ENSCO PLC

FORM 10-Q
(Quarterly Report)

Filed 04/26/05 for the Period Ending 03/31/05

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Industry	Oil Well Services & Equipment
Sector	Energy
Fiscal Year	12/31

ENSCO INTERNATIONAL INC

FORM 10-Q
(Quarterly Report)

Filed 4/26/2005 For Period Ending 3/31/2005

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

UNITED STATES
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 March 31, 2005

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 (State or other jurisdiction of incorporation or organization)	**76-0232579** (I.R.S. Employer Identification No.)
500 North Akard Street **Suite 4300** **Dallas, Texas** (Address of principal executive offices)	**75201-3331** (Zip Code)

Registrant's telephone number, including area code: **(214) 397-3000**

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 X No ___

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes X No ___

There were 151,734,754 shares of Common Stock, $.10 par value, of the registrant outstanding as of April 25, 2005.

ENSCO INTERNATIONAL INCORPORATED

INDEX TO FORM 10-Q

FOR THE QUARTER ENDED MARCH 31, 2005

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements by management and the Company that are subject to a number of risks and uncertainties. The forward-looking statements contained in the report are based on information as of the date of this report. The Company assumes no obligation to update these statements based on information from and after the date of this report. Generally, forward-looking statements include words or phrases such as "anticipates," "believes," "estimates," "expects," "intends," "plans," "projects," "could," "may," "might," "should," "will" and words and phrases of similar impact. The forward-looking statements include, but are not limited to, statements regarding future operations, industry trends or conditions and the business environment; statements regarding future levels of, or trends in, day rates, utilization, revenues, operating expenses, capital expenditures, financing and funding; and statements regarding future construction, enhancement or upgrade of rigs, future mobilization, relocation or other movement of rigs, and future availability or suitability of rigs. The forward-looking statements are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Numerous factors could cause actual results to differ materially from those in the forward-looking statements, including the following: (i) industry conditions and competition, (ii) fluctuations in the price of oil and natural gas, (iii) regional and worldwide expenditures for oil and gas drilling, (iv) demand for oil and gas, (v) operational risks, contractual indemnities and insurance, (vi) risks associated with operating in foreign jurisdictions, (vii) environmental liabilities that may arise in the future that are not covered by insurance or indemnity, (viii) the impact of current and future laws and government regulation, as well as repeal or modification of same, affecting the oil and gas industry, the environment, taxes and the Company's operations in particular, (ix) changes in costs associated with rig construction or enhancement, as well as changes in dates rigs being constructed or undergoing enhancement will enter a shipyard, be delivered from a shipyard, or enter service, (x) renegotiations, nullification, or breaches of contracts with customers, vendors, subcontractors or other parties, (xi) unionization or similar collective actions by the Company's employees, (xii) consolidation among the Company's competitors or customers, (xiii) changes in worldwide and regional supplies of drilling rigs and (xiv) the risks described elsewhere herein and from time to time in the Company's reports to the Securities and Exchange Commission.

PART I - FINANCIAL INFORMATION

Item 1. ***Financial Statements***

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders
ENSCO International Incorporated:

We have reviewed the accompanying condensed consolidated balance sheet of ENSCO International Incorporated and subsidiaries (the Company), as of March 31, 2005, the related condensed consolidated statements of income for the three-month periods ended March 31, 2005 and 2004, and the related condensed consolidated statements of cash flows for the three-month periods ended March 31, 2005 and 2004. 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.

/s/ KPMG LLP

Dallas, Texas
April 25, 2005

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

	Three Months Ended March 31, 2005	Three Months Ended March 31, 2004
OPERATING REVENUES	$217.0	$186.5
OPERATING EXPENSES		
Contract drilling	111.4	107.4
Depreciation and amortization	38.3	35.6
General and administrative	6.2	5.7
	155.9	148.7
OPERATING INCOME	61.1	37.8
OTHER INCOME (EXPENSE)		
Interest income	1.1	.8
Interest expense, net	(7.8)	(10.0)
Other, net	4.3	.5
	(2.4)	(8.7)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	58.7	29.1
PROVISION FOR INCOME TAXES		
Current income tax expense	14.9	2.2
Deferred income tax expense	2.0	5.6
	16.9	7.8
INCOME FROM CONTINUING OPERATIONS	41.8	21.3
LOSS FROM DISCONTINUED OPERATIONS	--	(.3)
NET INCOME	$ 41.8	$ 21.0
EARNINGS (LOSS) PER SHARE - BASIC		
Continuing operations	$ .28	$ .14
Discontinued operations	--	(.00)
	$ .28	$ .14
EARNINGS (LOSS) PER SHARE - DILUTED		
Continuing operations	$ .28	$ .14
Discontinued operations	--	(.00)
	$ .28	$ .14

WEIGHTED AVERAGE COMMON SHARES OUTSTANDING		
Basic	150.9	150.6
Diluted	151.5	150.8
CASH DIVIDENDS PER COMMON SHARE	$ .025	$ .025

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

ENSCO INTERNATIONAL INCORPORATED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In millions, except par value amounts)

	March 31, 2005 (Unaudited)	December 31, 2004
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 230.7	$ 267.0
Accounts receivable, net	178.2	183.0
Prepaid expenses and other	45.0	43.7
Total current assets	453.9	493.7
PROPERTY AND EQUIPMENT, AT COST	3,605.5	3,445.5
Less accumulated depreciation	1,046.6	1,014.2
Property and equipment, net	2,558.9	2,431.3
GOODWILL	336.2	341.0
OTHER ASSETS, NET	32.0	56.0
	$3,381.0	$3,322.0
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 25.7	$ 15.6
Accrued liabilities	178.1	177.2
Current maturities of long-term debt	23.0	23.0
Total current liabilities	226.8	215.8
LONG-TERM DEBT	524.3	527.1
DEFERRED INCOME TAXES	371.6	375.3
OTHER LIABILITIES	18.9	21.9
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
First preferred stock, $1 par value, 5.0 million shares authorized, none issued	--	--
Preferred stock, $1 par value, 15.0 million shares authorized, none issued	--	--
Common stock, $.10 par value, 250.0 million shares authorized, 175.1 million and 174.5 million shares issued	17.5	17.5
Additional paid-in capital	1,440.1	1,420.0
Retained earnings	1,054.3	1,016.3
Restricted stock (unearned compensation)	(12.2)	(12.5)
Accumulated other comprehensive loss	(9.8)	(9.0)
Treasury stock, at cost, 23.4 million shares	(250.5)	(250.4)
Total stockholders' equity	2,239.4	2,181.9

	$3,381.0	$3,322.0

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

ENSCO INTERNATIONAL INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Three Months Ended March 31, 2005	2004
OPERATING ACTIVITIES		
Net income	$ 41.8	$ 21.0
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss from discontinued operations	--	.3
Depreciation and amortization	38.3	35.6
Deferred income tax provision	2.0	5.6
Tax benefit from stock compensation	1.0	1.8
Amortization of other assets	1.5	1.6
Net (gain) loss on asset dispositions	2.7	(.1)
Other	.8	.8
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	4.8	(1.5)
Decrease (increase) in prepaid expenses and other assets	(3.9)	2.8
Increase in accounts payable	10.1	.3
Increase in accrued liabilities	1.8	2.0
Net cash provided by operating activities of continuing operations	100.9	70.2
INVESTING ACTIVITIES		
Additions to property and equipment	(146.6)	(125.6)
Proceeds from disposition of assets	2.2	.6
Investment in joint venture	(4.0)	(.3)
Net cash used in investing activities of continuing operations	(148.4)	(125.3)
FINANCING ACTIVITIES		
Reduction of long-term borrowings	(2.9)	(2.9)
Cash dividends paid	(3.8)	(3.7)
Proceeds from exercise of stock options	19.0	4.8
Other	(.1)	--
Net cash provided by (used in) financing activities of continuing operations	12.2	(1.8)
Effect of exchange rate changes on cash and cash equivalents	(1.0)	(.5)
Net cash provided by discontinued operations	--	.7
DECREASE IN CASH AND CASH EQUIVALENTS	(36.3)	(56.7)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	267.0	354.0
CASH AND CASH EQUIVALENTS, END OF PERIOD	$230.7	$297.3

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

ENSCO INTERNATIONAL INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 - Unaudited Financial Statements

The accompanying consolidated financial statements of ENSCO International Incorporated and subsidiaries (the "Company") have been prepared in accordance with U.S. Generally Accepted Accounting Principles, pursuant to the rules and regulations of the Securities and Exchange Commission included in the instructions to Form 10-Q and Article 10 of Regulation S-X. The financial information included herein is unaudited but, in the opinion of management, includes all adjustments (consisting of normal recurring adjustments) which are necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods presented. The December 31, 2004 consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by U.S. Generally Accepted Accounting Principles.

