

ENSCO PLC

FORM 8-K (Current report filing)

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

FORM 8-K

CURRENT REPORT

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

DATE OF REPORT (Date of earliest event reported): August 18, 2009

ENSCO International Incorporated

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation)

1-8097

(Commission File Number)

76-0232579

(I.R.S. Employer
Identification No.)

**500 North Akard Street
Suite 4300
Dallas, Texas 75201-3331**

(Address of Principal Executive Offices and Zip Code)

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

Not Applicable

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

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

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

Item 2.02 Results of Operations and Financial Condition

Attached hereto as Exhibit 99.1 is a Rig Contract Status Report of ENSCO International Incorporated as of August 18, 2009.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---|
| 99.1 | Rig Contract Status Report of ENSCO International Incorporated as of August 18, 2009. |

SIGNATURES

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

ENSCO International Incorporated

Date: August 18, 2009

/s/ DAVID A. ARMOUR
David A. Armour
Vice President - Finance

/s/ DOUGLAS J. MANKO
Douglas J. Manko
Controller

EXHIBIT INDEX

| <u>Exhibit No.</u> | <u>Description</u> |
|---------------------------|---|
| 99.1 | Rig Contract Status Report of ENSCO International Incorporated as of August 18, 2009. |



ENSCO INTERNATIONAL INCORPORATED
Rig Contract Status Report
As of August 18, 2009

Statements contained in the Rig Contract Status Report regarding the Company's estimated rig availability, contract duration, future rig rates and cost adjustments, customers or contract status (including letters of intent) are forward-looking statements made pursuant to the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include references to future rig rates, cost adjustments, utilization, rig enhancement projections, shipyard construction or work completion, and other contract or letter of intent commitments, including new rig commitments, the period of time and number of rigs that will be in a shipyard for repairs, maintenance, enhancement or construction, scheduled delivery dates for new rigs, and scheduled commencement dates for new contracts and rig relocations. It is important to note that our actual results could differ materially from those projected in such forward-looking statements. The factors that could cause actual results to differ materially from those in the forward-looking statements include the following: (i) industry conditions and competition, including changes in rig supply and demand or new technology, (ii) risks associated with the current global economic crisis and its impact on capital markets and liquidity, (iii) prices of oil and natural gas in general and the current depressed prices in particular and the impact of commodity prices upon future levels of drilling activity and expenditures, (iv) further declines in rig activity which may cause us to idle or stack additional rigs, (v) excess rig availability or supply resulting from delivery of new drilling rigs, (vi) heavy concentration of our rig fleet in premium jackups, (vii) cyclical nature of the industry, (viii) worldwide expenditures for oil and natural gas drilling, (ix) changes in the timing of revenue recognition resulting from the deferral of revenues payable by our customers (which are recognized over the contract term upon commencement of drilling operations) for mobilization of our drilling rigs, time waiting on weather or time in shipyards, (x) operational risks, including hazards created by severe storms and hurricanes, (xi) risks associated with offshore rig operations or rig relocations in general and in foreign jurisdictions in particular, (xii) renegotiation, nullification, cancellation or breach of contracts or letters of intent with customers or other parties, including failure to negotiate definitive contracts following announcements or receipt of letters of intent, (xiii) inability to collect receivables, (xiv) changes in the dates new contracts actually commence, (xv) changes in the dates our rigs will enter a shipyard, be delivered, return to service or enter service, (xvi) risks inherent to domestic and foreign shipyard rig construction, repair or enhancement, including risks associated with concentration of our ENSCO 8500 Series® rig construction contracts in a single foreign shipyard, unexpected delays in equipment delivery and engineering or design issues following shipyard delivery, (xvii) availability of transport vessels to relocate rigs, (xviii) environmental or other liabilities, risks or losses, whether related to hurricane damage, losses or liabilities (including wreckage or debris removal) in the Gulf of Mexico or otherwise, that may arise in the future and are not covered by insurance or indemnity in whole or in part, (xix) limited availability or high cost of insurance coverage for certain perils such as hurricanes in the Gulf of Mexico or associated removal of wreckage or debris, (xx) self-imposed or regulatory limitations on drilling locations in the Gulf of Mexico during hurricane season, (xxi) impact of current and future government laws and regulation affecting the oil and gas industry in general and our operations in particular, including taxation as well as repeal or modification of same, (xxii) governmental action and political and economic uncertainties, including expropriation, nationalization, confiscation or deprivation of our assets, (xxiii) terrorism or military action impacting our operations, assets or financial performance, (xxiv) our ability to attract and retain skilled personnel, (xxv) outcome of litigation, legal proceedings, investigations, or insurance or other claims, (xxvi) adverse changes in foreign currency exchange rates, including their impact on the fair value measurement of our derivative financial instruments, (xxvii) potential long-lived asset or goodwill impairments, (xxviii) potential reduction in fair value of our auction rate securities, and (xxix) other risks as described from time to time as Risk Factors and otherwise in the Company's SEC filings. Copies of such SEC filings may be obtained at no charge by contacting our Investor Relations Department at 214-397-3045 or by referring to the Investor Relations section of our website at www.enscointernational.com. All information in this report and related news release is as of the date posted. The Company undertakes no duty to update any forward-looking statement, to conform the statement to actual results, or reflect changes in the Company's expectations.

