

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

FORM 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended **March 31, 2017**
OR
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number 001-08097

Enesco plc

(Exact name of registrant as specified in its charter)

England and Wales
(State or other jurisdiction of
incorporation or organization)

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

6 Chesterfield Gardens
London, England
(Address of principal executive offices)

W1J 5BQ
(Zip Code)

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

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

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

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-Accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>
		Emerging-growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

As of April 21, 2017, there were 303,500,188 Class A ordinary shares of the registrant issued and outstanding.

ENSCO PLC
INDEX TO FORM 10-Q
FOR THE QUARTER ENDED MARCH 31, 2017

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FORWARD-LOOKING STATEMENTS

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

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

- changes in future levels of drilling activity and expenditures by our customers, whether as a result of global capital markets and liquidity, prices of oil and natural gas or otherwise, which may cause us to idle or stack additional rigs;
- changes in worldwide rig supply and demand, competition or technology, including as a result of delivery of newbuild drilling rigs;
- downtime and other risks associated with offshore rig operations, including rig or equipment failure, damage and other unplanned repairs, the limited availability of transport vessels, hazards, self-imposed drilling limitations and other delays due to severe storms and hurricanes and the limited availability or high cost of insurance coverage for certain offshore perils, such as hurricanes in the Gulf of Mexico or associated removal of wreckage or debris;
- governmental action, terrorism, piracy, military action and political and economic uncertainties, including uncertainty or instability resulting from civil unrest, political demonstrations, mass strikes, or an escalation or additional outbreak of armed hostilities or other crises in oil or natural gas producing areas of the Middle East, North Africa, West Africa or other geographic areas, which may result in expropriation, nationalization, confiscation or deprivation of our assets or suspension and/or termination of contracts based on force majeure events;
- risks inherent to shipyard rig construction, repair, modification or upgrades, unexpected delays in equipment delivery, engineering, design or commissioning issues following delivery, or changes in the commencement, completion or service dates;
- possible cancellation, suspension, renegotiation or termination (with or without cause) of drilling contracts as a result of general and industry-specific economic conditions, mechanical difficulties, performance or other reasons;
- our ability to enter into, and the terms of, future drilling contracts, including contracts for our newbuild units, for rigs currently idled and for rigs whose contracts are expiring;

- the outcome of litigation, legal proceedings, investigations or other claims or contract disputes, including any inability to collect receivables or resolve significant contractual or day rate disputes, any renegotiation, nullification, cancellation or breach of contracts with customers or other parties and any failure to execute definitive contracts following announcements of letters of intent;
- governmental regulatory, legislative and permitting requirements affecting drilling operations, including limitations on drilling locations (such as the Gulf of Mexico during hurricane season);
- new and future regulatory, legislative or permitting requirements, future lease sales, changes in laws, rules and regulations that have or may impose increased financial responsibility, additional oil spill abatement contingency plan capability requirements and other governmental actions that may result in claims of force majeure or otherwise adversely affect our existing drilling contracts, operations or financial results;
- our ability to attract and retain skilled personnel on commercially reasonable terms, whether due to labor regulations, unionization or otherwise;
- environmental or other liabilities, risks, damages or losses, whether related to storms or hurricanes (including wreckage or debris removal), collisions, groundings, blowouts, fires, explosions, other accidents, terrorism or otherwise, for which insurance coverage and contractual indemnities may be insufficient, unenforceable or otherwise unavailable;
- our ability to obtain financing and pursue other business opportunities may be limited by our debt levels, debt agreement restrictions and the credit ratings assigned to our debt by independent credit rating agencies;
- tax matters, including our effective tax rates, tax positions, results of audits, changes in tax laws, treaties and regulations, tax assessments and liabilities for taxes;
- delays in contract commencement dates or the cancellation of drilling programs by operators;
- adverse changes in foreign currency exchange rates, including their effect on the fair value measurement of our derivative instruments; and
- potential long-lived asset impairments.

In addition to the numerous risks, uncertainties and assumptions described above, you should also carefully read and consider "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part I and "Item 1A. Risk Factors" in Part II of this report and "Item 1A. Risk Factors" in Part I and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II of our annual report on Form 10-K for the year ended December 31, 2016, which is available on the U.S. Securities and Exchange Commission website at www.sec.gov. Each forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to publicly update or revise any forward looking statements, except as required by law.

PART I - FINANCIAL INFORMATION

Item 1. *Financial Statements*

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
Enesco plc:

We have reviewed the accompanying condensed consolidated balance sheet of Enesco plc and subsidiaries (the Company) as of March 31, 2017, and the related condensed consolidated statements of operations, comprehensive (loss) income, and cash flows for the three-month periods ended March 31, 2017 and 2016. These condensed consolidated financial statements are the responsibility of the Company's management.

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

We have previously audited, in accordance with standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Enesco plc and subsidiaries as of December 31, 2016, and the related consolidated statements of operations, comprehensive income (loss), and cash flows for the year then ended (not presented herein); and in our report dated February 28, 2017, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2016, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ KPMG LLP

Houston, Texas
April 27, 2017

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

	Three Months Ended March 31,	
	2017	2016
OPERATING REVENUES	\$ 471.1	\$ 814.0
OPERATING EXPENSES		
Contract drilling (exclusive of depreciation)	278.1	363.7
Depreciation	109.2	113.3
General and administrative	26.0	23.4
	413.3	500.4
OPERATING INCOME	57.8	313.6
OTHER INCOME (EXPENSE)		
Interest income	7.2	2.3
Interest expense, net	(58.6)	(65.1)
Other, net	(6.3)	(1.8)
	(57.7)	(64.6)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	.1	249.0
PROVISION FOR INCOME TAXES		
Current income tax expense	4.3	38.1
Deferred income tax expense	19.8	33.3
	24.1	71.4
(LOSS) INCOME FROM CONTINUING OPERATIONS	(24.0)	177.6
LOSS FROM DISCONTINUED OPERATIONS, NET	(.6)	(.9)
NET (LOSS) INCOME	(24.6)	176.7
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(1.1)	(1.4)
NET (LOSS) INCOME ATTRIBUTABLE TO ENSCO	\$ (25.7)	\$ 175.3
(LOSS) EARNINGS PER SHARE - BASIC AND DILUTED		
Continuing operations	\$ (0.09)	\$ 0.74
Discontinued operations	—	—
	\$ (0.09)	\$ 0.74
NET (LOSS) INCOME ATTRIBUTABLE TO ENSCO SHARES - BASIC AND DILUTED	\$ (25.8)	\$ 172.8
WEIGHTED-AVERAGE SHARES OUTSTANDING		
Basic and Diluted	300.6	232.5
CASH DIVIDENDS PER SHARE	\$ 0.01	\$ 0.01

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

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

	Three Months Ended March 31,	
	<u>2017</u>	<u>2016</u>
NET (LOSS) INCOME	\$ (24.6)	\$ 176.7
OTHER COMPREHENSIVE INCOME (LOSS), NET		
Net change in fair value of derivatives	3.1	3.5
Reclassification of net losses on derivative instruments from other comprehensive income into net income	.9	5.9
Other	.5	(.1)
NET OTHER COMPREHENSIVE INCOME	4.5	9.3
COMPREHENSIVE (LOSS) INCOME	(20.1)	186.0
COMPREHENSIVE INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(1.1)	(1.4)
COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO ENSCO	\$ (21.2)	\$ 184.6

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

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

	March 31, 2017	December 31, 2016
	(Unaudited)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 271.7	\$ 1,159.7
Short-term investments	1,805.6	1,442.6
Accounts receivable, net	324.1	361.0
Other	312.2	316.0
Total current assets	2,713.6	3,279.3
PROPERTY AND EQUIPMENT, AT COST	13,301.7	12,992.5
Less accumulated depreciation	2,181.0	2,073.2
Property and equipment, net	11,120.7	10,919.3
OTHER ASSETS, NET	138.0	175.9
	\$ 13,972.3	\$ 14,374.5
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable - trade	\$ 165.3	\$ 145.9
Accrued liabilities and other	343.2	376.6
Current maturities of long-term debt	37.6	331.9
Total current liabilities	546.1	854.4
LONG-TERM DEBT	4,905.9	4,942.6
OTHER LIABILITIES	294.5	322.5
COMMITMENTS AND CONTINGENCIES		
ENSCO SHAREHOLDERS' EQUITY		
Class A ordinary shares, U.S. \$.10 par value, 310.3 million shares issued as of March 31, 2017 and December 31, 2016	31.0	31.0
Class B ordinary shares, £1 par value, 50,000 shares authorized and issued as of March 31, 2017 and December 31, 2016	.1	.1
Additional paid-in capital	6,412.4	6,402.2
Retained earnings	1,821.4	1,864.1
Accumulated other comprehensive income	23.5	19.0
Treasury shares, at cost, 6.8 million and 7.3 million shares as of March 31, 2017 and December 31, 2016	(67.2)	(65.8)
Total Ensco shareholders' equity	8,221.2	8,250.6
NONCONTROLLING INTERESTS	4.6	4.4
Total equity	8,225.8	8,255.0
	\$ 13,972.3	\$ 14,374.5