The financial data for the three-month periods ended March 31, 2005 and 2004 included herein have been subjected to a limited review by KPMG LLP, the Company's independent registered public accounting firm. The accompanying 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 registered public accounting firm's liability under Section 11 does not extend to it.

Results of operations for the three-month period ended March 31, 2005 are not necessarily indicative of the results of operations which will be realized for the year ending December 31, 2005. 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, 2004 included in the Company's Annual Report to the Securities and Exchange Commission on Form 10-K.

During the three-month period ended March 31, 2004, the Company entered into an agreement to sell three rigs in connection with a rig construction agreement (see "Note 4 - Discontinued Operations" below). The Company acquired the ENSCO 102 and ENSCO 106 jackup rigs from affiliated joint ventures in January 2004 and February 2005, respectively (see "Note 5 - Investment in Joint Ventures" below). During the three-month period ended March 31, 2005, the Company finalized the accounting for certain hurricane damage to ENSCO 25 (see "Note 6 - Resolution of Hurricane Damage" below). During the three-month period ended March 31, 2005, the Company transferred a drilling rig between taxing jurisdictions that resulted in the reversal of temporary differences between the financial statement basis and tax basis of the associated drilling rig. A portion of the temporary differences arose in connection with purchase accounting adjustments relating to the acquisition of Chiles Offshore Inc. ("Chiles") in August 2002. Accordingly, the $4.8 million tax effect of such reversing temporary differences has been recorded as a reduction of the goodwill established in connection with the Chiles acquisition.

Note 2 - Earnings Per Share

For the three months ended March 31, 2005 and 2004, there were no adjustments to net income for purposes of calculating basic and diluted earnings per share. The following is a reconciliation of the weighted average common shares used in the basic and diluted earnings per share computations for the three-month periods ended March 31, 2005 and 2004 (in millions):

	2005	2004
Weighted average common shares-basic	150.9	150.6
Potentially dilutive common shares:		
Restricted stock grants	.1	.1
Stock options	.5	.1
Weighted average common shares-diluted	151.5	150.8

Options to purchase 43,000 and 3.7 million shares of common stock at March 31, 2005 and 2004, respectively, were not included in the computation of diluted earnings per share because the exercise price of the options exceeded the average market price of the common stock.

The Company uses the intrinsic value method of accounting for employee stock options in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25"). No compensation expense related to employee stock options is included in the Company's net income, as the exercise price of the Company's stock options equals the market value of the underlying stock on the date of grant. The following table includes disclosures required by Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" as amended ("SFAS 123"), and illustrates the effect on net income and earnings per share as if the Company had applied the fair value recognition provisions of SFAS 123 (in millions, except per share amounts):

	Three Months Ended March 31,	
	2005	**2004**
Net income as reported	$41.8	$21.0
Less stock-based employee compensation expense, net of tax	(2.5)	(2.3)
Pro forma net income	$39.3	$18.7
Basic earnings per share:		
As reported	$ .28	$ .14
Pro forma	.26	.12
Diluted earnings per share:		
As reported	$ .28	$ .14
Pro forma	.26	.12

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 123, (revised 2004) "Share-Based Payment" ("SFAS 123(R)"). This statement is a revision of SFAS 123, and requires entities to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. The cost will be recognized over the period during which an employee is required to provide services in exchange for the award (usually the vesting period). SFAS 123(R) covers various share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights and employee share purchase plans. SFAS 123(R) eliminates the ability to use the intrinsic value method of accounting for share options, as provided in APB 25. SFAS 123(R) is effective for the first fiscal year beginning after June 15, 2005, with early adoption encouraged. The Company is currently evaluating the statement's transition methods and does not expect this statement to have an effect materially different than that of the pro forma SFAS 123 disclosures above.

Note 3 - Comprehensive Income

The components of the Company's comprehensive income for the three-month periods ended March 31, 2005 and 2004, are as follows (in millions):

	2005	2004
Net income	$41.8	$21.0
Other comprehensive income (loss):		
Net change in fair value of derivatives	(.5)	(.4)
Reclassification of unrealized gains and losses on derivatives from other comprehensive income (loss) into net income	(.3)	.3
Net other comprehensive loss	(.8)	(.1)
Total comprehensive income	$41.0	$20.9

The components of the accumulated other comprehensive loss section of stockholders' equity at March 31, 2005 and December 31, 2004, are as follows (in millions):

	March 31, 2005	December 31, 2004
Cumulative translation adjustment	$ 1.1	$ 1.1
Net unrealized losses on derivatives, net of tax	8.7	7.9
Total accumulated other comprehensive loss	$9.8	$ 9.0

The estimated amount of net unrealized losses on derivative instruments, net of tax at March 31, 2005 that will be reclassified to earnings during the next twelve months is as follows (in millions):

Unrealized gains to be reclassified to contract drilling expense	$(1.3)
Unrealized losses to be reclassified to interest expense	1.2
Net unrealized gain reclassified to earnings	$ (.1)

Note 4 - Discontinued Operations

In February 2004, the Company entered into an agreement with Keppel FELS Limited ("KFELS"), a major international shipyard, to exchange three rigs (ENSCO 23, ENSCO 24 and ENSCO 55) and $55.0 million for the construction of a new high performance premium jackup rig to be named ENSCO 107. The exchange of the three rigs occurred in May 2004 and was treated as a sale with no significant gain or loss recognized, as the fair value of the rigs approximated their book value of $39.9 million. The results of operations of ENSCO 23, ENSCO 24 and ENSCO 55 have been reclassified as discontinued operations in the consolidated statement of income for the three-month period ended March 31, 2004. Following is a summary of loss from discontinued operations for the three-month period ended March 31, 2004 (in millions):

Revenues	$ 2.5
Operating expenses	3.0
Operating loss before income taxes	(.5)
Income tax benefit	(.2)
Loss from discontinued operations	$ (.3)

Note 5 - Investment in Joint Ventures

During the fourth quarter of 2000, the Company entered into an agreement with KFELS and acquired a 25% ownership interest in a harsh environment jackup rig under construction, which was subsequently named ENSCO 102. Upon completion of rig construction in the second quarter of 2002, the Company and KFELS established a joint venture company, ENSCO Enterprises Limited ("EEL"), to own and charter ENSCO 102. The Company and KFELS transferred their respective interests in ENSCO 102 to EEL in exchange for promissory notes in the amount of $32.5 million and $97.3 million, respectively. The Company and KFELS had initial ownership interests in EEL of 25% and 75%, respectively.

Concurrent with the transfer of the rig to EEL, the Company agreed to charter ENSCO 102 from EEL for a two-year period that was scheduled to expire in May 2004. Under the terms of the charter, the majority of the net cash flow generated by ENSCO 102 operations was remitted to EEL in the form of charter payments. However, the charter obligation was determined on a cumulative basis such that cash flow deficits incurred prior to initial rig operations were satisfied prior to the commencement of charter payments. Charter proceeds received by EEL were used to pay interest on the promissory notes and any cash remaining after all accrued interest has been paid was used to repay the outstanding principal of the KFELS promissory note. Pursuant to an agreement between the Company and KFELS, the respective ownership interests of the Company and KFELS in EEL were adjusted concurrently with repayments of principal on the KFELS promissory note such that each party's ownership interest was equal to the ratio of its outstanding promissory note balance to the aggregate outstanding principal balance of both promissory notes.