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

| Segment / Region / Rig | Design (1) | Water Depth' (1) | Customer/Status | Day Rate \$000's US | Location | Est. Avail/ Contract Change | Comments |
|--|------------------------|------------------|---|---------------------|----------------|-----------------------------|---|
| Deepwater | | | | | | | |
| Australia | | | | | | | |
| ENSCO 7500 | Dynamically Positioned | 8000 | Chevron | Low 550s | Australia | Sep. 10 | <u>Mob day rate of mid 360s and reimbursable mobilization expenses deferred and amortized over contract. In total, these equal approx. \$170,000 per day over the contract term as noted in the 2Q09 SEC Form 10-Q. Plus cost adjustments and unpriced options. 3Q09 revenue will be reduced by approx. \$19 million for non-routine downtime</u> |
| U.S. Gulf of Mexico | | | | | | | |
| ENSCO 8500 | Dynamically Positioned | 8500 | Eni/Anadarko | <u>Low 300s</u> | Gulf of Mexico | Jun. 13 | <u>Plus lump sum payment of \$20 million and one-time reimbursable costs of \$27 million amortized over contract. Plus cost adjustments and four 1-year same-rate options</u> |
| ENSCO 8501 | Dynamically Positioned | 8500 | <u>Thruster install/ sea trials/ outfitting</u> | | Gulf of Mexico | Oct. 09 | <u>Next commences operations for Nexen and Noble Energy mid Oct. 09 to Apr. 13, mid 370s plus cost adjustments and unpriced options</u> |
| ENSCO 8502 | Dynamically Positioned | 8500 | Under construction | | Singapore | 1Q10 | <u>Contracted in Gulf of Mexico to Nexen commencing late 2Q10 to 2Q12, mid 480s plus cost adjustments. Contract can change to 3 or 4 year term at operator's election at the same day rate</u> |
| ENSCO 8503 | Dynamically Positioned | 8500 | Under construction | | Singapore | 4Q10 | <u>Contracted in Gulf of Mexico to Cobalt commencing early 2011 for 2 years, high 520s plus cost adjustments and priced & unpriced options</u> |
| Under Construction - uncontracted | | | | | | | |
| ENSCO 8504 | Dynamically Positioned | 8500 | Under construction | | Singapore | 2H11 | |
| ENSCO 8505 | Dynamically Positioned | 8500 | Under construction | | Singapore | 1H12 | |
| ENSCO 8506 | Dynamically Positioned | 8500 | Under construction | | Singapore | 2H12 | |

(1) ENSCO 8500 Series® rigs are proprietary design, ultra-deepwater, dynamically positioned, semisubmersibles and may be modified for drilling in up to 10,000' water depths.

Note: The day rates reflected in this Rig Contract Status Report are the operating day rates charged to customers, which may include estimated contractual adjustments for changes in operating costs and/or reimbursable cost adjustments for ongoing expenses such as crew, catering, insurance and taxes. The day rates, however, do not include certain types of non-recurring revenues such as lump sum mobilization payments, revenues earned during mobilizations, revenues associated with contract preparation and other non-recurring reimbursable items such as

mobilizations and capital enhancements. Routine and non-routine downtime may influence the actual revenues recognized during the contract term. Please refer to the Company's SEC filings for more information.