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

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

	Three Months Ended March 31,	
	2017	2016
OPERATING ACTIVITIES		
Net (loss) income	\$ (24.6)	\$ 176.7
Adjustments to reconcile net (loss) income to net cash provided by operating activities of continuing operations:		
Depreciation expense	109.2	113.3
Deferred income tax expense	19.8	33.3
Share-based compensation expense	11.3	6.9
Loss on extinguishment of debt	3.4	—
Amortization of intangibles and other, net	(3.4)	(5.0)
Other	.4	1.5
Changes in operating assets and liabilities	(11.5)	(93.6)
Net cash provided by operating activities of continuing operations	104.6	233.1
INVESTING ACTIVITIES		
Purchases of short-term investments	(965.0)	(80.0)
Additions to property and equipment	(282.6)	(158.1)
Maturities of short-term investments	602.0	965.0
Other	.2	.1
Net cash (used in) provided by investing activities of continuing operations	(645.4)	727.0
FINANCING ACTIVITIES		
Reduction of long-term borrowings	(336.6)	—
Debt financing costs	(4.5)	—
Cash dividends paid	(3.2)	(2.4)
Other	(2.4)	(.5)
Net cash used in financing activities	(346.7)	(2.9)
Net cash (used in) provided by discontinued operations	(.6)	5.6
Effect of exchange rate changes on cash and cash equivalents	.1	(.1)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(888.0)	962.7
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1,159.7	121.3
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 271.7	\$ 1,084.0

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

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

Note 1 - Unaudited Condensed Consolidated Financial Statements

We prepared the accompanying condensed consolidated financial statements of Enesco plc and subsidiaries (the "Company," "Enesco," "our," "we" or "us") in accordance with accounting principles generally accepted in the United States of America ("GAAP"), pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") included in the instructions to Form 10-Q and Article 10 of Regulation S-X. The financial information included in this report is unaudited but, in our opinion, includes all adjustments (consisting of normal recurring adjustments) that are necessary for a fair presentation of our financial position, results of operations and cash flows for the interim periods presented. The December 31, 2016 condensed consolidated balance sheet data were derived from our 2016 audited consolidated financial statements, but do not include all disclosures required by GAAP. The preparation of our condensed consolidated financial statements requires us to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the related revenues and expenses and disclosures of gain and loss contingencies as of the date of the financial statements. Actual results could differ from those estimates.

The financial data for the quarters ended March 31, 2017 and 2016 included herein have been subjected to a limited review by KPMG LLP, our independent registered public accounting firm. The accompanying independent registered public accounting firm's review report is not a report within the meaning of Sections 7 and 11 of the Securities Act of 1933, and the independent registered public accounting firm's liability under Section 11 does not extend to it.

Results of operations for the quarter ended March 31, 2017 are not necessarily indicative of the results of operations that will be realized for the year ending December 31, 2017. We recommend these condensed consolidated financial statements be read in conjunction with our annual report on Form 10-K for the year ended December 31, 2016 filed with the SEC on February 28, 2017.

New Accounting Pronouncements

In October 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory* ("Update 2016-16"), which requires entities to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transaction occurs as opposed to deferring tax consequences and amortizing them into future periods. We adopted Update 2016-16 on a modified retrospective basis effective January 1, 2017. As a result of modified retrospective application, we reduced prepaid taxes on intercompany transfers of property and related deferred tax liabilities resulting in the recognition of a cumulative-effect reduction in retained earnings of \$14.1 million on our condensed consolidated balance sheet as of January 1, 2017. We do not expect a material impact to our 2017 operating results as a result of the adoption of Update 2016-16.

In March 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-09, *Compensation — Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* ("Update 2016-09"), which simplifies several aspects of accounting for share-based payment transactions including the income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. We adopted Update 2016-09 effective January 1, 2017. Our adoption of Update 2016-09 did not result in any cumulative effect on retained earnings and no adjustments have been made to prior periods. The new standard will cause volatility in our effective tax rates primarily due to the new requirement that companies recognize additional tax benefits or expenses in earnings related to the vesting or settlement of employee share-based awards, rather than in additional paid-in capital, during the period in which they occur. Furthermore, forfeitures are now recorded as they occur as opposed to estimating an allowance for future forfeitures.

During 2014, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("Update 2014-09"), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. Update 2014-09 is effective for annual and interim periods for fiscal years beginning after December 15, 2017. Subsequent to the issuance of Update 2014-09, the FASB issued several additional Accounting Standards Updates to clarify implementation guidance, provide narrow-scope improvements and provide additional disclosure guidance. Update 2014-09 will replace most existing revenue recognition guidance in U.S. GAAP and may be adopted using a retrospective, modified retrospective or prospective with a cumulative catch-up approach. Due to the significant interaction between Update 2014-09 and Accounting Standards Update 2016-02, *Leases (Topic 842): Amendments to the FASB Accounting Standards Codification* ("Update 2016-02"), we expect to adopt Update 2014-09 and Update 2016-02 concurrently with an effective date of January 1, 2018. We expect to apply the modified retrospective approach to our adoption. We are currently evaluating the effect that Update 2014-09 and Update 2016-02 will have on our consolidated financial statements and related disclosures.

In February 2016, the Financial Accounting Standards Board issued Update 2016-02, which requires an entity to recognize lease assets and lease liabilities on the balance sheet and to disclose key qualitative and quantitative information about the entity's leasing arrangements. This update is effective for annual and interim periods beginning after December 15, 2018, with early adoption permitted. A modified retrospective approach is required. During our evaluation of Update 2016-02, we have concluded that our drilling contracts contain a lease component, and upon adoption, we will be required to separately recognize revenues associated with the lease of our drilling rigs and the provision of contract drilling services. Due to the significant interaction between Update 2016-02 and Update 2014-09, we expect to adopt both updates concurrently with an effective date of January 1, 2018. We expect to apply the modified retrospective approach to our adoption. Adoption will result in increased disclosure of the nature of our leasing arrangements and may result in variability in our revenue recognition patterns relative to current U.S. GAAP based on the provisions in each of our drilling contracts. With respect to leases whereby we are the lessee, we expect to recognize lease liabilities and offsetting "right of use" assets ranging from approximately \$60 million to \$80 million upon adoption, based on our portfolio of leases as of March 31, 2017. We are currently evaluating the other impacts that Update 2016-02 and Update 2014-09 will have on our consolidated financial statements and related disclosures.

Note 2 - Fair Value Measurements

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

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
As of March 31, 2017				
Supplemental executive retirement plan assets	\$ 28.5	\$ —	\$ —	\$ 28.5
Total financial assets	\$ 28.5	\$ —	\$ —	\$ 28.5
Derivatives, net	\$ —	\$ (1.6)	\$ —	\$ (1.6)
Total financial liabilities	\$ —	\$ (1.6)	\$ —	\$ (1.6)
As of December 31, 2016				
Supplemental executive retirement plan assets	\$ 27.7	\$ —	\$ —	\$ 27.7
Total financial assets	\$ 27.7	\$ —	\$ —	\$ 27.7
Derivatives, net	\$ —	\$ (8.8)	\$ —	\$ (8.8)
Total financial liabilities	\$ —	\$ (8.8)	\$ —	\$ (8.8)

Supplemental Executive Retirement Plan Assets

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

Derivatives

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

Other Financial Instruments

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

	March 31, 2017		December 31, 2016	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
8.50% Senior notes due 2019	\$ 317.6	\$ 319.5	\$ 480.2	\$ 485.0
6.875% Senior notes due 2020	592.8	577.0	735.9	727.5
4.70% Senior notes due 2021	301.1	298.0	674.4	658.9
3.00% Exchangeable senior notes due 2024 (1)	613.5	834.6	604.3	874.7
4.50% Senior notes due 2024	618.7	530.1	618.6	536.0
8.00% Senior notes due 2024	338.7	335.7	—	—
5.20% Senior notes due 2025	663.0	583.6	662.8	582.3
7.20% Debentures due 2027	149.2	147.6	149.2	138.7
7.875% Senior notes due 2040	377.9	278.2	378.3	270.6
5.75% Senior notes due 2044	971.0	761.4	970.8	728.0
Total	\$ 4,943.5	\$ 4,665.7	\$ 5,274.5	\$ 5,001.7

(1) Our exchangeable senior notes due 2024 (the "2024 Convertible Notes") were issued with a conversion feature. The 2024 Convertible Notes were separated into their liability and equity components on our condensed consolidated balance sheet. The equity component was initially recorded to additional paid-in capital and as a debt discount that will be amortized to interest expense over the life of the instrument. Excluding the unamortized discount, the carrying value of the 2024 Convertible Notes was \$832.5 million as of March 31, 2017.

The estimated fair values of our senior notes and debentures were determined using quoted market prices. The decline in carrying value of long-term debt from December 31, 2016 to March 31, 2017 is largely due to the January 2017 debt exchange discussed in "Note 6 - Debt."

The estimated fair values of our cash and cash equivalents, short-term investments, receivables, trade payables and other liabilities approximated their carrying values as of March 31, 2017 and December 31, 2016. Our short-term investments consisted of time deposits with initial maturities in excess of three months but less than one year as of each respective balance sheet date.

Note 3 -**Derivative Instruments**

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

All of our derivatives were recorded on our condensed consolidated balance sheets at fair value. Derivatives subject to legally enforceable master netting agreements were not offset in our condensed consolidated balance sheets. Accounting for the gains and losses resulting from changes in the fair value of derivatives depends on the use of the derivative and whether it qualifies for hedge accounting. Net liabilities of \$1.6 million and \$8.8 million associated with our derivatives were included on our condensed consolidated balance sheets as of March 31, 2017 and December 31, 2016, respectively. All of our derivatives mature during the next 18 months. See "Note 2 - Fair Value Measurements" for additional information on the fair value measurement of our derivatives.

