Four of the Restated Certificate of Incorporation at the 1997 Annual Meeting of Stockholders held on May 13, 1997.

(v) This Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") has been duly adopted in accordance with the applicable provisions of Section 245 of the General Corporation Law of the State of Delaware ("GCL"), and, except with respect to the amendment of Article Four approved by the stockholders of the Corporation on May 13, 1997 and the omissions permitted under Section 245(c) of the GCL, only restates and integrates, and does not further amend, the Corporation's certificate of incorporation as heretofore restated and amended, there being no discrepancy between those provisions and the provisions of this Certificate of Incorporation. Accordingly, the Corporation's Certificate of Incorporation is hereby amended and restated in its entirety to read as follows:

"ARTICLE ONE

The name of the corporation is ENSCO International Incorporated.

ARTICLE TWO

The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street in the City of Wilmington, County of New Castle, Delaware 19801. The registered agent in charge thereof is The Corporation Trust Company, Corporation Trust Center, 1208 Orange Street, Wilmington, Delaware.

ARTICLE THREE

The nature of the business or purpose to be conducted or promoted by the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE FOUR

The aggregate number of shares of stock which the corporation shall have the authority to issue is 270,000,000 shares, of which 5,000,000 shall be First Preferred Stock, par value $l.00 per share ("First Preferred Stock"), 15,000,000 shares shall be Serial Preferred Stock, par value $l.00 per share ("Serial Preferred Stock"), and 250,000,000 shares shall be Common Stock, par value $.10 per share ("Common Shares").

The following is a statement of the designations and the powers, preferences and rights, and the qualifications, limitations or restrictions thereof, in respect of the shares of First Preferred Stock, Serial Preferred Stock, and Common Stock or any series of any class of stock of the corporation, and of the authority expressly granted hereby for the Board of Directors of the corporation to fix by resolution or resolutions any of such designations and powers, preferences and rights, and qualifications, limitations and restrictions thereof that may be desired but which shall not be fixed by this Certificate of Incorporation.

A. COMMON SHARES

Common Stock. The Board of Directors of the corporation is hereby expressly vested with authority to issue 250,000,000 shares of common stock, par value $.10 per share, from time to time. Common Shares, upon issuance, shall be fully paid and nonassessable. Such dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors may be declared and paid on the common stock from time to time out of any funds legally available therefor. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the corporation, the remaining assets and funds of the corporation available for distribution to holders of common shares shall be distributed to holders of the common shares according to their respective shares.

B. FIRST PREFERRED STOCK. The Board of Directors of the corporation is hereby expressly vested with authority to issue 5,000,000 shares of First Preferred Stock, par value $1.00 per share, in series, and by filing a certificate of designation pursuant to the applicable law of the State of Delaware, to establish from time to time the number of shares to be included in each such series, and to fix the designations, powers, preferences, and rights of such series, and the qualifications, limitations or restrictions thereof. The authority of the Board of Directors with respect to each series shall include, but not be limited to, determination of the following:

(a) The number of shares constituting that series and the distinctive designation of that series;

(b) The dividend rate on the shares of that series, whether dividends shall be cumulative, and, if so, from which date or dates, and the relative rights of priority, if any, of payment of dividends on shares of that series;

(c) Whether that series shall have voting rights, in addition to the voting rights provided by law, and, if so, the terms of such voting rights;

(d) Whether that series shall have conversion privileges, and, if so, the terms and conditions of such conversion, including provision for adjustment of the conversion rate in such events as the Board of Directors shall determine;

(e) Whether or not the shares of that series shall be redeemable, and, if so, the terms and conditions of such redemption, including the date or dates upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

(f) Whether that series shall have a sinking fund for the redemption or purchase of shares of that series, and if so, the terms and amount of such sinking fund;

(g) The rights of the shares of that series in the event of voluntary or involuntary liquidation, dissolution or winding up of the corporation, and the relative rights of priority, if any, of payment of shares of that series;

(h) Any other relative rights, preferences and limitations of that series.