ENSCO INTERNATIONAL INCORPORATED
Rig Contract Status Report
As of August 18, 2009

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| Segment / Region / Rig | Design | Water Depth' | Customer/Status | Day Rate \$000's US | Location | Est. Avail/ Contract Change | Comments |
|---------------------------------|--------------------|--------------|-------------------|---------------------|------------------|-----------------------------|---|
| Asia & Pacific Rim | | | | | | | |
| Middle East/India | | | | | | | |
| ENSCO 50 | F&G L-780 Mod II-C | 300 | Available | | UAE | | |
| ENSCO 53 | F&G L-780 Mod II-C | 300 | BG | Low 100s | India | Feb. 10 | Plus one 3-month same rate option and one 6-month unpriced option |
| ENSCO 54 | F&G L-780 Mod II-C | 300 | ADOC | Low 150s | UAE / Qatar | Nov. 10 | Plus cost adjustments and unpriced option |
| ENSCO 76 | MLT Super 116-C | 350 | Saudi Aramco | Mid 120s | Saudi Arabia | <u>Sep. 10</u> | <u>Rate increases mid Sep. 09, high 130s</u> |
| ENSCO 84 | MLT 82 SD-C | 250 | Maersk | Low 170s | Qatar | Nov. 09 | Plus cost adjustments |
| ENSCO 88 | MLT 82 SD-C | 250 | Shipyard/ Ras Gas | Average Low 70s | Bahrain/ Qatar | <u>Aug. 10</u> | Average shipyard rate to Sep. 09, low 70s. Then return to operations, mid 80s. One 5-well option, high 90s and one 4-well option, mid 110s |
| ENSCO 94 | Hitachi 250-C | 250 | Ras Gas | Mid 60s | Qatar | May 12 | Rate increases Jun. 10, high 60s. One 1-well option, mid 110s |
| ENSCO 95 | Hitachi 250-C | 250 | Saudi Aramco | Mid 80s | Saudi Arabia | Nov. 09 | One 1-year option, mid 90s |
| ENSCO 96 | Hitachi 250-C | 250 | Available | | Bahrain | | |
| ENSCO 97 | MLT 82 SD-C | 250 | Available | | Bahrain | | |
| Southeast Asia/Australia | | | | | | | |
| ENSCO 51 | F&G L-780 Mod II-C | 300 | <u>Committed</u> | | <u>Indonesia</u> | | <u>Early Sep. 09 commences work for Pertamina to Apr. 10, mid 80s</u> |
| ENSCO 52 | F&G L-780 Mod II-C | 300 | Petronas Carigali | Mid 160s | Malaysia | Nov. 10 | Plus cost adjustments and unpriced options |
| ENSCO 56 | F&G L-780 Mod II-C | 300 | Available | | Malaysia | | |
| ENSCO 57 | F&G L-780 Mod II-C | 300 | Petronas Carigali | Mid 160s | Malaysia | Jan. 10 | Plus cost adjustment and unpriced options |
| ENSCO 67 | MLT 84-CE | 400 | Available | | Malaysia | | |
| ENSCO 104 | KFELS MOD V-B | 400 | ConocoPhillips | Mid 210s | Australia | Jan. 10 | Plus cost adjustments and seven 1-well unpriced options |
| ENSCO 106 | KFELS MOD V-B | 400 | Available | | Malaysia | | |
| ENSCO 107 | KFELS MOD V-B | 400 | OMV | <u>Mid 190s</u> | New Zealand | Oct. 09 | <u>Rate to mid Oct. 09, mid 190s, then to late Oct. 09, high 180s</u> |
| ENSCO 108 | KFELS MOD V-B | 400 | Total | Mid 190s | Brunei | Jun. 10 | Two 6-month options at market rate. Option exercise would result in a retroactive reduction in firm period rate to low 160s with options at market rate but floor in low 140s for first option period |
| ENSCO I | Barge Rig | | Cold stacked | | Singapore | | |