Under the terms of the agreement with KFELS, the Company had an option to purchase ENSCO 102 from EEL, at a formula derived price, which was scheduled to expire in May 2004. In January 2004, the Company exercised its purchase option and acquired ENSCO 102 for a net payment of $94.6 million. EEL was liquidated upon the Company's acquisition of ENSCO 102. A summary of the unaudited condensed statement of income of EEL for the three-month period ended March 31, 2004, is as follows:

ENSCO Enterprises Limited
Condensed Statement of Income
Three Months Ended March 31, 2004
(In millions)
(Unaudited)

Charter revenue	$ 1.6
Depreciation expense	(.5)
Interest expense	(.8)
Net income	$ .3

The Company recognized $400,000, net of intercompany eliminations, from its equity in the earnings of EEL for the three-month period ended March 31, 2004, which is included in contract drilling expenses on the consolidated statements of income.

During the first quarter of 2003, the Company entered into an agreement with KFELS to establish a second joint venture company, ENSCO Enterprises Limited II ("EEL II"), to construct a premium heavy duty jackup rig to be named ENSCO 106. The Company agreed to contribute $3.0 million of procurement and management services and $23.3 million in cash for a 25% interest in EEL II. The terms of the EEL II agreement were similar to those of the EEL agreement, with the Company holding an option to purchase the remaining 75% interest in ENSCO 106, at a formula derived price, at any time during construction or the two-year period after completion of construction. At December 31, 2004, the Company's net investment in EEL II totaled $23.2 million and is included in other assets, net on the consolidated balance sheet.

Upon completion of rig construction in February 2005, the Company exercised its purchase option and acquired ENSCO 106 for a net payment of $79.6 million. EEL II was effectively liquidated upon the Company's acquisition of ENSCO 106.

The Company's equity interest in EEL and EEL II constituted variable interests in variable interest entities, as defined in the Financial Accounting Standards Board's Interpretation No. 46 (revised December 2003), "Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51" ("FIN 46R"). However, the Company did not absorb a majority of the expected losses or receive a majority of the expected residual returns of EEL and EEL II, as defined by FIN 46R, and accordingly, was not required to consolidate EEL or EEL II.

Note 6 - Resolution of Hurricane Damage

Two of the Company's drilling rigs, the ENSCO 64 jackup rig and ENSCO 25 platform rig, sustained damage during Hurricane Ivan in September 2004. The physical damage to the rigs, as well as the related removal, salvage and recovery costs, was covered by insurance, subject to an aggregate escalating deductible of up to $5.5 million. Damage to ENSCO 64 was substantial and upon initial evaluation it was not possible to determine whether ENSCO 64 would be declared a constructive total loss ("CTL") under the terms of the Company's insurance policies. If ENSCO 64 was declared a CTL, the Company would transfer its interest in the rig to underwriters and receive the rig's insured value of $65.0 million, with no deductible applicable. Due to the uncertainties involved and difficulties associated with estimating the damage sustained by the two rigs, the Company recognized a $5.5 million loss, representing its aggregate insurance deductible, during the third quarter of 2004.

On April 15, 2005, the Company's insurance underwriters completed their analysis of the damage to ENSCO 64 and declared the rig a CTL. Accordingly, the Company transferred beneficial ownership of ENSCO 64 to insurance underwriters in April 2005 and will receive the total rig insured value of $65.0 million. The $52.8 million carrying value of the rig remains classified in property and equipment on the consolidated balance sheet at March 31, 2005. The Company will record the disposal of the rig in the second quarter of 2005 and recognize a pre-tax gain equivalent to the excess of the insurance proceeds received over the carrying value of the rig.

Damage to ENSCO 25 was less extensive than that of ENSCO 64, and the rig returned to service in late February 2005 after completion of the damage assessment and repair work. The Company recognized a net gain of $3.1 million during the quarter ended March 31, 2005, which consists of the excess of the $5.5 million provision recognized during the third quarter of 2004 for the aggregate insurance deductible over the $2.4 million loss realized in connection with the ENSCO 25 repair work. The $3.1 million net gain is included in "Other income (expense) - Other, net" in the consolidated statement of income for the three-month period ended March 31, 2005. Accounts receivable, net at March 31, 2005 includes $4.2 million of costs incurred by the Company and reimbursable from insurance underwriters in connection with the ENSCO 64 and ENSCO 25 insurance claims.

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

INTRODUCTION

ENSCO International Incorporated and subsidiaries ("ENSCO" or the "Company") is an international offshore contract drilling company with a current operating fleet of 53 drilling rigs, including 42 jackup rigs, seven barge rigs, three platform rigs and one semisubmersible rig. (The current operating fleet does not include two jackup rigs under construction, nor ENSCO 64, as beneficial ownership of ENSCO 64 was transferred to insurance underwriters on April 15, 2005, upon declaration that the rig was a constructive total loss as a result of damages sustained during Hurricane Ivan.) The Company's offshore contract drilling operations are integral to the exploration, development and production of oil and natural gas and the Company is one of the leading providers of offshore drilling services to the international oil and gas industry.

The Company drills and completes offshore oil and gas wells under contracts with major international, government-owned and independent oil and gas companies. The drilling services provided by the Company are conducted on a "day rate" contract basis, under which the Company provides its drilling rigs and rig crews and receives a fixed amount per day for drilling wells. The customer bears substantially all of the ancillary costs of constructing the wells and supporting drilling operations, as well as the economic risk relative to the success of the wells.

Financial operating results in the offshore contract drilling industry have historically been very cyclical and are primarily related to the demand for drilling rigs and the available supply of rigs. Demand for rigs is directly related to the regional and worldwide levels of offshore exploration and development spending by oil and gas companies, which is beyond the control of the Company. Offshore exploration and development spending may fluctuate substantially from year to year and from region to region. Such spending fluctuations result from many factors, including:

- demand for oil and gas,
- regional and global economic conditions and expected changes therein,
- political and legislative environments in the U.S. and other major oil-producing countries,
- production levels and related activities of OPEC and other oil and gas producers, and
- the impact that these and other events have on the current and expected future pricing of oil and natural gas.

The supply of drilling rigs is limited and new rigs require a substantial capital investment and a long period of time to construct. In addition, it is time consuming and costly to move rigs between markets. Accordingly, as demand changes in a particular market, the supply of rigs may not adjust quickly, and therefore the utilization and day rates of rigs could fluctuate significantly.

Since factors that affect offshore exploration and development spending are beyond the control of the Company and rig demand can change quickly, it is difficult for the Company to predict industry conditions or trends in operating results. Periods of low demand result in excess rig supply, which generally reduces rig utilization levels and day rates; periods of high demand tighten rig supply, generally resulting in increased rig utilization levels and day rates.

The Company's drilling rigs are deployed throughout the world, with drilling operations concentrated in the major geographic regions of North America, Europe/Africa, Asia Pacific (which includes Asia, the Middle East and Australia) and South America/Caribbean. The Company competes with other offshore drilling contractors on the basis of price, quality of service, operational and safety performance, equipment suitability and availability, reputation and technical expertise. Competition is usually on a regional basis, but offshore drilling rigs are mobile and may be moved from one region to another in response to demand.

BUSINESS ENVIRONMENT

The Company's domestic offshore drilling operations are conducted in the Gulf of Mexico. The U.S. natural gas market and trends in oil and gas company spending largely determine domestic offshore drilling industry conditions. The supply of jackup rigs in the Gulf of Mexico declined from prior year levels during 2004 as the Company and some of its competitors mobilized rigs to international markets. The overall demand for jackup rigs improved significantly during the second half of 2004, due to both the reduced supply of rigs and increased spending by oil and gas companies. As a result, average day rates for jackup rigs in the Gulf of Mexico improved significantly during the second half of 2004. During the first quarter of 2005, day rates continued to increase due to high oil and natural gas prices in addition to the reduced supply of rigs in the Gulf of Mexico.

In Europe, jackup rig demand and day rates generally remained at reduced levels in 2004, experiencing only modest improvement during the fourth quarter. During the first quarter of 2005, day rates continued to improve as the region experienced increased spending by oil and gas companies.

Demand for jackup rigs in most Asia Pacific region markets was strong during 2004, as many of the major international and government-owned oil companies increased spending in those markets. However, Asia Pacific region day rates remained relatively stable over the course of 2004, as the Company and some of its competitors mobilized additional rigs to the region in response to the increased demand. Activity levels continued to remain stable during the first quarter of 2005 as the increasing demand absorbed the rigs recently mobilized to the region.