Dividends on outstanding shares of First Preferred Stock shall be paid or declared and set apart for payment before any dividends shall be paid or declared and set apart for payment on the shares of Common Stock or any subordinate and inferior series of Serial Preferred Stock with respect to the same dividend period.

If upon any voluntary or involuntary liquidation, dissolution or winding up of the corporation, the assets available for distribution to holders of shares of First Preferred Stock of all series shall be insufficient to pay such holders the full preferential amount to which they are entitled, then such assets shall be distributed ratably among the shares of all series of First Preferred Stock in accordance with the respective preferential amounts (including unpaid cumulative dividends, if any) payable with respect thereto.

Shares of First Preferred Stock which have been redeemed or converted, or which have been issued and reacquired in any manner and retired, shall have the status of authorized and unissued First Preferred Stock and may be reissued by the Board of Directors as shares of the same or any other series, unless otherwise provided with respect to any series in the resolution or resolutions of the Board of Directors creating such series.

The corporation's $1.50 Cumulative Convertible Exchangeable Preferred Stock (the "$1.50 Preferred Stock") and the corporation's Series A 8% Non-Cumulative Convertible Preferred Stock (the "Series A Preferred Stock"), each of which is a series of First Preferred Stock, and the number of shares, designations, powers, preferences and rights of each such series were not changed in any respect by the amendments to this Article Four approved by the stockholders of the corporation on June 5, 1990 (the "1990 Certificate Amendment"). The terms and provisions of Section C of Article Four of the Certificate of Incorporation of the corporation filed with the Secretary of State of the State of Delaware (the "Secretary") on August 14, 1987, and the terms and provisions of the corporation's Certificate of Designation filed with the Secretary on April 29, 1988, are each hereby incorporated herein by this reference for all purposes as if set forth herein in full and, any other provision herein notwithstanding, were not amended or repealed in any respect by the 1990 Certificate Amendment except for the designation of the class. Certificates evidencing shares of Series A Preferred Stock and $1.50 Preferred Stock outstanding at the time the 1990 Certificate Amendment became effective continued to evidence such shares notwithstanding the redesignation of the class of such shares.

C. SERIAL PREFERRED STOCK. The Board of Directors of the corporation is hereby expressly vested with authority to issue 15,000,000 shares of Serial Preferred Stock, par value $l.00 per share, in series, and by filing a certificate of designation pursuant to the applicable law of the State of Delaware, to establish from time to time the number of shares to be included in each such series, and to fix the designations, powers, preferences, and rights of each such series, and the qualifications, limitations or restrictions thereof. The authority of the Board of Directors with respect to each series shall include, but not be limited to, determination of the following:

(a) The number of shares constituting that series and the distinctive designation of that series;

(b) The dividend rate on the shares of that series, whether dividends shall be cumulative, and, if so, from which date or dates, and the relative rights of priority, if any, of payment of dividends on shares of that series; provided, the payment of any dividends on any series of Serial Preferred Stock shall be junior and subordinate to the payment, or the setting apart of a sum sufficient for the payment, of all accrued and current dividends on all outstanding shares of the $l.50 Preferred Stock, the Series A Preferred Stock and any other series of First Preferred Stock which by its terms is senior to the shares of Serial Preferred Stock;

(c) Whether that series shall have voting rights, in addition to the voting rights provided by law, and, if so, the terms of such voting rights; provided, that any series may be allowed to vote together with the shares of Common Stock (and with the shares of any other series of Serial Preferred Stock or First Preferred Stock which has the right to vote as a single class with the Common Stock) as a single class on any matter, but shall not have the right to vote as a separate class on any matter except as provided by applicable law;

(d) Whether that series shall have conversion privileges, and, if so, the terms and conditions of such conversion, including provision for all adjustment of the conversion rate in such events as the Board of Directors shall determine;

(e) Whether or not the shares of that series shall be redeemable, and, if so, the terms and conditions of such redemption, including the date or dates upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

(f) Whether that series shall have a sinking fund for the redemption or purchase of shares of that series, and, if so, the terms and amount of such sinking fund;

(g) The rights of the shares of that series in the event of voluntary or involuntary liquidation, dissolution or winding up of the corporation, and the relative rights of priority, if any, of payment of shares of that series; provided, that rights of any series of Serial Preferred Stock to receive any distribution upon any such event shall be junior and subordinate to the payment, or the setting apart of a sum sufficient for the payment, of the liquidation preference of all outstanding shares of the $1.50 Preferred Stock, the Series A Preferred Stock and any other series of First Preferred Stock which by its terms is senior to the shares of Serial Preferred Stock;

(h) Any other relative rights, preferences and limitations of that series.