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

	Derivative Assets		Derivative Liabilities	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Derivatives Designated as Hedging Instruments				
Foreign currency forward contracts - current ⁽¹⁾	\$ 4.4	\$ 4.1	\$ 5.9	\$ 11.4
Foreign currency forward contracts - non-current ⁽²⁾	.3	.2	.1	.8
	4.7	4.3	6.0	12.2
Derivatives Not Designated as Hedging Instruments				
Foreign currency forward contracts - current ⁽¹⁾	.5	.4	.8	1.3
	.5	.4	.8	1.3
Total	\$ 5.2	\$ 4.7	\$ 6.8	\$ 13.5

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

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

We utilize cash flow hedges to hedge forecasted foreign currency denominated transactions, primarily to reduce our exposure to foreign currency exchange rate risk associated with contract drilling expenses and capital expenditures denominated in various currencies. As of March 31, 2017, we had cash flow hedges outstanding to exchange an aggregate \$176.6 million for various foreign currencies, including \$76.2 million for British pounds, \$37.6 million for Australian dollars, \$27.5 million for euros, \$20.3 million for Brazilian reals, \$11.8 million for Singapore dollars and \$3.2 million for other currencies.

Gains and losses, net of tax, on derivatives designated as cash flow hedges included in our condensed consolidated statements of operations and comprehensive (loss) income for the quarters ended March 31, 2017 and 2016 were as follows (in millions):

	Gain Recognized in Other Comprehensive (Loss) Income ("OCI") (Effective Portion)		Loss Reclassified from Accumulated Other Comprehensive Income ("AOCI") into Income (Effective Portion) ⁽¹⁾		Gain Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing) ⁽²⁾	
	2017	2016	2017	2016	2017	2016
Interest rate lock contracts ⁽³⁾	\$ —	\$ —	\$ (.1)	\$ (.1)	\$ —	\$ —
Foreign currency forward contracts ⁽⁴⁾	3.1	3.5	(.8)	(5.8)	.1	1.1
Total	\$ 3.1	\$ 3.5	\$ (.9)	\$ (5.9)	\$.1	\$ 1.1

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

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

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

⁽⁴⁾ During 2017, \$1.0 million of losses were reclassified from AOCI into contract drilling expense and \$200,000 of gains were reclassified from AOCI into depreciation expense in our condensed consolidated statement of operations. During the prior year quarter, \$6.0 million of losses were reclassified from AOCI into contract drilling expense and \$200,000 of gains were reclassified from AOCI into depreciation expense in our condensed consolidated statement of operations.

We have net assets and liabilities denominated in numerous foreign currencies and use various methods to manage our exposure to foreign currency exchange rate risk. We predominantly structure our drilling contracts in U.S. dollars, which significantly reduces the portion of our cash flows and assets denominated in foreign currencies. We occasionally enter into derivatives that hedge the fair value of recognized foreign currency denominated assets or liabilities but do not designate such derivatives as hedging instruments. In these situations, a natural hedging relationship generally exists whereby changes in the fair value of the derivatives offset changes in the fair value of the underlying hedged items. As of March 31, 2017, we held derivatives not designated as hedging instruments to exchange an aggregate \$122.4 million for various foreign currencies, including \$82.8 million for euros, \$12.9 million for Indonesian rupiah, \$5.9 million for Australian dollars and \$20.8 million for other currencies.

Net gains of \$500,000 and \$4.4 million associated with our derivatives not designated as hedging instruments were included in other, net, in our condensed consolidated statements of operations for the quarters ended March 31, 2017 and 2016, respectively.

As of March 31, 2017, the estimated amount of net losses associated with derivative instruments, net of tax, that would be reclassified into earnings during the next twelve months totaled \$1.1 million.

Note 4 - Noncontrolling Interests

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

(Loss) income from continuing operations attributable to Enesco for the quarters ended March 31, 2017 and 2016 was as follows (in millions):

	<u>2017</u>		<u>2016</u>
(Loss) income from continuing operations	\$ (24.0)	\$	177.6
Income from continuing operations attributable to noncontrolling interests	(1.1)		(1.4)
(Loss) income from continuing operations attributable to Enesco	\$ (25.1)	\$	176.2

Note 5 - Earnings Per Share

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

The following table is a reconciliation of income from continuing operations attributable to Enesco shares used in our basic and diluted EPS computations for the quarters ended March 31, 2017 and 2016 (in millions):

	<u>2017</u>		<u>2016</u>
(Loss) income from continuing operations attributable to Enesco	\$ (25.1)	\$	176.2
Income from continuing operations allocated to non-vested share awards	(.1)		(2.5)
(Loss) income from continuing operations attributable to Enesco shares	\$ (25.2)	\$	173.7

Antidilutive share awards totaling 1.4 million and 1.3 million were excluded from the computation of diluted EPS for the quarters ended March 31, 2017 and 2016, respectively.

We have the option to settle our 2024 Convertible Notes in cash, shares or a combination thereof for the aggregate amount due upon conversion. Our intent is to settle the principal amount of the 2024 Convertible Notes in cash upon conversion. If the conversion value exceeds the principal amount, (i.e., our share price exceeds the exchange price on the date of conversion), we expect to deliver shares equal to the remainder of our conversion obligation in excess of the principal amount.

During each reporting period that our average share price exceeds the exchange price, an assumed number of shares required to settle the conversion obligation in excess of the principal amount will be included in our denominator for the computation of diluted EPS using the treasury stock method. Our average share price did not exceed the exchange price during the quarter ended March 31, 2017.

Note 6 -**Debt***Exchange Offers*

In January 2017, we completed exchange offers (the "Exchange Offers") to exchange our outstanding 8.50% senior notes due 2019, 6.875% senior notes due 2020 and 4.70% senior notes due 2021 for 8.00% senior notes due 2024 and cash. The Exchange Offers resulted in the tender of \$649.5 million aggregate principal amount of our outstanding notes that were settled and exchanged as follows (in millions):

	Aggregate Principal Amount Purchased	8.00% Senior notes due 2024 Consideration	Cash Consideration (1)	Total Consideration
8.50% Senior Notes due 2019	\$ 145.8	\$ 81.6	\$ 81.7	\$ 163.3
6.875% Senior Notes due 2020	129.8	69.3	69.4	138.7
4.70% Senior Notes due 2021	373.9	181.1	181.4	362.5
Total	\$ 649.5	\$ 332.0	\$ 332.5	\$ 664.5

(1) As of December 31, 2016, the aggregate amount of principal repurchased with cash of \$332.5 million, along with associated premiums, was classified as current maturities of long-term debt on our condensed consolidated balance sheet.

During the first quarter of 2017, we recognized a net pre-tax loss on the Exchange Offers of \$6.2 million, consisting of a loss of \$3.5 million that includes the write-off of premiums on tendered debt and \$2.7 million of transaction costs.

Open Market Repurchases

In March 2017, we repurchased \$4.4 million of our 4.70% senior notes due 2021 for \$4.2 million of cash on the open market and recognized an insignificant pre-tax gain.

In April 2017, we repurchased \$34.8 million of our 8.50% senior notes due 2019, 6.875% senior notes due 2020 and 4.70% senior notes due 2021 for \$37.9 million of cash. As of March 31, 2017, the aggregate principal amount, along with associated discounts, premiums and debt issuance costs, was classified as current maturities of long-term debt on our condensed consolidated balance sheet. We expect to recognize an insignificant loss from debt extinguishment during the second quarter.

Maturities

After giving effect to the Exchange Offers and open market repurchases, our next debt maturity is \$261.0 million during 2019, followed by \$550.1 million, \$302.0 million and \$1.8 billion during 2020, 2021 and 2024, respectively.

Revolving Credit

We have a \$2.25 billion senior unsecured revolving credit facility with a syndicate of banks to be used for general corporate purposes, of which \$1.12 billion of availability expires on September 30, 2019 and \$1.13 billion expires on September 30, 2020 (the "Credit Facility").

Advances under the Credit Facility bear interest at Base Rate or LIBOR plus an applicable margin rate (currently 0.50% per annum for Base Rate advances and 1.50% per annum for LIBOR advances) depending on our credit rating. Also, our quarterly commitment fee is 0.225% per annum on the undrawn portion of the \$2.25 billion commitment,

which is also based on our credit rating. Recent credit rating actions have resulted in the highest applicable margin rate on borrowings and our quarterly commitment fee.

The Credit Facility requires us to maintain a total debt to total capitalization ratio that is less than or equal to 60%. The Credit Facility also contains customary restrictive covenants, including, among others, prohibitions on creating, incurring or assuming certain debt and liens; entering into certain merger arrangements; selling, leasing, transferring or otherwise disposing of all or substantially all of our assets; making a material change in the nature of the business; and entering into certain transactions with affiliates. We have the right, subject to receipt of commitments from new or existing lenders, to increase the commitments under the Credit Facility by an amount not exceeding \$500 million and to extend the maturity of the commitments under the Credit Facility by one additional year.

As of March 31, 2017, we were in compliance in all material respects with our covenants under the Credit Facility. We had no amounts outstanding under the Credit Facility as of March 31, 2017 and December 31, 2016.