RESULTS OF OPERATIONS

In May 2004, the Company transferred three rigs (ENSCO 23, ENSCO 24 and ENSCO 55) to Keppel FELS Limited ("KFELS") as partial payment for the construction of a new high performance premium jackup rig that is scheduled for delivery in late 2005 or early 2006. The results of operations of ENSCO 23, ENSCO 24 and ENSCO 55 have been reclassified as discontinued operations in the consolidated statement of income for the three-month period ended March 31, 2004.

The following analysis highlights the Company's consolidated operating results for the three-month periods ended March 31, 2005 and 2004 (in millions):

	2005	2004
Revenues	$217.0	$186.5
Operating expenses		
Contract drilling	111.4	107.4
Depreciation and amortization	38.3	35.6
General and administrative	6.2	5.7
Operating income	61.1	37.8
Other expense, net	(2.4)	(8.7)
Provision for income taxes	16.9	7.8
Income from continuing operations	41.8	21.3
Loss from discontinued operations	--	(.3)
Net income	$ 41.8	$ 21.0

For the three-month period ended March 31, 2005, revenues increased by $30.5 million, or 16%, and operating income increased by $23.3 million, or 62%, from the prior year period. These increases are primarily due to improved average day rates for North America jackup rigs and improved utilization of Asia Pacific jackup rigs, as compared to the prior year period. Detailed explanations of the Company's operating results for the three-month periods ended March 31, 2005 and 2004, including discussions of revenue and contract drilling expenses based on geographical location and type of rig, are set forth below.

Revenue and Contract Drilling Expense

The following is an analysis of the Company's revenues, contract drilling expense, rig utilization and average day rates from continuing operations for the three-month periods ended March 31, 2005 and 2004 (in millions):

	2005	2004
Revenues		
Jackup rigs:		
North America	$ 73.6	$ 65.1
Europe/Africa	40.5	37.6
Asia Pacific	78.2	53.0
South America/Caribbean	4.0	8.1
Total jackup rigs	196.3	163.8
Semisubmersible rig - North America	7.6	11.9
Barge rig - Asia Pacific	4.6	3.8
Barge rigs - South America/Caribbean	5.2	4.3
Platform rigs - North America	3.3	2.7
Total	$217.0	$186.5

	2005	2004
Contract Drilling Expense		
Jackup rigs:		
North America	$ 32.4	$ 37.5
Europe/Africa	26.2	25.1
Asia Pacific	36.4	30.8
South America/Caribbean	2.5	3.2
Total jackup rigs	97.5	96.6
Semisubmersible rig - North America	5.8	4.3
Barge rig - Asia Pacific	2.3	1.9
Barge rigs - South America/Caribbean	3.0	2.8
Platform rigs - North America	2.8	1.8
Total	$111.4	$107.4

	2005	2004
Rig Utilization [1]		
Jackup rigs:		
North America	84%	87%
Europe/Africa	87%	91%
Asia Pacific	85%	76%
South America/Caribbean	100%	98%
Total jackup rigs	85%	85%
Semisubmersible rig - North America	69%	66%
Barge rig - Asia Pacific	99%	100%
Barge rigs - South America/Caribbean	25%	17%
Platform rigs - North America	65%	33%
Total	77%	74%

	2005	2004
Average day rates [2]		
Jackup rigs:		
North America	$ 53,690	$ 38,964
Europe/Africa	64,501	56,506
Asia Pacific	64,645	63,931
South America/Caribbean	77,589	89,637
Total jackup rigs	59,963	50,166
Semisubmersible rig - North America	122,618	184,815
Barge rig - Asia Pacific	50,031	41,788
Barge rigs - South America/Caribbean	34,794	41,900
Platform rigs - North America	27,525	28,486
Total	$ 59,362	$ 51,481

(1) Rig utilization is derived by dividing the number of days under contract by the number of days in the period.

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

The following is a summary of the Company's offshore drilling rigs at March 31, 2005 and 2004:

	Number of Rigs	
	2005	**2004**
Jackup rigs:		
North America (1) (2) (3)	19	21
Europe/Africa	8	8
Asia Pacific (1) (4)	16	12
South America/Caribbean (2)	--	1
Total jackup rigs	43	42
Semisubmersible rig - North America	1	1
Barge rig - Asia Pacific	1	1
Barge rigs - South America/Caribbean	6	6
Platform rigs (5)	3	3
Total (6)	54	53

(1) During the second and third quarters of 2004, the Company mobilized three jackup rigs from the Gulf of Mexico to the Asia Pacific region.

(2) During the first quarter of 2005, the Company mobilized the South America/Caribbean jackup rig from Trinidad and Tobago to a shipyard in the Gulf of Mexico for enhancement procedures before being deployed to Saudi Arabia for a three year contract scheduled to commence in August 2005.

(3) Excludes the jackup rig ENSCO 55, which was operating in North America at March 31, 2004 but was sold in connection with the execution of a rig construction agreement during the second quarter of 2004, and its operating results have been reclassified as discontinued operations.

(4) Upon completion of its construction in the first quarter of 2005, the Company acquired ENSCO 106 from a joint venture in which the Company held a 25% interest.

(5) Excludes the platform rigs ENSCO 23 and ENSCO 24, which were available for operations in North America at March 31, 2004 but were sold in connection with the execution of a rig construction agreement during the second quarter of 2004, and their operating results have been reclassified as discontinued operations.

(6) The total number of rigs excludes ENSCO 107 (which commenced construction during the first quarter of 2004 and is expected to enter service in late 2005 or early 2006), and ENSCO 108 (which commenced construction during April of 2005 and is expected to be delivered by the end of the first quarter of 2007). ENSCO 64, which was declared a constructive total loss on April 15, 2005, is included in the total number of rigs at March 31, 2005 and 2004.

North America Jackup Rigs

First quarter 2005 revenues for the North America jackup rigs increased by $8.5 million, or 13%, compared to the prior year first quarter. The increase in revenues is due primarily to a 38% increase in the average day rates, partially offset by the reduced size of the Company's North America jackup rig fleet as three jackup rigs were relocated from the Gulf of Mexico during the second and third quarters of 2004. The significant increase in average day rates is primarily attributable to a reduction in supply of Gulf of Mexico jackup rigs resulting from the relocation of several rigs by the Company and its competitors to international markets in the latter half of 2003 and in 2004. Although supply and demand factors have improved, short-term contracts remain prevalent in the Gulf of Mexico jackup market, and it is not possible to determine whether the current increasing day rate trend will continue. First quarter 2005 contract drilling expense for the North America jackup rigs decreased by $5.1 million, or 14%, compared to the prior year first quarter. The decrease in contract drilling expense is primarily due to the reduced size of the fleet in the first quarter of 2005.

Europe/Africa Jackup Rigs

First quarter 2005 revenues for the Europe/Africa jackup rigs increased by $2.9 million, or 8%, compared to the prior year first quarter. The increase in revenues is due primarily to a 14% increase in the average day rates caused by increased spending by oil and gas companies. It is not possible to determine if the increasing day rate trend will continue or if demand for jackup rigs in the North Sea will further improve. First quarter 2005 contract drilling expense for the Europe/Africa jackup rigs increased by $1.1 million, or 4%, compared to the prior year first quarter primarily due to increased personnel and repair costs.

Asia Pacific Jackup Rigs

First quarter 2005 revenues for the Asia Pacific jackup rigs increased by $25.2 million, or 48%, and contract drilling expense increased by $5.6 million, or 18%, as compared to the prior year first quarter. The increase in revenues is primarily due to improved utilization and the increased size of the Asia Pacific jackup rig fleet. The Company acquired ENSCO 102 in January 2004, relocated three rigs to the Asia Pacific region during the second and third quarters of 2004 and acquired ENSCO 106 in February 2005. Excluding the impact of these five rigs, utilization of the remaining 11 rigs in the Asia Pacific jackup rig fleet increased to 95% in 2005 from 74% in 2004. The improved utilization resulted from a reduction in the amount of time rigs spent in shipyards undergoing enhancements and contract preparation during the first quarter of 2005 compared to the first quarter of 2004. The increase in contract drilling expense is attributable to the five rigs added to the Asia Pacific fleet in 2004 and 2005.

South America/Caribbean Jackup Rig

First quarter 2005 revenues for the South America/Caribbean jackup rig decreased by $4.1 million, or 51%, and contract drilling expenses decreased $700,000, or 22%, as compared to the prior year first quarter. The decrease in revenues and contract drilling expense is primarily due to the completion of a long-term contract in February 2005 and the subsequent mobilization of ENSCO 76 from Trinidad and Tobago during the first quarter 2005, compared to operating at near full utilization during the prior year first quarter.