Dividends on outstanding shares of Serial Preferred Stock shall be paid or declared and set apart for payment before any dividends shall be paid or declared and set apart for payment on the shares of Common Stock with respect to the same dividend period.

Shares of Serial Preferred Stock which have been redeemed or converted, or which have been issued and reacquired in any manner and retired, shall have the status of authorized and unissued Serial Preferred Stock and may be reissued by the Board of Directors as shares of the same or any other series, unless otherwise provided with respect to any series in the resolution or resolutions of the Board of Directors creating such series. Further, the number of authorized shares of Serial Preferred Stock may be increased or decreased (but not below the number of shares then outstanding) by the affirmative vote of the holders of a majority of the stock of the corporation entitled to vote.

Notwithstanding the above, the Board of Directors may grant powers, preferences and rights to any series of Serial Preferred Stock which are on a parity with, or senior to, the powers, preferences and rights of any series of First Preferred Stock, or the class of First Preferred Stock, provided, that such series or class of First Preferred Stock shall have approved such powers, preferences and rights by the vote specified in the terms and provisions of such series of First Preferred Stock, or, if no such vote is specified, by the vote of such series or class required by applicable law, if any.

D. GENERAL. The Board of Directors may in its discretion issue from time to time authorized but unissued shares for such consideration as it may determine, and holders of Common Stock, First Preferred Stock and Serial Preferred Stock shall have no preemptive rights, as such holders, to purchase any shares or securities of any class, including treasury shares, which may at any time be issued or sold or offered for sale by the corporation.

At each election of directors, every stockholder entitled to vote at any meeting shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected. Cumulative voting of shares of stock of the corporation, whether Common Stock, First Preferred Stock or Serial Preferred Stock, is hereby prohibited.

The corporation shall be entitled to treat the person in whose name any share or other security is registered as the owner thereof, for all purposes, and shall not be bound to recognize any equitable or other claim to or interest in such share or other security on the part of any other person, whether or not the corporation shall have notice thereof.

ARTICLE FIVE

The name and address of the incorporator of the corporation has been omitted in accordance with Section 245 of the General Corporation Law of the State of Delaware.

ARTICLE SIX

A. The business and affairs of the corporation shall be managed by or under the direction of a Board of Directors. The number of directors of the corporation shall be not less than three nor more than fifteen. The number of directors shall be fixed within the foregoing limits from time to time by resolution duly adopted by the Board of Directors. The directors of the corporation need not be stockholders therein.

B. The directors of the corporation, other than the directors elected pursuant to the special voting rights of any class or series of preferred stock or indebtedness then outstanding, shall be classified, with respect to the time for which they severally hold office, into three (3) classes, as nearly equal in number as possible, as shall be provided in the Bylaws of the corporation; one class whose initial term expires at the annual meeting of stockholders to be held in 1992; another class whose initial term expires at the annual meeting of stockholders to be held in 1993; and another class whose initial term expires at the annual meeting of stockholders to be held in 1994; with each class to hold office until its successors are duly elected and qualified. At each annual meeting of stockholders beginning with the annual meeting for 1992, the number of directors equal to the number of the class whose term expires at such meeting shall be elected to hold office until the third succeeding annual meeting of stockholders.

C. In the event of any change in the authorized number of directors, the newly created or eliminated directorships resulting from such increase or decrease shall be apportioned by the Board of Directors among the classes of directors so as to maintain such classes as nearly equal as possible.