Our access to credit and capital markets depends on the credit ratings assigned to our debt. As a result of recent rating actions, we no longer maintain an investment-grade status. Our current credit ratings, and any additional actual or anticipated downgrades in our credit ratings, could limit our available options when accessing credit and capital markets, or when restructuring or refinancing our debt. In addition, future financings or refinancings may result in higher borrowing costs and require more restrictive terms and covenants, which may further restrict our operations. With a credit rating below investment grade, we have no access to the commercial paper market.

Note 7 - Income Taxes

We have historically calculated our provision for income taxes during interim reporting periods by applying the estimated annual effective tax rate for the full fiscal year to pre-tax income or loss, excluding discrete items, for the reporting period. We determined that since small changes in estimated pre-tax income or loss would result in significant changes in the estimated annual effective tax rate, the historical method would not provide a reliable estimate of income taxes for the quarter ended March 31, 2017. We used a discrete effective tax rate method to calculate income taxes for the quarter ended March 31, 2017. We will continue to evaluate income tax estimates under the historical method in subsequent quarters and employ a discrete effective tax rate method if warranted.

Discrete income tax expense for the quarter ended March 31, 2017 was \$7.6 million and was primarily attributable to the Exchange Offers, a restructuring transaction and the effective settlement of a liability for unrecognized tax benefits associated with a tax position taken in prior years. Discrete income tax expense for the quarter ended March 31, 2016 was \$3.4 million and was primarily attributable to the recognition of liabilities for unrecognized tax benefits associated with tax positions taken in prior years.

Note 8 - Contingencies

Brazil Internal Investigation

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

While conducting our compliance review, we became aware of an internal audit report by Petrobras alleging irregularities in relation to the DSA. Upon learning of the Petrobras internal audit report, our Audit Committee appointed independent counsel to lead an investigation into the alleged irregularities. Further, in June and July 2015, we voluntarily contacted the SEC and the DOJ, respectively, to advise them of this matter and our Audit Committee's investigation.

Independent counsel, under the direction of our Audit Committee, has substantially completed its investigation by reviewing and analyzing available documents and correspondence and interviewing current and former employees involved in the DSA negotiations and the negotiation of the ENSCO DS-5 construction contract with SHI (the "DS-5 Construction Contract").

To date, our Audit Committee has found no evidence that Pride or Ensco or any of their current or former employees were aware of or involved in any wrongdoing, and our Audit Committee has found no evidence linking Ensco or Pride to any illegal acts committed by our former marketing consultant, who provided services to Pride and Ensco in connection with the DSA. Independent counsel has continued to provide the SEC and DOJ with updates throughout the investigation, including detailed briefings regarding its investigation and findings. We entered into one-year tolling agreements with the DOJ and SEC that expired in December 2016 and March 2017, respectively. We are in discussions with the SEC regarding an extension of its tolling agreement for an additional 12 months.

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

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

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

DSA Dispute

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

We did not recognize revenue for amounts owed to us under the DSA from the beginning of the fourth quarter of 2015 through the Termination Date, as we concluded that collectability of these amounts was not reasonably assured. Additionally, our receivables from Petrobras related to the DSA from prior to the fourth quarter of 2015 are fully reserved in our condensed consolidated balance sheet as of March 31, 2017. We have initiated arbitration proceedings in the U.K. against Petrobras seeking payment of all amounts owed to us under the DSA, in addition to any other amounts to which we are entitled, and intend to vigorously pursue our claims. Petrobras subsequently filed a counterclaim seeking restitution of certain sums paid under the DSA less value received by Petrobras under the DSA. We have also initiated separate arbitration proceedings in the U.K. against SHI for any losses we have incurred in connection with the foregoing. SHI subsequently filed a statement of defense disputing our claim. There can be no assurance as to how these arbitration proceedings will ultimately be resolved.

Customer Dispute

A customer filed a lawsuit in Texas federal court against one of our subsidiaries claiming damages based on allegations that our subsidiary breached and was negligent in the performance of a drilling contract during the period beginning in mid-2011 through May 2012. The customer's court documents allege damages totaling approximately \$40 million. Although we are vigorously defending this lawsuit, we do not have sufficient information at this time to provide a reasonable estimate of potential liability, if any. As a result, there can be no assurance as to how this dispute will ultimately be resolved.

Other Matters

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

In the ordinary course of business with customers and others, we have entered into letters of credit and surety bonds to guarantee our performance as it relates to our drilling contracts, contract bidding, customs duties, tax appeals and other obligations in various jurisdictions. Letters of credit and surety bonds outstanding as of March 31, 2017 totaled \$52.5 million and were issued under facilities provided by various banks and other financial institutions. Obligations under these letters of credit and surety bonds are not normally called as we typically comply with the underlying performance requirement. As of March 31, 2017, we had not been required to make collateral deposits with respect to these agreements.

Note 9 - Segment Information

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

Segment information for the quarters ended March 31, 2017 and 2016 is presented below (in millions). General and administrative expense and depreciation expense incurred by our corporate office are not allocated to our operating segments for purposes of measuring segment operating income and were included in "Reconciling Items." We measure segment assets as property and equipment.

Three Months Ended March 31, 2017

	Floaters	Jackups	Other	Operating Segments Total	Reconciling Items	Consolidated Total
Revenues	\$ 284.8	\$ 171.8	\$ 14.5	\$ 471.1	\$ —	\$ 471.1
Operating expenses						
Contract drilling (exclusive of depreciation)	146.4	118.6	13.1	278.1	—	278.1
Depreciation	72.8	32.1	—	104.9	4.3	109.2
General and administrative	—	—	—	—	26.0	26.0
Operating income	\$ 65.6	\$ 21.1	\$ 1.4	\$ 88.1	\$ (30.3)	\$ 57.8
Property and equipment, net	\$ 8,534.3	\$ 2,532.4	\$ —	\$ 11,066.7	\$ 54.0	\$ 11,120.7

Three Months Ended March 31, 2016

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

Information about Geographic Areas

As of March 31, 2017, the geographic distribution of our drilling rigs by reportable segment was as follows:

	Floaters	Jackups	Total (1)
North & South America	8	5	13
Europe & Mediterranean	6	11	17
Middle East & Africa	1	11	12
Asia & Pacific Rim	4	6	10
Asia & Pacific Rim (under construction)	1	1	2
Held-for-Sale	1	4	5
Total	21	38	59

(1) We provide management services on two rigs owned by third-parties in the Gulf of Mexico and not included in the table above.

Note 10 - Supplemental Financial Information*Condensed Consolidated Balance Sheet Information*

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

	March 31, 2017	December 31, 2016
Trade	\$ 322.7	\$ 358.4
Other	22.9	24.5
	345.6	382.9
Allowance for doubtful accounts	(21.5)	(21.9)
	\$ 324.1	\$ 361.0

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

	March 31, 2017	December 31, 2016
Inventory	\$ 220.9	\$ 225.2
Prepaid taxes	38.1	30.7
Deferred costs	29.7	32.4
Prepaid expenses	7.9	7.9
Other	15.6	19.8
	\$ 312.2	\$ 316.0

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

	March 31, 2017	December 31, 2016
Deferred tax assets	\$ 67.6	\$ 69.3
Deferred costs	32.5	35.7
Supplemental executive retirement plan assets	28.5	27.7
Prepaid taxes on intercompany transfers of property	—	33.0
Other	9.4	10.2
	\$ 138.0	\$ 175.9

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

	March 31, 2017	December 31, 2016
Deferred revenue	\$ 109.8	\$ 116.7
Personnel costs	93.3	124.0
Taxes	44.0	40.7
Accrued interest	78.2	71.7
Derivative liabilities	6.7	12.7
Other	11.2	10.8
	\$ 343.2	\$ 376.6

Other liabilities consisted of the following (in millions):

	March 31, 2017	December 31, 2016
Unrecognized tax benefits (inclusive of interest and penalties)	\$ 134.7	\$ 142.9
Deferred revenue	97.1	120.9
Supplemental executive retirement plan liabilities	29.6	28.9
Personnel costs	13.3	13.5
Other	19.8	16.3
	\$ 294.5	\$ 322.5

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

	March 31, 2017	December 31, 2016
Derivative instruments	\$ 17.6	\$ 13.6
Currency translation adjustment	7.6	7.6
Other	(1.7)	(2.2)
	\$ 23.5	\$ 19.0

Concentration of Risk

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

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

Consolidated revenues by customer for the quarters ended March 31, 2017 and 2016 were as follows:

	March 31, 2017	March 31, 2016
Total ⁽¹⁾	22%	15%
BP ⁽²⁾	14%	14%
Petrobras ⁽¹⁾	10%	16%
Other	54%	55%
	100%	100%

⁽¹⁾ During the quarters ended March 31, 2017 and 2016 , all revenues were provided by our Floaters segment.

⁽²⁾ During the quarters ended March 31, 2017 and 2016 , 79% and 76% of the revenues provided by BP, respectively, were attributable to our Floaters segment and no revenue was attributable to our Jackups segment.