North America Semisubmersible Rig

First quarter 2005 revenues for the North America semisubmersible rig decreased by $4.3 million, or 36%, compared to the prior year first quarter. The decrease in revenues is primarily due to a 34% decrease in the average day rate, as the rig completed a high day rate, three-year contract in the first quarter of 2004 and operated under short-term contracts during the first quarter of 2005. First quarter 2005 contract drilling expense for the North America semisubmersible rig increased by $1.5 million, or 35%, compared to the prior year first quarter due primarily to an increase in repair and maintenance expense.

Asia Pacific Barge Rig

First quarter 2005 revenues for the Asia Pacific barge rig, which is currently located in Indonesia, increased by $800,000, or 21%, and contract drilling expense increased by $400,000, or 21%, compared to the prior year first quarter. The increase in revenues is primarily due to a 20% increase in the average day rate of ENSCO I. The increase in contract drilling expense is due primarily to an increase in reimbursable expenses and fuel costs.

South America/Caribbean Barge Rigs

First quarter 2005 revenues for the South America/Caribbean barge rigs increased by $900,000, or 21%, compared to the prior year first quarter. The increase in revenues is due primarily to an increase in utilization to 25% in the current year quarter from 17% in the prior year first quarter, partially offset by a 17% decrease in average day rates. The increase in utilization was attributable to ENSCO III, which operated under a short term contract during the first quarter of 2005, but remained idle during the majority of the first quarter of 2004. First quarter contract drilling expense for the South America/Caribbean barge rigs increased by $200,000, or 7%, from the prior year first quarter due primarily to increased utilization.

North America Platform Rigs

First quarter 2005 revenues for the North America platform rigs increased by $600,000, or 22%, compared to the prior year first quarter. The increase in revenues is due primarily to a increase in utilization to 65% in the current year quarter from 33% in the prior year first quarter. First quarter contract drilling expense for the North America platform rigs increased by $1.0 million, or 56%, from the prior year first quarter due primarily to increased utilization.

Depreciation and Amortization

Depreciation and amortization expense for the first quarter of 2005 increased by $2.7 million, or 8%, as compared to the prior year first quarter. The increase is primarily attributable to depreciation associated with capital enhancement projects completed subsequent to the first quarter of 2004.

General and Administrative

General and administrative expense in the first quarter of 2005 increased by $500,000, or 9%, as compared to the first quarter of 2004. The increase is primarily attributable to increases in personnel costs and professional fees.

Other Income (Expense)

Other income (expense) for the three-month periods ended March 31, 2005 and 2004 is as follows (in millions):

	2005	2004
Interest income	$ 1.1	$ .8
Interest expense, net:		
Interest expense	(9.7)	(10.1)
Capitalized interest	1.9	.1
	(7.8)	(10.0)
Other, net	4.3	.5
	$(2.4)	$ (8.7)

Interest income increased by $300,000 in the first quarter of 2005, as compared to the first quarter of 2004, due to higher average interest rates, partially offset by a decrease in cash balances invested.

Interest expense decreased by $400,000 in the first quarter of 2005, as compared to the first quarter of 2004, due primarily to a decrease in outstanding debt. Capitalized interest increased $1.8 million in the first quarter of 2005, as compared to the prior year first quarter, due to an increase in the amount invested in new construction and enhancement projects.

Other, net, in the three-month period ended March 31, 2005 includes a $3.1 million net gain related to the resolution of insurance claims associated with two rigs damaged by Hurricane Ivan (see Note 6 to the Company's Consolidated Financial Statements) and foreign currency translation gains of $1.0 million. Other, net, in the three-month period ended March 31, 2004 consists primarily of foreign currency translation gains.

Provision for Income Taxes

The provision for income taxes for the three-month period ended March 31, 2005 increased by $9.1 million compared to the prior year period. The increase is due primarily to the increased profitability of the Company and, to a lesser extent, an increase in effective tax rate to 28.8% in the first quarter of 2005 from 26.8% in the prior year first quarter. The increase in effective tax rate is due primarily to the impact of changes in the relative portion of the Company's earnings generated by foreign subsidiaries whose earnings are being permanently reinvested and taxed at lower rates and certain tax credits and income not subject to tax. The "American Jobs Creation Act of 2004" became law effective October 22, 2004 and provides for a special one-time dividends received tax deduction on the repatriation of certain foreign earnings to a U.S. tax payer, provided certain criteria are met. The Company is currently analyzing this tax legislation to determine its impact, if any, on the Company's future income tax accounting and consolidated financial statements.

Discontinued Operations

In February 2004, the Company entered into an agreement with KFELS, a major international shipyard, to exchange three rigs (ENSCO 23, ENSCO 24 and ENSCO 55) and $55.0 million for the construction of a new high performance premium jackup rig to be named ENSCO 107. The exchange of the three rigs occurred in May 2004 and was treated as a sale with no significant gain or loss recognized, as the fair value of the rigs approximated their book value of $39.9 million. The results of operations of the ENSCO 23, ENSCO 24 and ENSCO 55 have been reclassified as discontinued operations in the consolidated statement of income for the three-month period ended March 31, 2004. The following table contains a summary of loss from discontinued operations for the three-month period ended March 31, 2004 (in millions):

Revenues	$ 2.5
Operating expenses	3.0
Operating loss before income taxes	(.5)
Income tax benefit	(.2)
Loss from discontinued operations	$ (.3)

LIQUIDITY AND CAPITAL RESOURCES

Although somewhat cyclical, the Company has historically relied on its cash flow from continuing operations to meet liquidity needs and fund the majority of its cash requirements. Management believes the Company has maintained a strong financial position through the disciplined and conservative use of debt. A substantial majority of the Company's cash flow is invested in the expansion and enhancement of its fleet of drilling rigs.

During the three-month period ended March 31, 2005, the Company's primary source of cash consisted of $100.9 million generated from continuing drilling operations and its primary use of cash consisted of $146.6 million for the acquisition, enhancement and other improvement of drilling rigs. During the three month period ended March 31, 2004, the Company's primary source of cash consisted of $70.2 million generated from continuing drilling operations and its primary use of cash consisted of $125.6 million for the acquisition, enhancement and other improvement of drilling rigs.

Detailed explanations of the Company's liquidity and capital resources for the three-month periods ended March 31, 2005 and 2004, including discussions of cash flow from continuing operations and capital expenditures, financing and capital resources and off-balance sheet arrangements, are set forth below.

Cash Flow from Continuing Operations and Capital Expenditures

The Company's cash flow from continuing operations and capital expenditures on continuing operations for the three-month periods ended March 31, 2005 and 2004 are as follows (in millions):

	2005	2004
Cash flow from continuing operations	$100.9	$ 70.2
Capital expenditures on continuing operations		
Rig acquisitions	$ 79.6	$ 94.6
New construction	1.2	--
Enhancements	56.6	19.2
Minor upgrades and improvements	9.2	11.8
	$146.6	$125.6

Cash flow from continuing operations increased by $30.7 million, or 44%, for the three-month period ended March 31, 2005 as compared to the prior year first quarter. The increase resulted primarily from a $25.2 million increase in cash receipts from drilling services and $10.8 million of cash reimbursements during the first quarter of 2005 from insurance underwriters associated with the ENSCO 64 insurance claim, partially offset by $7.8 million of cash payments in the first quarter of 2005 related to the recovery and damage analysis of ENSCO 64.

Effective January 31, 2004, the Company purchased ENSCO 102 from an affiliated joint venture for a net payment of $94.6 million. Upon completion of rig construction on February 7, 2005, the Company purchased ENSCO 106 from an affiliated joint venture for a net payment of $79.6 million. In addition to the acquisition of ENSCO 106, management anticipates that capital expenditures in 2005 will include approximately $250.0 million for rig enhancement projects, approximately $110.0 million for construction of ENSCO 107 and ENSCO 108, and approximately $50.0 million for minor upgrades and improvements. (See "Off-Balance Sheet Arrangements" and Note 5 to the Company's Consolidated Financial Statements for information concerning the Company's investment in the joint venture related to the ENSCO 106; see "Outlook" for information concerning the construction of ENSCO 107 and ENSCO 108.) Depending on market conditions and opportunities, the Company may also make capital expenditures to construct or acquire additional rigs.