D. Notwithstanding any of the foregoing provisions of this Article Six and subject to the rights, if any, of the holders of any then outstanding class or series of preferred stock or indebtedness of the corporation with special rights to elect directors, each director shall serve until his successor is elected and qualified or until his death, retirement, resignation or removal for cause. Should a vacancy on the Board of Directors occur or be created, whether arising through death, retirement, resignation or removal of a director for cause, or through an increase in the number of directors of any class, such vacancy shall be filled by the majority vote of the remaining directors of all classes, whether or not a quorum, or by a sole remaining director. A director so elected to fill a vacancy shall serve for the remainder of the then present term of office of the class to which he was elected.

E. Notwithstanding any other provisions of this Certificate of Incorporation or the Bylaws of the corporation, or any provision of law which might otherwise permit a lesser vote or no vote, the provisions set forth in this Article Six may not be amended or repealed in any respect, unless such action is approved by the affirmative vote of the holders of at least two-thirds of the voting power of all of the then outstanding shares of the corporation entitled to vote generally in the election of directors, voting together as a single class.

ARTICLE SEVEN

The corporation is to have perpetual existence.

ARTICLE EIGHT

The Board of Directors may exercise all such powers and do all such lawful acts and things as are not by statute, the Bylaws, or this Certificate of Incorporation directed or required to be exercised and done by the stockholders.

ARTICLE NINE

The initial Bylaws of the corporation shall be adopted by the Board of Directors. The power to alter, amend or repeal the corporation's Bylaws, and to adopt new Bylaws, is hereby vested in the Board of Directors, subject, however, to repeal or change by the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote thereon. Notwithstanding any other provisions of this Certificate of Incorporation, or any provision of law which might otherwise permit a lesser vote or no vote, the affirmative vote of the holders of at least two-thirds of the voting power of all of the then outstanding shares of the voting stock, voting together as a single class, shall be required to alter, amend, or repeal this Article Nine.

ARTICLE TEN

The corporation reserves the right to amend, alter or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by law, and all rights conferred upon officers, directors, and stockholders herein are granted subject to this reservation.

ARTICLE ELEVEN

Special meetings of the stockholders of the corporation for any purpose or purposes may be called at any time by the Board of Directors, the Chairman of the Board of Directors or the President. Special meetings of the stockholders may not be called by any other person or persons.

ARTICLE TWELVE

Meetings of stockholders may be held within or without the State of Delaware as the Bylaws may provide. Elections of directors need not be by written ballot.

ARTICLE THIRTEEN

Subject to the rights, if any, of the holders of any then outstanding class or series of preferred stock or indebtedness of the corporation with special rights to elect directors, any or all of the directors of the corporation may be removed from office at any time, but only with cause and only by the affirmative vote of the holders of a majority of the outstanding shares of the corporation then entitled to vote generally in the election of directors, voting together as a single class. Notwithstanding any other provisions of this Certificate of Incorporation or the Bylaws of the corporation, or any provision of law which might otherwise permit a lesser vote or no vote, the provisions set forth in this Article

Thirteen may not be amended or repealed in any respect, unless such action is approved by the affirmative vote of the holders of at least two-thirds of the voting power of all of the then outstanding shares of the corporation entitled to vote generally in the election of directors, voting together as a single class.

ARTICLE FOURTEEN

The officers of the corporation shall be chosen in such a manner, shall hold their offices for such terms and shall carry out such duties as are determined solely by the Board of Directors, subject to the right of the Board of Directors to remove any officer or officers at any time with or without cause.

ARTICLE FIFTEEN

A. The corporation shall indemnify to the full extent authorized or permitted by law (as now or hereafter in effect) any person made, or threatened to be made, a defendant or witness to any action, suit or proceeding (whether civil or otherwise) by reason of the fact that he, his testator or intestate, is or was a director or officer of the corporation or by reason of the fact that such director or officer, at the request of the corporation, is or was serving any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, in any capacity. Nothing contained herein shall affect any rights to indemnification to which employees other than directors and officers may be entitled by law. No amendment or repeal of this Section A of Article Fifteen shall apply to or have any effect on any right to indemnification provided hereunder with respect to any acts or omissions occurring prior to such amendment or repeal.