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| Segment / Region / Rig | Design | Water Depth' | Customer/Status | Day Rate \$000's US | Location | Est. Avail/ Contract Change | Comments |
|---|------------------|--------------|-----------------|---------------------|----------------|-----------------------------|--|
| Europe & Africa | | | | | | | |
| North Sea | | | | | | | |
| ENSCO 70 | Hitachi K1032N | 250 | Maersk | Mid 110s | Denmark | <u>Sep. 09</u> | On accommodation and five 1-week options, low 110s |
| ENSCO 71 | Hitachi K1032N | 225 | Maersk | <u>Mid 90s</u> | Denmark | <u>Oct. 09</u> | |
| ENSCO 72 | Hitachi K1025N | 225 | Available | | UK | | |
| ENSCO 80 | MLT 116-CE | 225 | ConocoPhillips | Low 100s | UK | Dec. 12 | In non-drilling support mode to Sep. 09 plus cost adjustments. Then sublet to Ithaca to Nov. 09, low 130s, plus one 14 day option in accommodation mode, low 80s. Then contract to be suspended to Feb. 10. Rates mutually agreed annually |
| ENSCO 92 | MLT 116-C | 225 | EIS Consortium* | Mid 210s | UK | Feb. 10 | Plus cost adjustments. Rate from Jan. 10, low 150s and two unpriced options |
| ENSCO 100 | MLT 150-88-C | 350 | Shipyard | | Poland | Oct. 09 | |
| ENSCO 101 | KFELS MOD V-A | 400 | Available | | UK | | |
| ENSCO 102 | KFELS MOD V-A | 400 | ConocoPhillips | Low 200s | UK | Dec. 11 | Plus cost adjustments. Rate to Jan. 10, thereafter to be negotiated |
| Africa | | | | | | | |
| ENSCO 85 | MLT 116-C | 300 | Available | ----- | Tunisia | ----- | |
| ENSCO 105 | KFELS MOD V-B | 400 | BG | Low 200s | Tunisia | May 10 | Plus cost adjustments and unpriced option |
| *EIS (East Irish Sea Consortium) - Venture, BHPB, HRL Centrica, EOG | | | | | | | |
| North & South America | | | | | | | |
| U.S. Gulf of Mexico | | | | | | | |
| ENSCO 60 | Levingston 111-C | 300 | Cold stacked | | Gulf of Mexico | | |
| ENSCO 75 | MLT Super 116-C | 400 | Available | ----- | Gulf of Mexico | ----- | ----- |
| ENSCO 82 | MLT 116-C | 300 | Chevron | Mid 150s | Gulf of Mexico | Jan. 10 | |
| ENSCO 83 | MLT 82 SD-C | 250 | Shipyard | | Gulf of Mexico | Aug. 09 | Next to Pemex in Mexico commencing Sep. 09 to Nov. 12, low 110s plus cost adjustments |
| ENSCO 86 | MLT 82 SD-C | 250 | Available | | Gulf of Mexico | | |
| ENSCO 87 | MLT 116-C | 350 | Available | ----- | Gulf of Mexico | ----- | ----- |
| ENSCO 90 | MLT 82 SD-C | 250 | Cold stacked | | Gulf of Mexico | | |
| ENSCO 99 | MLT 82 SD-C | 250 | Available | | Gulf of Mexico | | |
| Mexico | | | | | | | |
| ENSCO 81 | MLT 116-C | 350 | Pemex | Low 100s | Mexico | Jun. 10 | Indexed to global rates, adjusts late Dec. 09 |
| ENSCO 89 | MLT 82 SD-C | 250 | Pemex | <u>Low 100s</u> | Mexico | Mar. 12 | Rates adjust to global index rate every 3 months (next Nov. 09) |
| ENSCO 93 | MLT 82 SD-C | 250 | Pemex | Mid 160s | Mexico | Mar. 12 | Rates adjust to global index rate after initial 6 months (Oct. 09) and every 3 months thereafter |
| ENSCO 98 | MLT 82 SD-C | 250 | Pemex | Low 110s | Mexico | Apr. 12 | Plus cost adjustments |
| Venezuela | | | | | | | |
| ENSCO 68 | MLT 84-CE | 400 | Chevron | Low 200s | Venezuela | <u>Jan. 10</u> | Chevron assigned contract to Repsol to Sep. 09 plus one same rate 1-well option. Then to MORUY II (Teikoku) |

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