Financing and Capital Resources

The Company's long-term debt, total capital and long-term debt to total capital ratios at March 31, 2005 and December 31, 2004 are summarized below (in millions, except percentages):

	March 31, 2005	December 31, 2004
Long-term debt	$ 524.3	$ 527.1
Total capital*	2,763.7	2,709.0
Long-term debt to total capital	19.0%	19.5%

* Total capital includes long-term debt plus stockholders' equity.

During the three months ended March 31, 2005, there were no significant changes in the Company's long-term debt or total capital. At March 31, 2005, the Company has an aggregate $249.5 million outstanding under three separate bond issues that require semiannual principal and interest payments. The Company also makes semiannual interest payments on $150.0 million of notes and $150.0 million of debentures, due in 2007 and 2027, respectively.

The Company has a $250.0 million unsecured revolving credit agreement (the "Credit Agreement") with a syndicate of banks that matures in July 2007. The Company had no amounts outstanding under the Credit Agreement at March 31, 2005 and does not currently anticipate borrowing under the Credit Agreement during 2005. The Company is in compliance with the financial covenants under the Credit Agreement, which require the maintenance of a specified level of interest coverage, debt ratio and tangible net worth. The Company maintains investment grade credit ratings of Baa1 from Moody's and BBB+ from Standard & Poor's.

Off-Balance Sheet Arrangements

During recent years the Company entered into two separate joint venture arrangements with KFELS in connection with the construction and ownership of two jackup rigs. ENSCO Enterprises Limited ("EEL") was established by the Company (with an initial 25% ownership interest) and KFELS (with an initial 75% ownership interest) to own and charter ENSCO 102. Construction of ENSCO 102 commenced in 2000 and was completed in May 2002, after which the Company chartered ENSCO 102 from EEL. In January 2004, the Company exercised a purchase option and acquired ENSCO 102 from EEL and EEL was liquidated. ENSCO Enterprises Limited II ("EEL II") was established by the Company (25% ownership interest) and KFELS (75% ownership interest) in March 2003 to construct and own ENSCO 106. Upon completion of rig construction in February 2005, the Company exercised a purchase option and acquired ENSCO 106 from EEL II and EEL II was effectively liquidated.

The Company's equity interests in EEL and EEL II constituted variable interests in variable interest entities, as defined in the Financial Accounting Standards Board's Interpretation No. 46 (revised December 2003), "Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51" ("FIN 46R"). However, the Company did not absorb a majority of the expected losses or receive a majority of the expected residual returns of EEL and EEL II, as defined by FIN 46R, and accordingly was not required to consolidate EEL or EEL II.

Liquidity

The Company's liquidity position at March 31, 2005 and December 31, 2004 is summarized in the table below (in millions, except ratios):

	March 31, 2005	December 31, 2004
Cash and short-term investments	$230.7	$267.0
Working capital	227.1	277.9
Current ratio	2.0	2.3

Management expects to fund the Company's short-term liquidity needs, including contractual obligations and anticipated capital expenditures, as well as any working capital requirements, from its cash and cash equivalents and operating cash flow.

Management expects to fund the Company's long-term liquidity needs, including contractual obligations and anticipated capital expenditures, from its cash and cash equivalents, investments, operating cash flow and, if necessary, funds drawn under its Credit Agreement or other future financing arrangements.

The Company has historically funded the majority of its liquidity from operating cash flow. The Company anticipates the majority of its cash flow in the near to intermediate-term will continue to be invested in the expansion and enhancement of its fleet of drilling rigs. As a substantial majority of such expenditures are elective, the Company expects to be able to maintain adequate liquidity throughout future business cycles through the deferral or acceleration of its future capital investments, as necessary. Accordingly, while future operating cash flow cannot be accurately predicted, management believes its long-term liquidity will continue to be funded primarily by operating cash flow.

MARKET RISK

The Company has net assets and liabilities denominated in numerous foreign currencies and uses various methods to manage its exposure to foreign currency exchange risk. The Company predominantly structures its drilling rig contracts in U.S. dollars, which significantly reduces the portion of the Company's cash flows and assets denominated in foreign currencies. The Company also employs various strategies, including the use of derivative instruments, to match foreign currency denominated assets with equal or near equal amounts of foreign currency denominated liabilities, thereby minimizing exposure to earnings fluctuations caused by changes in foreign currency exchange rates. The Company also utilizes derivative instruments to hedge forecasted foreign currency denominated transactions. At March 31, 2005, the Company had foreign currency exchange contracts outstanding to exchange $59.2 million U.S. dollars for Australian dollars, Great Britain pounds and Euros, all of which mature during the next 12 months. Based on a hypothetical 10% adverse change in foreign currency exchange rates, the net unrealized loss associated with the Company's foreign currency denominated assets and liabilities and related foreign currency exchange contracts as of March 31, 2005 would approximate $2.5 million.

The Company uses various derivative financial instruments to manage its exposure to interest rate risk. The Company occasionally uses interest rate swap agreements to effectively convert the variable interest rate on debt to a fixed rate or the fixed rate on debt to a variable rate, and interest rate lock agreements to hedge against increases in interest rates on pending financing. At March 31, 2005, the Company had no outstanding interest rate swap agreements or interest rate lock agreements.

The Company utilizes derivative instruments and undertakes hedging activities in accordance with its established policies for the management of market risk. The Company does not enter into derivative instruments for trading or other speculative purposes. Management believes that the Company's use of derivative instruments and related hedging activities do not expose the Company to any material interest rate risk, foreign currency exchange rate risk, commodity price risk, credit risk or any other market rate or price risk.

OUTLOOK

Changes in industry conditions and the corresponding impact on the Company's operations cannot be accurately predicted because of the short-term nature of many of the Company's contracts and the volatility of oil and natural gas prices, which impact expenditures for oil and gas drilling, rig utilization and day rates. Whether recent levels of regional and worldwide expenditures for oil and gas drilling will increase, decrease or remain unchanged, is not determinable at this time. Management's current plans and expectations relative to its major areas of operations and near-term industry conditions are detailed below.

Rig Construction

ENSCO 107 remains under construction by KFELS in Singapore and on schedule for delivery in late 2005 or early 2006. In April 2005, the Company entered into an agreement with KFELS for the construction of ENSCO 108, which will also be constructed in Singapore, with delivery expected during the first quarter of 2007. ENSCO 107 and ENSCO 108 will be enhanced KFELS MOD V (B) designs modified to ENSCO specifications and nearly identical to the recently delivered ENSCO 106.

Rig Enhancements

ENSCO 67 is currently in a Singapore shipyard for major enhancements and is scheduled to commence operations offshore Australia in July 2005. ENSCO 76 is in a shipyard undergoing modifications in preparation for a three-year contract to commence offshore Saudi Arabia in August 2005. ENSCO 99 is in a shipyard undergoing enhancements and is projected to return to service in the Gulf of Mexico during May 2005. ENSCO 89 entered a shipyard in April 2005 for enhancement procedures and is projected to return to service in the Gulf of Mexico during August 2005.

The Company plans to commence enhancement procedures on two additional Gulf of Mexico jackup rigs during 2005, including a major enhancement with projected shipyard duration of nine months commencing in May and an enhancement with projected shipyard duration of five months commencing in July. The Company also plans to commence enhancement procedures on two Asia Pacific jackup rigs during 2005, including a project scheduled to commence in July in preparation for a two-year contract to commence offshore Saudi Arabia in October and a project scheduled to commence in October in preparation for a one-year contract to commence offshore New Zealand in January 2006.

North America

As of April 25, 2005, all of the Company's jackup rigs in the North America region not undergoing enhancement procedures are under contract. The ENSCO 7500, the Company's deep water semisubmersible rig, is currently working and committed into the third quarter of 2007.

As of April 25, 2005, one of the Company's three platform rigs is idle and the other two are working under contracts with expected completion dates in November 2005 and January 2006. The Company's three platform rigs have experienced moderate utilization levels over the previous five years, primarily as a result of reduced opportunities for deep-well drilling contracts. The Company's platform rigs, which are all capable of completing 25,000 to 30,000 feet wells, are best suited for long-term, deep well drilling applications where the platform rig components will stay in place for a substantial period of time. The Company's platform rigs currently compete against smaller, easier to mobilize and assemble, self-erecting platform rigs for shallow well drilling. The Company is not able to predict when there will be a recovery of drilling activity that will require a sustained use of the class of platform rigs owned and operated by the Company. The Company evaluated the carrying values of its platform rigs in December 2003 and determined such carrying values were not impaired. The Company will continue to perform such evaluations as circumstances dictate.