B. No director of the corporation shall be personally liable to the corporation or its stockholders for monetary damages for any breach of fiduciary duty by such director as a director. Notwithstanding the foregoing sentence, a director shall be liable to the extent provided by applicable law (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which such director derived an improper personal benefit. No amendment to or repeal of this Section B of Article Fifteen shall apply to or have any effect on the liability or alleged liability of any director of the corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

C. In furtherance and not in limitation of the powers conferred by statute:

(i) the corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of law; and

(ii) the corporation may create a trust fund, grant a security interest and/or use other means (including, without limitation, letters of credit, surety bonds and/or other similar arrangements), as well as enter into contracts providing indemnification the full extent authorized or permitted by law and including as part thereof provisions with respect to any or all of the foregoing to ensure the payment of such amounts as may become necessary to effect indemnification as provided therein, or elsewhere.

ARTICLE SIXTEEN

(a) Purpose and Effectiveness. The purpose of this Article Sixteen is to limit ownership and control of shares of any class of capital stock of the corporation by Aliens in order to permit the corporation to hold, obtain or reinstate a license or franchise from a governmental agency necessary to conduct its business as a U.S. Maritime Company. The effectiveness of this Article Sixteen shall terminate one year after the corporation and each Subsidiary and Controlled Person cease to be a U.S. Maritime Company unless, at or prior to that time, either the corporation or a Subsidiary or Controlled Person has reinstated itself as a U.S. Maritime Company or has contracted to reinstate itself as a U.S. Maritime Company. The Board of Directors is hereby authorized to adopt all such Bylaws and resolutions, and to effect any and all other measures reasonably necessary or desirable and consistent with applicable law and the provisions of this Certificate of Incorporation, to fulfill the purpose and implement the provisions of this Article Sixteen.

(b) Restriction on Transfers.

(i) Any transfer, or attempted or purported transfer, of any shares of Common Stock issued by the corporation or any interest therein or right thereof, which would result in the ownership or control by one or more Aliens of an aggregate percentage of the shares of Common Stock of the corporation or of any interest therein or right thereof in excess of the Permitted Percentage shall, to the full extent permitted by law, and for long as such excess shall exist, be void and shall be ineffective as against the corporation and the corporation shall not recognize, to the extent of such excess, the purported transferee as a shareholder of the corporation for any purpose whatsoever except for the purpose of making a further transfer to a person not an Alien; provided, however, that such shares, to the extent of such excess, may nevertheless be deemed to be Alien owned shares for the purposes of the other provisions of this Article Sixteen.

(ii) The Board of Directors is hereby authorized to adopt a Bylaw or Bylaws and to take such other action as it may deem necessary or desirable to implement the restriction set forth in subsection (1) above, including without limitation, (A) requiring, as a condition to transfer, representations and other proof as to the identity of existing or prospective stockholders and persons on whose behalf shares of stock of the corporation or any interest therein or right thereof are or are to be held and as to whether or not such persons are Aliens, and (B) establishing and maintaining a dual stock certificate system under which different forms of stock certificates, representing outstanding shares of Common Stock of the corporation, are issued to the holders of record of the shares represented thereby to indicate whether or not such shares or any interest therein or right thereof is owned or controlled by an Alien.

(c) Suspension of Voting and Dividend and Distribution Rights With Respect to Alien Owned Stock. With respect to shares of the outstanding capital stock of the corporation or any class thereof determined to be in excess of the Permitted Percentage in accordance with this section (c) of this Article Sixteen, the corporation may, to the full extent permitted by law, so long as such excess exists, withhold the payment of dividends and other distributions of assets in respect of such excess Alien owned shares and suspend the voting rights of such excess Alien owned shares. If Alien ownership of the outstanding capital stock of the corporation or any class thereof shall be in excess of the Permitted Percentage, the shares deemed included in such excess for purposes of this section (c) of this Article Sixteen shall be those Alien owned shares that the Board of Directors determines became so owned most recently.

(d) Definitions.