Consolidated revenues by region for the quarters ended March 31, 2017 and 2016 were as follows:

	March 31, 2017	March 31, 2016
Angola ⁽¹⁾	\$ 121.7	\$ 136.2
Australia ⁽²⁾	54.6	62.5
Brazil ⁽³⁾	47.8	121.0
U.S. Gulf of Mexico ⁽⁴⁾	44.3	160.2
United Kingdom ⁽⁵⁾	31.2	73.8
Other	171.5	260.3
	\$ 471.1	\$ 814.0

⁽¹⁾ During the quarters ended March 31, 2017 and 2016 , 86% and 87% of the revenues earned in Angola, respectively, were attributable to our Floaters segment.

⁽²⁾ During the quarters ended March 31, 2017 and 2016 , 78% and 100% of the revenues earned in Australia, respectively, were attributable to our Floaters segment.

⁽³⁾ During the quarters ended March 31, 2017 and 2016 , all revenues were provided by our Floaters segment.

⁽⁴⁾ During the quarters ended March 31, 2017 and 2016 , 37% and 84% of the revenues earned, respectively, were attributable to our Floaters segment and 30% and 6% of revenues earned, respectively, were attributable to our Jackups segment.

⁽⁵⁾ During the quarters ended March 31, 2017 and 2016 , all revenues were provided by our Jackups segment.

Note 11 -**Guarantee of Registered Securities**

In connection with the Pride acquisition, Ensco plc and Pride entered into a supplemental indenture to the indenture dated as of July 1, 2004 between Pride and the Bank of New York Mellon, as indenture trustee, providing for, among other matters, the full and unconditional guarantee by Ensco plc of Pride's 8.5% unsecured senior notes due 2019, 6.875% unsecured senior notes due 2020 and 7.875% unsecured senior notes due 2040, which had an aggregate outstanding principal balance of \$1.1 billion as of March 31, 2017. The Ensco plc guarantee provides for the unconditional and irrevocable guarantee of the prompt payment, when due, of any amount owed to the holders of the notes.

Ensco plc is also a full and unconditional guarantor of the 7.2% debentures due 2027 issued by ENSCO International Incorporated during 1997, which had an aggregate outstanding principal balance of \$150.0 million as of March 31, 2017.

Pride International LLC (formerly Pride International, Inc.) and Ensco International Incorporated are 100% owned subsidiaries of Ensco plc. All guarantees are unsecured obligations of Ensco plc ranking equal in right of payment with all of its existing and future unsecured and unsubordinated indebtedness.

The following tables present the unaudited condensed consolidating statements of operations for the three month periods ended March 31, 2017 and 2016; the unaudited condensed consolidating statements of comprehensive (loss) income for the three month periods ended March 31, 2017 and 2016; the condensed consolidating balance sheets as of March 31, 2017 (unaudited) and December 31, 2016; and the unaudited condensed consolidating statements of cash flows for the three month periods ended March 31, 2017 and 2016, in accordance with Rule 3-10 of Regulation S-X.

ENSCO PLC AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
Three Months Ended March 31, 2017
(in millions)
(Unaudited)

	Ensc o plc	ENSCO International Incorporated	Pride International LLC	Other Non- Guarantor Subsidiaries of Ensc o	Consolidating Adjustments	Total
OPERATING REVENUES	\$ 12.7	\$ 46.0	\$ —	\$ 500.7	\$ (88.3)	\$ 471.1
OPERATING EXPENSES						
Contract drilling (exclusive of depreciation)	11.3	42.0	—	313.1	(88.3)	278.1
Depreciation	—	4.2	—	105.0	—	109.2
General and administrative	11.5	.1	—	14.4	—	26.0
OPERATING (LOSS) INCOME	(10.1)	(.3)	—	68.2	—	57.8
OTHER (EXPENSE) INCOME, NET	(6.5)	(31.3)	(18.7)	(7.7)	6.5	(57.7)
(LOSS) INCOME BEFORE INCOME TAXES	(16.6)	(31.6)	(18.7)	60.5	6.5	.1
INCOME TAX PROVISION	—	14.6	—	9.5	—	24.1
DISCONTINUED OPERATIONS, NET	—	—	—	(.6)	—	(.6)
EQUITY IN (LOSSES) EARNINGS OF AFFILIATES, NET OF TAX	(9.1)	54.9	26.3	—	(72.1)	—
NET (LOSS) INCOME	(25.7)	8.7	7.6	50.4	(65.6)	(24.6)
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—	—	—	(1.1)	—	(1.1)
NET (LOSS) INCOME ATTRIBUTABLE TO ENSCO	\$ (25.7)	\$ 8.7	\$ 7.6	\$ 49.3	\$ (65.6)	\$ (25.7)

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

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

ENSCO PLC AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
Three Months Ended March 31, 2017
(in millions)
(Unaudited)

	<u>Enco plc</u>	<u>ENSCO International Incorporated</u>	<u>Pride International LLC</u>	<u>Other Non- Guarantor Subsidiaries of Enco</u>	<u>Consolidating Adjustments</u>	<u>Total</u>
NET (LOSS) INCOME	\$ (25.7)	\$ 8.7	\$ 7.6	\$ 50.4	\$ (65.6)	\$ (24.6)
OTHER COMPREHENSIVE INCOME, NET						
Net change in fair value of derivatives	—	3.1	—	—	—	3.1
Reclassification of net losses on derivative instruments from other comprehensive income into net income	—	.9	—	—	—	.9
Other	—	—	—	.5	—	.5
NET OTHER COMPREHENSIVE INCOME	—	4.0	—	.5	—	4.5
COMPREHENSIVE (LOSS) INCOME	(25.7)	12.7	7.6	50.9	(65.6)	(20.1)
COMPREHENSIVE INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—	—	—	(1.1)	—	(1.1)
COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO ENSCO	\$ (25.7)	\$ 12.7	\$ 7.6	\$ 49.8	\$ (65.6)	\$ (21.2)

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

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

ENSCO PLC AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEETS
March 31, 2017
(in millions)
(Unaudited)

	Enesco plc	ENSCO International Incorporated	Pride International LLC	Other Non- Guarantor Subsidiaries of Enesco	Consolidating Adjustments	Total
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 180.2	\$ —	\$ 15.5	\$ 76.0	\$ —	\$ 271.7
Short-term investments	1,800.1	5.5	—	—	—	1,805.6
Accounts receivable, net	7.2	—	—	316.9	—	324.1
Accounts receivable from affiliates	418.3	298.0	—	373.0	(1,089.3)	—
Other	.4	9.9	—	301.9	—	312.2
Total current assets	2,406.2	313.4	15.5	1,067.8	(1,089.3)	2,713.6
PROPERTY AND EQUIPMENT, AT COST						
Less accumulated depreciation	1.8	121.6	—	13,178.3	—	13,301.7
Property and equipment, net	1.8	68.1	—	2,111.1	—	2,181.0
DUE FROM AFFILIATES	—	53.5	—	11,067.2	—	11,120.7
INVESTMENTS IN AFFILIATES	1,814.0	4,100.5	1,982.4	6,890.5	(14,787.4)	—
OTHER ASSETS, NET	8,549.6	3,517.2	1,087.6	—	(13,154.4)	—
	—	49.0	—	175.8	(86.8)	138.0
	\$ 12,769.8	\$ 8,033.6	\$ 3,085.5	\$ 19,201.3	\$ (29,117.9)	\$ 13,972.3
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Accounts payable and accrued liabilities	\$ 55.4	\$ 32.1	\$ 15.3	\$ 405.7	\$ —	\$ 508.5
Accounts payable to affiliates	233.1	279.7	8.1	568.4	(1,089.3)	—
Current maturities of long-term debt	2.7	—	34.9	—	—	37.6
Total current liabilities	291.2	311.8	58.3	974.1	(1,089.3)	546.1
DUE TO AFFILIATES	1,382.5	4,957.8	2,375.5	6,071.6	(14,787.4)	—
LONG-TERM DEBT	2,870.3	149.2	1,253.3	633.1	—	4,905.9
OTHER LIABILITIES	—	4.7	—	376.6	(86.8)	294.5
ENSCO SHAREHOLDERS' EQUITY	8,225.8	2,610.1	(601.6)	11,141.3	(13,154.4)	8,221.2
NONCONTROLLING INTERESTS	—	—	—	4.6	—	4.6
Total equity	8,225.8	2,610.1	(601.6)	11,145.9	(13,154.4)	8,225.8
	\$ 12,769.8	\$ 8,033.6	\$ 3,085.5	\$ 19,201.3	\$ (29,117.9)	\$ 13,972.3