Europe/Africa

As of April 25, 2005, all of the Company's jackup rigs in the Europe/Africa region are working, with most committed beyond the second quarter of 2005. The Company expects some idle time during the second quarter of 2005, primarily for regulatory inspections and remedial procedures, repairs and minor improvements and upgrades.

Asia Pacific

As of April 25, 2005, all of the Company's jackup rigs in the Asia Pacific region not undergoing enhancement procedures are working except for ENSCO 104, which is in a shipyard after completing a three-year contract in early April and expects to return to service in May 2005. The Company currently has substantial backlog in the Asia Pacific region, with in excess of 4,000 rig days under contract in 2006 and thereafter.

South America/Caribbean

As of April 25, 2005, five of the Company's six barge rigs located in Venezuela are idle without work commitments. ENSCO II is working under a contract scheduled to be completed in October 2005. Due to the continuing political and economic instability in Venezuela, the Company believes the timing of a recovery of drilling activity in Venezuela is uncertain. The Company evaluated the carrying values of its barge rigs in December 2004 and determined such carrying values were not impaired. The Company will continue to perform such evaluations and monitor the situation in Venezuela, as circumstances dictate.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements and related disclosures in conformity with generally accepted accounting principles in the United States requires the Company's management to make estimates, judgments and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The Company's significant accounting policies are included in Note 1 to the Consolidated Financial Statements for the year ended December 31, 2004 included in the Company's Annual Report to the Securities and Exchange Commission on Form 10-K. These policies, along with the underlying assumptions and judgments made by the Company's management in their application, have a significant impact on the Company's consolidated financial statements. The Company identifies its most critical accounting policies as those that are the most pervasive and important to the portrayal of the Company's financial position and results of operations, and that require the most difficult, subjective and/or complex judgments by management regarding estimates about matters that are inherently uncertain. The Company's most critical accounting policies are those related to property and equipment, impairment of long-lived assets and goodwill, and income taxes.

Property and Equipment

At March 31, 2005, the carrying value of the Company's property and equipment totaled $2,558.9 million, which represents 76% of total assets. This carrying value reflects the application of the Company's property and equipment accounting policies, which incorporate estimates, assumptions and judgments by management relative to the capitalized costs, useful lives and salvage values of the Company's rigs.

The Company develops and applies property and equipment accounting policies that are designed to appropriately and consistently capitalize those costs incurred to enhance, improve and extend the useful lives of its assets and expense those costs incurred to repair or maintain the existing condition or useful lives of its assets. The development and application of such policies requires judgment and assumptions by management relative to the nature of, and benefits from, expenditures on Company assets. The Company establishes property and equipment accounting policies that are designed to depreciate or amortize its assets over their estimated useful lives. The assumptions and judgments used by management in determining the estimated useful lives of its property and equipment reflect both historical experience and expectations regarding future operations, utilization and performance of its assets. The use of different estimates, assumptions and judgments in the establishment of property and equipment accounting policies, especially those involving the useful lives of the Company's rigs, would likely result in materially different carrying values of assets and results of operations.

For additional information concerning the useful lives of the Company's drilling rigs, including an analysis of the impact of various changes in useful life assumptions, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates" in our Annual Report on Form 10-K for the year ended December 31, 2004.

Impairment of Long-Lived Assets and Goodwill

The Company evaluates the carrying value of its property and equipment, primarily its drilling rigs, when events or changes in circumstances indicate that the carrying value of such rigs may not be recoverable. Generally, extended periods of idle time and/or inability to contract rigs at economical rates are an indication that a rig may be impaired. However, the offshore drilling industry is highly cyclical and it is not unusual for rigs to be unutilized or underutilized for significant periods of time and subsequently resume full or near full utilization when business cycles change. Likewise, during periods of supply and demand imbalance, rigs are frequently contracted at or near cash break-even rates for extended periods of time until demand comes back into balance with supply. Impairment situations may arise with respect to specific individual rigs, groups of rigs, such as a specific type of drilling rig, or rigs in a certain geographic location. The Company's rigs are mobile and may be moved from markets with excess supply, if economically feasible. The Company's jackup rigs and semisubmersible rig are suited for, and accessible to, broad and numerous markets throughout the world. However, there are fewer economically feasible markets available to the Company's barge rigs and platform rigs.

The Company tests goodwill for impairment on an annual basis, or when events or changes in circumstances indicate that a potential impairment exists. The goodwill impairment test requires the Company to identify reporting units and estimate the fair value of those units as of the testing date. If the estimated fair value of a reporting unit exceeds its carrying value, its goodwill is considered not impaired. If the estimated fair value of a reporting unit is less than its carrying value, the Company estimates the implied fair value of the reporting unit's goodwill. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of the goodwill, an impairment loss is recognized in an amount equal to such excess. In the event the Company disposes drilling rig operations that constitute a business, goodwill would be allocated in the determination of gain or loss on sale. Based on the Company's test performed as of December 31, 2004, there was no impairment of goodwill.

Asset impairment evaluations are, by nature, highly subjective. In most instances they involve expectations of future cash flows to be generated by the Company's drilling rigs, and are based on management's assumptions and judgments regarding future industry conditions and operations, as well as management's estimates of future expected utilization, contract rates, expense levels and capital requirements of the Company's drilling rigs. The estimates, assumptions and judgments used by management in the application of the Company's asset impairment policies reflect both historical experience and an assessment of current operational, industry, economic and political environments. The use of different estimates, assumptions, judgments and expectations regarding future industry conditions and operations, would likely result in materially different carrying values of assets and results of operations.

For additional information concerning drilling rig impairment evaluations, including a analysis of the Company's six barge rigs and three platform rigs evaluated in December 2004, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates" in our Annual Report on Form 10-K for the year ended December 31, 2004.

Income Taxes

The Company conducts operations and earns income in numerous foreign countries and is subject to the laws of taxing jurisdictions within those countries, as well as U.S. federal and state tax laws. At March 31, 2005, the Company has a $356.1 million net deferred income tax liability and $67.9 million of accrued liabilities for income taxes currently payable.

The carrying values of deferred income tax assets and liabilities reflect the application of the Company's income tax accounting policies in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS 109"), and are based on management's assumptions and estimates regarding future operating results and levels of taxable income, as well as management's judgments regarding the interpretation of the provisions of SFAS 109. Carryforwards and tax credits are assessed for realization as a reduction of future taxable income by using a "more likely than not" determination. A U.S. deferred tax liability has not been recognized for undistributed earnings of foreign subsidiaries because it is not practicable to estimate. Should the Company elect to make a distribution of foreign earnings, or be deemed to have made a distribution of foreign earnings through application of various provisions of the Internal Revenue Code, it may be subject to additional U.S. income taxes.

The carrying values of liabilities for income taxes currently payable are based on management's interpretation of applicable tax laws, and incorporate management's assumptions and judgments regarding the use of tax planning strategies in various taxing jurisdictions. The use of different estimates, assumptions and judgments in connection with accounting for income taxes, especially those involving the deployment of tax planning strategies, may result in materially different carrying values of income tax assets and liabilities and results of operations.

The Company operates in many jurisdictions where tax laws relating to the offshore drilling industry are not well developed. In jurisdictions where available statutory law and regulations are incomplete or underdeveloped, the Company obtains professional guidance and considers existing industry practices before deploying tax planning strategies and meeting its tax obligations. Tax returns are routinely subject to audit in most jurisdictions and tax liabilities are frequently finalized through a negotiation process. While the Company has historically not experienced significant adjustments to previously recognized tax assets and liabilities as a result of finalizing tax returns, there can be no assurance that significant adjustments will not arise in the future. In addition, there are several factors that could cause the future level of uncertainty relating to the Company's tax liabilities to increase, including the following:

- During recent years the portion of the Company's overall operations conducted in foreign tax jurisdictions has been increasing and the Company currently anticipates this trend will continue.
- In order to deploy tax planning strategies and conduct foreign operations efficiently, the Company's subsidiaries frequently enter into transactions with affiliates, which are generally subject to complex tax regulations and frequently are reviewed by tax authorities.
- The Company may conduct future operations in certain tax jurisdictions where tax laws are not well developed and it may be difficult to secure adequate professional guidance.
- Tax laws, regulations, agreements and treaties change frequently, requiring the Company to modify existing tax strategies to conform to such changes.