(i) "Alien" shall mean (1) any person (including an individual, a partnership, a corporation or an association) who is not a United States citizen within the meaning of Section 2 of the Shipping Act, 1916, as amended or as it may hereafter be amended; (2) any foreign government or representative thereof; (3) any corporation, the president, chief executive officer or chairman of the board of directors of which is an Alien, or of which more than a minority of the number of its directors necessary to constitute a quorum are Aliens; (4) any corporation organized under the laws of any foreign government; (5) any corporation of which 25% or greater interest is owned beneficially or of record, or may be voted by, an Alien or Aliens, or which by any other means whatsoever is controlled by or in which control is permitted to be exercised by an Alien or Aliens (the Board of Directors being authorized to determine reasonably the meaning of "control" for this purpose); (6) any partnership or association which is controlled by an Alien or Aliens; or (7) any person (including an individual, partnership, corporation or association) who acts as representative of or fiduciary for any person described in clauses (1) through (6) above.

(ii) "Controlled Person" shall mean any corporation or partnership of which the corporation or any Subsidiary owns or controls an interest in excess of 25% .

(iii) "Permitted Percentage" shall mean 2% less than the lawful maximum percentage of the outstanding shares of capital stock of the corporation, or any class thereof (as evidenced by a resolution of the Board of Directors), which, if shares in excess of such percentage were held by Aliens, would prevent the corporation (or any Subsidiary or Controlled Person) from being a U.S. Maritime Company.

(iv) "Subsidiary" shall mean any corporation more than 50% of the outstanding stock of which is owned by the corporation or any Subsidiary of the corporation.

(v) "U.S. Maritime Company" shall mean any corporation or other entity which, directly or indirectly (1) owns or operates vessels in the United States foreign trade; (2) owns any vessel on which there is a preferred mortgage issued in connection with Title XI of the Merchant Marine Act, 1936, as amended; (3) operates vessels under agreement with the United States government (or any agency thereof); (4) conducts any activity, takes any action or receives any benefit which would be adversely affected under any provision of the U.S. Maritime, shipping or vessel documentation laws by virtue of Alien ownership of its stock; or (5) maintains a Capital Construction Fund under the provisions of Section 607 of the Merchant Marine Act, 1936, as amended.

ARTICLE SEVENTEEN

Subject to the rights, if any, of the holders of any then outstanding class or series of preferred stock or indebtedness of the corporation with special rights to elect directors, any action required or permitted to be taken by the stockholders of the corporation must be effected at a duly called annual or special meeting of the stockholders or by unanimous written consent of stockholders, and stockholders may not otherwise act by written consent. Notwithstanding any other provisions of this Certificate of Incorporation or the Bylaws of the corporation, or any provision of law which might otherwise permit a lesser vote or no vote, the provisions set forth in this Article Seventeen may not be amended or repealed in any respect, unless such action is approved by the affirmative vote of the holders of at least two-thirds of the voting power of all of the then outstanding shares of the corporation entitled to vote generally in the election of directors, voting together as a single class."

IN WITNESS WHEREOF, ENSCO International Incorporated has caused this certificate to be signed by William S. Chadwick, Jr., its Vice President and attested to by Albert G. McGrath, Jr., its Assistant Secretary, as of May 15, 1997.

ENSCO INTERNATIONAL INCORPORATED

By: /s/ WILLIAM S. CHADWICK, JR.
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William S. Chadwick, Jr., Vice President

Attested: /s/ ALBERT G. MCGRATH, JR.

Albert G. McGrath, Jr.

Assistant Secretary

EXHIBIT NO. 15.1

July 28, 1997

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Dear Ladies and Gentlemen:

We are aware that ENSCO International Incorporated has included our report dated July 28, 1997 (issued pursuant to the provisions of Statement of Auditing Standards No. 71) in the Company's Registration Statements on Form S-3 (Nos. 33-42965, 33-46500, 33-49590, 33-43756, 33-64642 and 333-3575), and any existing amendments thereto, and Form S-8 (Nos. 33-14714, 33-32447, 33-35862, 33-40282 and 33-41294). We are also aware of our responsibilities under the Securities Act of 1933.

Yours very truly,

/s/ PRICE WATERHOUSE LLP

Price Waterhouse LLP
Dallas, Texas

End of Filing