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

	Ensc o plc	ENSCO International Incorporated	Pride International LLC	Other Non- Guarantor Subsidiaries of Ensc o	Consolidating Adjustments	Total
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 892.6	\$ —	\$ 19.8	\$ 247.3	\$ —	\$ 1,159.7
Short-term investments	1,165.1	5.5	—	272.0	—	1,442.6
Accounts receivable, net	6.8	—	—	354.2	—	361.0
Accounts receivable from affiliates	486.5	251.2	—	152.2	(889.9)	—
Other	.1	6.8	—	309.1	—	316.0
Total current assets	2,551.1	263.5	19.8	1,334.8	(889.9)	3,279.3
PROPERTY AND EQUIPMENT, AT COST						
	1.8	121.0	—	12,869.7	—	12,992.5
Less accumulated depreciation	1.8	63.8	—	2,007.6	—	2,073.2
Property and equipment, net	—	57.2	—	10,862.1	—	10,919.3
DUE FROM AFFILIATES	1,512.2	4,513.8	1,978.8	7,234.4	(15,239.2)	—
INVESTMENTS IN AFFILIATES	8,557.7	3,462.3	1,061.3	—	(13,081.3)	—
OTHER ASSETS, NET	—	81.5	—	181.1	(86.7)	175.9
	\$ 12,621.0	\$ 8,378.3	\$ 3,059.9	\$ 19,612.4	\$ (29,297.1)	\$ 14,374.5
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Accounts payable and accrued liabilities	\$ 44.1	\$ 45.2	\$ 28.3	\$ 404.9	\$ —	\$ 522.5
Accounts payable to affiliates	38.8	208.4	5.9	636.8	(889.9)	—
Current maturities of long-term debt	187.1	—	144.8	—	—	331.9
Total current liabilities	270.0	253.6	179.0	1,041.7	(889.9)	854.4
DUE TO AFFILIATES	1,375.8	5,367.6	2,040.7	6,455.1	(15,239.2)	—
LONG-TERM DEBT	2,720.2	149.2	1,449.5	623.7	—	4,942.6
OTHER LIABILITIES	—	2.9	—	406.3	(86.7)	322.5
ENSCO SHAREHOLDERS' EQUITY	8,255.0	2,605.0	(609.3)	11,081.2	(13,081.3)	8,250.6
NONCONTROLLING INTERESTS	—	—	—	4.4	—	4.4
Total equity	8,255.0	2,605.0	(609.3)	11,085.6	(13,081.3)	8,255.0
	\$ 12,621.0	\$ 8,378.3	\$ 3,059.9	\$ 19,612.4	\$ (29,297.1)	\$ 14,374.5

ENSCO PLC AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
Three Months Ended March 31, 2017
(in millions)
(Unaudited)

	Enco plc	ENSCO International Incorporated	Pride International LLC	Other Non- guarantor Subsidiaries of Enco	Consolidating Adjustments	Total
OPERATING ACTIVITIES						
Net cash provided by (used in) operating activities	\$.2	\$ (19.5)	\$ (41.3)	\$ 165.2	\$ —	\$ 104.6
INVESTING ACTIVITIES						
Purchases of short-term investments	(965.0)	—	—	—	—	(965.0)
Maturities of short-term investments	330.0	—	—	272.0	—	602.0
Additions to property and equipment	—	—	—	(282.6)	—	(282.6)
Repurchase of affiliate debt	(151.1)	—	—	—	151.1	—
Other	—	—	—	.2	—	.2
Net cash used in investing activities	(786.1)	—	—	(10.4)	151.1	(645.4)
FINANCING ACTIVITIES						
Reduction of long-term borrowings	(185.5)	—	—	—	(151.1)	(336.6)
Debt financing costs	(4.5)	—	—	—	—	(4.5)
Cash dividends paid	(3.2)	—	—	—	—	(3.2)
Advances from (to) affiliates	268.2	19.5	37.0	(324.7)	—	—
Other	(1.5)	—	—	(.9)	—	(2.4)
Net cash provided by (used in) financing activities	73.5	19.5	37.0	(325.6)	(151.1)	(346.7)
Net cash used in discontinued operations	—	—	—	(.6)	—	(.6)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	.1	—	.1
NET DECREASE IN CASH AND CASH EQUIVALENTS	(712.4)	—	(4.3)	(171.3)	—	(888.0)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	892.6	—	19.8	247.3	—	1,159.7
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 180.2	\$ —	\$ 15.5	\$ 76.0	\$ —	\$ 271.7

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

	<u>Ensc o plc</u>	<u>ENSCO International Incorporated</u>	<u>Pride International LLC</u>	<u>Other Non- guarantor Subsidiaries of Ensc o</u>	<u>Consolidating Adjustments</u>	<u>Total</u>
OPERATING ACTIVITIES						
Net cash (used in) provided by operating activities of continuing operations	\$ (46.3)	\$.7	\$ (39.2)	\$ 317.9	\$ —	\$ 233.1
INVESTING ACTIVITIES						
Additions to property and equipment	—	—	—	(158.1)	—	(158.1)
Purchases of short-term investments	965.0	—	—	—	—	965.0
Maturities on short-term investments	(80.0)	—	—	—	—	(80.0)
Other	—	—	—	.1	—	.1
Net cash provided by (used in) investing activities of continuing operations	885.0	—	—	(158.0)	—	727.0
FINANCING ACTIVITIES						
Cash dividends paid	(2.4)	—	—	—	—	(2.4)
Advances from (to) affiliates	119.8	(.7)	39.2	(158.3)	—	—
Other	(.4)	—	—	(.1)	—	(.5)
Net cash provided by (used in) financing activities	117.0	(.7)	39.2	(158.4)	—	(2.9)
Net cash provided by discontinued operations	—	—	—	5.6	—	5.6
Effect of exchange rate changes on cash and cash equivalents	—	—	—	(.1)	—	(.1)
NET INCREASE IN CASH AND CASH EQUIVALENTS	955.7	—	—	7.0	—	962.7
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	94.0	—	2.0	25.3	—	121.3
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 1,049.7	\$ —	\$ 2.0	\$ 32.3	\$ —	\$ 1,084.0

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

Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the accompanying unaudited condensed consolidated financial statements as of March 31, 2017 and for the quarters ended March 31, 2017 and 2016 included elsewhere herein and with our annual report on Form 10-K for the year ended December 31, 2016. The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth under "Risk Factors" in Item 1A of our annual report and elsewhere in this quarterly report. See "Forward-Looking Statements."

EXECUTIVE SUMMARY

Our Business

We are one of the leading providers of offshore contract drilling services to the international oil and gas industry. We currently own and operate an offshore drilling rig fleet of 56 rigs, with drilling operations in most of the strategic markets around the globe. We also have two rigs under construction. Our rig fleet includes eight drillships, 10 dynamically positioned semisubmersible rigs, three moored semisubmersible rigs and 37 jackup rigs, including rigs under construction. Our offshore rig fleet is the world's second largest amongst competitive rigs, including one of the newest ultra-deepwater fleets in the industry and a leading premium jackup fleet.

Four of our older, less capable rigs are marketed for sale as part of our fleet high-grading strategy and classified as held-for-sale.

Our Industry

Oil prices have rebounded significantly off the 12-year lows experienced during 2016 and have generally stabilized between \$50 and \$55 per barrel since late last year; however, we expect market conditions to remain challenging as current contracts expire and new contracts are executed at lower rates. While commodity prices have improved, they have not yet improved to a level that supports increased rig demand sufficient to absorb existing supply and improve pricing power. We believe the current market dynamics will not change until we see a further sustained recovery in commodity prices and/or reduction in rig supply.

While industry conditions remain challenging, customer inquiries have increased in recent months, particularly with respect to shallow-water projects. Despite the increase in customer activity, recent contract awards have generally been for short-term work, subject to an extremely competitive bidding process. The significant oversupply of rigs continues to put downward pressure on day rates, resulting in certain cases whereby rates approximate, or are slightly lower than, direct operating expenses.

Liquidity Position

We have historically relied on our cash flow from continuing operations to meet liquidity needs and fund the majority of our cash requirements. We periodically rely on the issuance of debt and/or equity securities to supplement our liquidity needs. Based on our balance sheet, our contractual backlog and \$2.25 billion available under our revolving credit facility, we expect to fund our short-term and long-term liquidity needs, including contractual obligations and anticipated capital expenditures, as well as working capital requirements, from cash and cash equivalents, short-term investments, operating cash flows and, if necessary, funds borrowed under our revolving credit facility or other future financing arrangements. We remain focused on our liquidity and over the past year have executed several transactions to significantly improve our financial position.

Cash and Debt

As of March 31, 2017, we had \$4.9 billion in total debt outstanding, representing approximately 37.6% of our total capitalization. We also had \$2.1 billion in cash and cash equivalents and short-term investments and a \$2.25 billion undrawn senior unsecured revolving credit facility (the "Credit Facility"). Of the \$2.25 billion Credit Facility, \$1.12 billion expires in September 2019 and the remaining \$1.13 billion expires in September 2020. The Credit Facility requires us to maintain a total debt to total capitalization ratio that is less than or equal to 60%.

In January 2017, through a private-exchange transaction, we repurchased \$649.5 million of our outstanding debt with \$332.5 million of cash and \$332.0 million of newly issued 8.00% senior notes due 2024.

In March 2017, we repurchased \$4.4 million of our 4.70% senior notes due 2021 for \$4.2 million of cash on the open market and recognized an insignificant pre-tax gain.

In April 2017, we repurchased \$34.8 million of our 8.50% senior notes due 2019, 6.875% senior notes due 2020 and 4.70% senior notes due 2021 for \$37.9 million of cash. As of March 31, 2017, the aggregate principal amount, along with associated discounts, premiums and debt issuance costs, was classified as current maturities of long-term debt on our condensed consolidated balance sheet. We expect to recognize an insignificant loss from debt extinguishment during the second quarter.

Backlog

As of March 31, 2017, our backlog was \$3.3 billion as compared to \$3.6 billion as of December 31, 2016. Our backlog declined primarily due to revenues realized during the quarter, partially offset by new contract awards and contract extensions. As current contracts expire, we will likely experience further declines in backlog, which will result in a decline in revenues and operating cash flows over the near-term. Contract backlog was adjusted for drilling contracts signed or terminated after each respective balance sheet date but prior to filing each annual and quarterly report on February 28, 2017 and April 27, 2017, respectively.