NEW ACCOUNTING PRONOUNCEMENTS

In March 2005, the FASB issued Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations" ("FIN 47"). FIN 47 clarifies that the term "conditional asset retirement obligation" as used in Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations" ("SFAS 143"), refers to a legal obligation to perform an asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. FIN 47 is effective no later than the end of fiscal years ending after December 15, 2005. The Company is currently evaluating FIN 47 and does not anticipate it will have a material effect on its consolidated financial position, results of operations or cash flows.

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 123, (revised 2004) "Share-Based Payment" ("SFAS 123(R)"). This statement is a revision of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" as amended ("SFAS 123"), and requires entities to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. The cost will be recognized over the period during which an employee is required to provide services in exchange for the award (usually the vesting period). SFAS 123(R) covers various share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights and employee share purchase plans. SFAS 123(R) eliminates the ability to use the intrinsic value method of accounting for share options, as provided in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25"). SFAS 123(R) is effective for the first fiscal year beginning after June 15, 2005, with early adoption encouraged. The Company is currently evaluating the statement's transition methods and does not expect this statement to have an effect materially different than that of the pro forma SFAS 123 disclosures provided in Note 2 to the Company's Consolidated Financial Statements.

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 153, "Exchanges of Nonmonetary Assets, an amendment of APB Opinion No. 29" ("SFAS 153"). This Statement amends APB Opinion No. 29 to permit the exchange of nonmonetary assets to be recorded on a carry over basis when the nonmonetary assets do not have commercial substance. This is an exception to the basic measurement principal of measuring a nonmonetary asset exchange at fair value. A nonmonetary asset exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. SFAS 153 is effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. If the Company enters into significant nonmonetary asset exchanges in the future, SFAS 153 could have a material effect on its consolidated financial position, results of operations or cash flows.

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, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures, as defined in Rule 13a-15 under the Securities and Exchange Act of 1934 (the "Exchange Act"), are effective to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

During the fiscal quarter ended March 31, 2005, no significant change occurred in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. *Legal Proceedings*

During January 2005, notice of arbitration was submitted to the Company in relation to a claim under a contract entered into with Titan Maritime LLC (the "contractor") relating to the salvage of the ENSCO 64 legs, major portions of which were imbedded in the sea floor in the aftermath of Hurricane Ivan. The dispute with the contractor arose following termination of the salvage contract by the Company due to various equipment breakdowns, inadequacies and asserted breaches of contract. The contractor's arbitration claim was effectively enjoined when the Company petitioned the U.S. District Court in Brownsville, Texas for relief, and the claim ultimately was subject to a mediation and settlement pursuant to which the Company received a $4.6 million net reduction in the amount claimed by the contractor. It is not envisioned that the favorable resolution of this matter will have any ultimate impact upon the Company's results of operations inasmuch as the amounts due to the contractor from the Company are part and parcel of the Company's insurance claim arising out of the damage sustained by ENSCO 64 during Hurricane Ivan.

The Company has been notified that it may be subjected to criminal liability under the U.K. Heath and Safety Executive Act in connection with a fatal injury suffered by an employee on one of its rigs during May 2003. The matter is currently under review by U.K. authorities and the Company has not formally been charged with an offense. Should the Company be charged and criminal liability be established, the Company is subject to a monetary fine. The Company currently believes it has established a sufficient reserve in relation to this matter.

In August 2004, the Company and certain subsidiaries were named as defendants in three multi-party lawsuits filed in Mississippi State courts involving numerous other companies as co-defendants. The lawsuits seek an unspecified amount of monetary damages on behalf of approximately 120 named individuals alleging personal injury or death, including claims under the Jones Act, purportedly resulting from exposure to asbestos on drilling rigs and associated facilities during the period 1965 through 1986. The lawsuits are in very preliminary stages and the Company has not been able to determine the number of plaintiffs that were employed by the Company or its subsidiaries or otherwise associated with its drilling operations during the relevant period. The Company has filed responsive pleadings preserving all defenses and challenges to jurisdiction or venue, and intends to vigorously defend against the litigation. Based on information currently available, the Company cannot reasonably estimate a range of potential liability exposure, if any. While the Company does not expect the resolution of these lawsuits to have a material adverse effect on its financial position, results of operations or cash flows, there can be no assurance as to the ultimate outcome of these lawsuits.

Legislation known as the U.K. Working Time Directive was introduced in August 2003 and may be applicable to employees of the Company and other drilling contractors that work offshore in U.K. territorial waters or in the U.K. sector of the North Sea. Certain unions representing offshore employees have claimed that drilling contractors are not in compliance with the U.K. Working Time Directive in respect of paid time off (vacation time) for employees working offshore on a rotational basis (equal time working and off). Based on the information available at this time, the Company does not expect the resolution of this matter to have a material adverse effect on its financial position, results of operations or cash flows.

The Company and its subsidiaries are named defendants in certain lawsuits and are involved from time to time as parties to governmental proceedings, including matters related to taxation, all arising in the ordinary course of business. Although the outcome of lawsuits or other proceedings involving the Company and its subsidiaries 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, management does not expect these matters to have a material effect on the financial position, results of operations or cash flows of the Company.

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

Following is a summary of all repurchases by the Company of its common stock during the three month period ended March 31, 2005:

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under Plans or Programs
January	--	--	--	--
February	1,181	$39.22	--	--
March	--	--	--	--
Total	1,181	$39.22	--	--

All of the shares repurchased during the three month period ended March 31, 2005 were surrendered by employees in connection with the settlement of income tax and related benefit withholding obligations arising from vesting of restricted stock grants.

Item 6. *Exhibits*

(a) Exhibits Filed with this Report

Exhibit No.

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

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SIGNATURES

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

ENSCO INTERNATIONAL INCORPORATED

Date: April 26, 2005

/s/ H. E. MALONE, JR.
H. E. Malone, Jr.
Vice President

/s/ DAVID A. ARMOUR
David A. Armour
Controller

Exhibit 15.1

April 26, 2005

ENSCO International Incorporated
500 North Akard Street
Suite 4300
Dallas, Texas 75201-3331

Re: Registration Statement on Form S-3, (No. 33-42965, 33-46500, 33-49590, 33-43756, 33-64642, 333-03575, and 333-3789), Form S-8 (No. 333-58625, 33-14714, 33-32447, 33-35862, 33-40282, and 33-41294).

With respect to the subject registration statements, we acknowledge our awareness of the use therein of our report dated April 25, 2005 related to our review of interim financial information.

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. It should be noted, we have not performed any procedures subsequent to April 25, 2005.

/s/ KPMG LLP

Dallas, Texas

Exhibit 31.1

CERTIFICATION

I, Carl F. Thorne, certify that:

1. I have reviewed this report on Form 10-Q of ENSCO International Incorporated (the "Company");

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 Company as of, and for, the periods presented in this report;

4. The Company'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 Company 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 Company, 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 Company'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 Company's internal control over financial reporting that occurred during the Company'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 Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company'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 Company'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 26, 2005

/s/ CARL F. THORNE

Carl F. Thorne
Chairman of the Board and
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, J. W. Swent, certify that:

1. I have reviewed this report on Form 10-Q of ENSCO International Incorporated (the "Company");

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 Company as of, and for, the periods presented in this report;

4. The Company'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 Company 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 Company, 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 Company'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 Company's internal control over financial reporting that occurred during the Company'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 Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company'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 Company'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 26, 2005

/s/ J. W. SWENT

J. W. Swent
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 International Incorporated (the "Company") on Form 10-Q for the period ending March 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Carl F. Thorne, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; 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 F. THORNE

Carl F. Thorne
Chairman of the Board and
Chief Executive Officer
April 26, 2005

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 International Incorporated (the

"Company") on Form 10-Q for the period ending March 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, J. W. Swent, 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, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; 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/ J. W. SWENT

J. W. Swent
Senior Vice President and
Chief Financial Officer
April 26, 2005