BUSINESS ENVIRONMENT

Floaters

The floater contracting environment continues to be very challenging due to reduced demand, as well as excess newbuild supply. Floater demand has declined significantly in recent years due to lower commodity prices which have caused our customers to rationalize capital expenditures, resulting in the cancellation and delay of drilling programs. We expect this trend to continue until we see a further sustained recovery in commodity prices.

During the first quarter, we executed two short-term contracts for ENSCO 8503. We also reached an agreement with the shipyard to delay delivery of ENSCO DS-10 and \$75.0 million of the final milestone payment until the first quarter of 2019 or such earlier date that we elect to take delivery.

There are approximately 45 competitive newbuild drillships and semisubmersible rigs reported to be under construction, of which approximately 35 are scheduled to be delivered by the end of 2018. Most newbuild floaters are uncontracted. Several newbuild deliveries have already been delayed into future years, and we expect that more uncontracted newbuilds will be delayed or cancelled.

Drilling contractors have retired approximately 75 floaters since the beginning of the downturn. Approximately 40 marketed floaters older than 30 years of age are currently idle, and approximately 30 floaters greater than 30 years old have contracts that will expire by year-end 2018 without follow-on work. Operating costs associated with keeping these rigs idle as well as expenditures required to recertify these aging rigs may prove cost prohibitive. Drilling contractors will likely elect to scrap or cold-stack the majority of these rigs.

Jackups

Demand for jackups has improved with increased tendering activity observed in recent months off historic lows; however, contract terms generally have been short-term in nature and rates remain depressed due to the oversupply of rigs.

During the first quarter, we executed a four year contract extension for ENSCO 92 as well as several short-term contracts and contract extensions for ENSCO 68, ENSCO 75, ENSCO 87, ENSCO 106 and ENSCO 107. In April 2017, we executed a short-term contract for ENSCO 121.

During the first quarter, we agreed to maintain reduced day rates on our jackup rigs contracted with Saudi Aramco through 2017. In April, we received a notice of termination for convenience for the ENSCO 104 contract, which was expected to end in January 2018. The estimated effective date of the termination is May 2017.

During the first quarter, we began marketing for sale ENSCO 56, ENSCO 86 and ENSCO 99 and classified these rigs as held-for-sale as of March 31, 2017. In April 2017, we sold ENSCO 56 resulting in an insignificant pre-tax gain that will be included in our second quarter operating results.

There are approximately 100 competitive newbuild jackup rigs reported to be under construction, of which approximately 85 are scheduled to be delivered by the end of 2018. Most newbuild jackups are uncontracted. Over the past year, some jackup orders have been cancelled, and many newbuild jackups have been delayed. We expect that additional rigs may be delayed or cancelled given limited contracting opportunities.

Drilling contractors have retired approximately 30 jackups since the beginning of the downturn. Approximately 90 marketed jackups older than 30 years of age are idle. Furthermore, approximately 70 jackups that are 30 years of age or older have contracts that expire before the end of 2018, and these rigs may be unable to find additional work. Operating costs associated with keeping these rigs idle as well as expenditures required to recertify these aging rigs may prove cost prohibitive. Drilling contractors will likely elect to scrap or cold-stack some or all of these rigs.

RESULTS OF OPERATIONS

The following table summarizes our condensed consolidated results of operations for the quarters ended March 31, 2017 and 2016 (in millions):

	<u>2017</u>	<u>2016</u>
Revenues	\$ 471.1	\$ 814.0
Operating expenses		
Contract drilling (exclusive of depreciation)	278.1	363.7
Depreciation	109.2	113.3
General and administrative	26.0	23.4
Operating income	57.8	313.6
Other expense, net	(57.7)	(64.6)
Provision for income taxes	24.1	71.4
(Loss) income from continuing operations	(24.0)	177.6
Loss from discontinued operations, net	(.6)	(.9)
Net (loss) income	(24.6)	176.7
Net income attributable to noncontrolling interests	(1.1)	(1.4)
Net (loss) income attributable to EnSCO	\$ (25.7)	\$ 175.3

For the quarter ended March 31, 2017, revenues declined \$342.9 million, or 42%, as compared to the prior year quarter due to fewer days under contract across our fleet, lower average day rates and the contract terminations and sale of ENSCO 6003 and ENSCO 6004.

Contract drilling expense declined by \$85.6 million, or 24%, as compared to the prior year quarter primarily due to rig stackings and the contract terminations and sale of ENSCO 6003 and ENSCO 6004. These declines were partially offset by reactivation costs for certain rigs.

Depreciation expense declined by \$4.1 million, or 4%, as compared to the prior year quarter primarily due to the extension of useful lives for certain contracted assets.

General and administrative expenses increased by \$2.6 million, or 11%, as compared to the prior year quarter primarily due to higher accrued performance-based compensation costs, partially offset by lower personnel costs resulting from organizational restructuring and other expense management actions.

Other expense, net, declined by \$6.9 million, or 11%, as compared to the prior year quarter primarily due to higher capitalized interest and interest income earned on higher investment balances, partially offset by the loss associated with our debt exchange transaction in January 2017.

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

Rig Counts, Utilization and Average Day Rates

The following table summarizes our offshore drilling rigs by reportable segment and rigs under construction as of March 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Floaters ⁽¹⁾	19	22
Jackups ⁽²⁾⁽³⁾	33	36
Under construction ⁽²⁾	2	4
Held-for-sale ⁽³⁾⁽⁴⁾	5	6
Total	59	68

⁽¹⁾ During the second quarter of 2016, we sold ENSCO DS-1, ENSCO 6003 and ENSCO 6004.

⁽²⁾ During the third and fourth quarter of 2016, we accepted delivery of ENSCO 140 and ENSCO 141, respectively.

⁽³⁾ During the third quarter of 2016, we classified ENSCO 53 and ENSCO 94 as held-for-sale. During the first quarter of 2017, we classified ENSCO 56, ENSCO 86 and ENSCO 99 as held-for-sale.

⁽⁴⁾ During the second quarter of 2016, we sold ENSCO DS-2, ENSCO 6000, ENSCO 91 and ENSCO 58. During the fourth quarter of 2016, we sold ENSCO 53 and ENSCO 94.

The following table summarizes our rig utilization and average day rates by reportable segment for the quarters ended March 31, 2017 and 2016 :

	<u>2017</u>	<u>2016</u>
<u>Rig Utilization</u> ⁽¹⁾		
Floaters	47%	64%
Jackups	64%	66%
Total	58%	65%
<u>Average Day Rates</u> ⁽²⁾		
Floaters	\$336,636	\$364,771
Jackups	86,390	118,138
Total	\$156,441	\$208,117

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

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

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

Operating Income

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

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

Three Months Ended March 31, 2017

	Floaters	Jackups	Other	Operating Segments Total	Reconciling Items	Consolidated Total
Revenues	\$ 284.8	\$ 171.8	\$ 14.5	\$ 471.1	\$ —	\$ 471.1
Operating expenses						
Contract drilling (exclusive of depreciation)	146.4	118.6	13.1	278.1	—	278.1
Depreciation	72.8	32.1	—	104.9	4.3	109.2
General and administrative	—	—	—	—	26.0	26.0
Operating income	\$ 65.6	\$ 21.1	\$ 1.4	\$ 88.1	\$ (30.3)	\$ 57.8

Three Months Ended March 31, 2016

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

Floaters

Floater revenues for the quarter ended March 31, 2017 declined by \$227.8 million , or 44% , as compared to the prior year quarter primarily due to fewer days under contract, the contract terminations and sale of ENSCO 6003 and ENSCO 6004 and lower average day rates. These declines were partially offset by a higher average day rate for ENSCO DS-6 while operating in Egypt.

Floater contract drilling expense declined \$64.9 million , or 31% , as compared to the prior year quarter primarily due to rig stackings and the contract terminations and sale of ENSCO 6003 and ENSCO 6004. These declines were partially offset by reactivation costs for certain rigs and higher operating costs for ENSCO DS-6.

Depreciation expense declined by \$7.5 million , or 9% , as compared to the prior year quarter primarily due to the extension of useful lives for certain contracted assets.

Jackups

Jackup revenues for the quarter ended March 31, 2017 declined by \$106.1 million , or 38% , as compared to the prior year quarter primarily due to fewer days under contract and lower average day rates.

Jackup contract drilling expense declined \$15.9 million , or 12% , as compared to the prior year quarter primarily due to rig sales and rig stackings. These declines were partially offset by reactivation costs for certain rigs.

Depreciation expense increased by \$3.5 million , or 12% , as compared to the prior year quarter due to additions across the fleet.

Other Income (Expense)

The following table summarizes other income (expense) for the quarters ended March 31, 2017 and 2016 (in millions):

	<u>2017</u>	<u>2016</u>
Interest income	\$ 7.2	\$ 2.3
Interest expense, net:		
Interest expense	(75.4)	(77.2)
Capitalized interest	16.8	12.1
	(58.6)	(65.1)
Other, net	(6.3)	(1.8)
	\$ (57.7)	\$ (64.6)

Interest income increased from the prior year quarter as a result of higher short-term investment balances. Interest expense declined from the prior year quarter due to the repurchase of \$1.9 billion of debt during 2016 and 2017, partially offset by the issuance of \$849.5 million and \$332.0 million in convertible notes and exchange notes during 2016 and 2017, respectively. Interest expense capitalized during the quarter increased as compared to the prior year quarter due to an increase in the amount of capital invested in newbuild construction.

Other, net, for the quarter ended March 31, 2017 included a pre-tax loss of \$6.2 million related to the January 2017 debt exchange.

Our functional currency is the U.S. dollar, and a portion of the revenues earned and expenses incurred by certain of our subsidiaries are denominated in currencies other than the U.S. dollar ("foreign currencies"). These transactions are remeasured in U.S. dollars based on a combination of both current and historical exchange rates. Inclusive of offsetting fair value derivatives, net foreign currency exchange losses of \$1.7 million were included in other, net, in our condensed consolidated statement of operations for the quarters ended March 31, 2017 and 2016.

Provision for Income Taxes

Enesco plc, our parent company, is domiciled and resident in the U.K. Our subsidiaries conduct operations and earn income in numerous countries and are subject to the laws of taxing jurisdictions within those countries. The income of our non-U.K. subsidiaries is not subject to U.K. taxation. Income tax rates imposed in the tax jurisdictions in which our subsidiaries conduct operations vary, as does the tax base to which the rates are applied. In some cases, tax rates may be applicable to gross revenues, statutory or negotiated deemed profits or other bases utilized under local tax laws, rather than to net income.

Our drilling rigs frequently move from one taxing jurisdiction to another to perform contract drilling services. In some instances, the movement of our drilling rigs among taxing jurisdictions will involve the transfer of ownership of the drilling rigs among our subsidiaries. As a result of frequent changes in the taxing jurisdictions in which our drilling rigs are operated and/or owned, changes in the overall level of our income and changes in tax laws, our consolidated effective income tax rate may vary substantially from one reporting period to another. In periods of declining profitability, our income tax expense may not decline proportionally with income, which could result in higher effective income tax rates. Further, we may continue to incur income tax expense in periods in which we operate at a loss.

Income tax expense for the quarters ended March 31, 2017 and 2016 was \$ 24.1 million and \$ 71.4 million, respectively. The \$ 47.3 million decline in income tax expense as compared to the prior year quarter was primarily due to lower income levels.

LIQUIDITY AND CAPITAL RESOURCES

We have historically relied on our cash flow from continuing operations to meet liquidity needs and fund the majority of our cash requirements. We periodically rely on the issuance of debt and/or equity securities to supplement our liquidity needs. A substantial portion of our operating cash flow has been invested in the expansion and enhancement of our fleet of drilling rigs through newbuild construction and upgrade projects and the return of capital to shareholders through dividend payments. We expect cash on-hand and cash flow generated during 2017 will primarily be used to fund capital expenditures and debt repurchases.

In January 2017, through a private-exchange transaction, we repurchased \$649.5 million of our outstanding debt with \$332.5 million of cash and \$332.0 million of newly issued 8.00% senior notes due 2024.

In March 2017, we repurchased \$4.4 million of our 4.70% senior notes due 2021 for \$4.2 million of cash on the open market and recognized an insignificant pre-tax gain.

In April 2017, we repurchased \$34.8 million of our 8.50% senior notes due 2019, 6.875% senior notes due 2020 and 4.70% senior notes due 2021 for \$37.9 million of cash. As of March 31, 2017, the aggregate principal amount, along with associated discounts, premiums and debt issuance costs, was classified as current maturities of long-term on our condensed consolidated balance sheet. We expect to recognize an insignificant loss from debt extinguishment during the second quarter.

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

During the quarter ended March 31, 2017, our primary source of cash was \$104.6 million generated from operating activities of continuing operations. Our primary uses of cash for the same period were \$363.0 million for purchases of short-term investments net of maturities, \$332.5 million for the cash consideration paid in our January 2017 debt exchange and \$282.6 million for the construction, enhancement and other improvements of our drilling rigs.

During the quarter ended March 31, 2016, our primary source of cash was \$885.0 million from the liquidation of short-term investments net of purchases and \$233.1 million generated from operating activities of continuing operations. Our primary use of cash for the same period was \$158.1 million for the construction, enhancement and other improvement of our drilling rigs.

Cash Flow and Capital Expenditures

Our cash flow from operating activities of continuing operations and capital expenditures for the quarters ended March 31, 2017 and 2016 were as follows (in millions):

	<u>2017</u>	<u>2016</u>
Cash flow from operating activities of continuing operations	\$ 104.6	\$ 233.1
Capital expenditures		
New rig construction	\$ 256.7	\$ 101.2
Rig enhancements	7.1	10.0
Minor upgrades and improvements	18.8	46.9
	\$ 282.6	\$ 158.1

Cash flows from operating activities of continuing operations declined \$128.5 million, or 55%, compared to the prior year period. The decline primarily resulted from a \$275.8 million decline in net cash receipts from contract

drilling services, partially offset by a \$103.4 million decline in net cash payments for contract drilling expenses and \$40.2 million decline in payments for income taxes.

We currently have an ultra-deepwater drillship and a premium jackup rig under construction. During the first quarter of 2016, we agreed with the shipyard to delay the delivery of ENSCO 123 until the first quarter of 2018. During the first quarter of 2017, we agreed with the shipyard to further delay delivery of ENSCO DS-10 and \$75 million of the final milestone payment until the first quarter of 2019 or such earlier date that we elect to take delivery. ENSCO DS-10 and ENSCO 123 are being actively marketed.

The following table summarizes the cumulative amount of contractual payments made as of March 31, 2017 for our rigs under construction and estimated timing of our remaining contractual payments (in millions):

	<u>Cumulative Paid</u> <small>(1)</small>	<u>Remaining 2017</u>	<u>2018</u>	<u>2019</u>	<u>Total (2)</u>
ENSCO DS-10	\$ 481.2	\$ —	\$ 12.3	\$ 76.7	\$ 570.2
ENSCO 123	59.5	6.0	215.3	—	280.8
	\$ 540.7	\$ 6.0	\$ 227.6	\$ 76.7	\$ 851.0

(1) Cumulative paid represents the aggregate amount of contractual payments made from commencement of the construction agreement through March 31, 2017.

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

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

Based on our current projections, we expect capital expenditures during 2017 to include approximately \$335.0 million for newbuild construction, approximately \$60.0 million for minor upgrades and improvements and approximately \$30.0 million for rig enhancement projects. Depending on market conditions and future opportunities, we may make additional capital expenditures to upgrade rigs for customer requirements and construct or acquire additional rigs.

Financing and Capital Resources

Exchange Offers

In January 2017, we completed exchange offers (the "Exchange Offers") to exchange a portion of our outstanding 8.50% senior notes due 2019, 6.875% senior notes due 2020 and 4.70% senior notes due 2021 for 8.00% senior notes due 2024 and cash. The Exchange Offers resulted in the tender of \$649.5 million aggregate principal amount of our outstanding notes that were settled and exchanged as follows (in millions):

	<u>Aggregate Principal</u> <u>Amount Purchased</u> <small>(1)</small>	<u>8.00% Senior notes</u> <u>due 2024</u> <u>Consideration</u>	<u>Cash Consideration</u>	<u>Total Consideration</u>
8.50% Senior Notes due 2019	\$ 145.8	\$ 81.6	\$ 81.7	\$ 163.3
6.875% Senior Notes due 2020	129.8	69.3	69.4	138.7
4.70% Senior Notes due 2021	373.9	181.1	181.4	362.5
Total	\$ 649.5	\$ 332.0	\$ 332.5	\$ 664.5

(1) As of December 31, 2016, the aggregate amount of principal repurchased with cash of \$332.5 million, along with associated premiums, was classified as current maturities of long-term debt on our consolidated balance sheet.

During the first quarter of 2017, we recognized a net pre-tax loss from the Exchange Offers of \$6.2 million, net of premiums and transaction costs.

Open Market Repurchases

In March 2017, we repurchased \$4.4 million of our 4.70% senior notes due 2021 for \$4.2 million of cash on the open market and recognized an insignificant pre-tax gain.

In April 2017, we repurchased \$34.8 million of our 8.50% senior notes due 2019, 6.88% senior notes due 2020 and 4.70% senior notes due 2021 for \$37.9 million of cash. As of March 31, 2017, the aggregate principal amount, along with associated discounts, premiums and debt issuance costs, was classified as current maturities of long-term debt on our condensed consolidated balance sheet. We expect to recognize an insignificant loss from debt extinguishment during the second quarter.

Maturities

After giving effect to the Exchange Offers and open market repurchases, our next debt maturity is \$261.0 million during 2019, followed by \$550.1 million, \$302.0 million and \$1.8 billion during 2020, 2021 and 2024, respectively.

Debt to Capital

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

	March 31, 2017	December 31, 2016
Total debt	\$ 4,943.5	\$ 5,274.5
Total capital ⁽¹⁾	\$ 13,164.7	\$ 13,525.1
Total debt to total capital	37.6%	39.0%

⁽¹⁾ Total capital consists of total debt and Ensco shareholders' equity.

Revolving Credit

We have a \$2.25 billion senior unsecured revolving credit facility with a syndicate of banks to be used for general corporate purposes with a term expiring on September 30, 2019 (the "Credit Facility"). During 2016, we extended the maturity of \$1.13 billion of the \$2.25 billion commitment for one year to September 30, 2020.

Advances under the Credit Facility bear interest at Base Rate or LIBOR plus an applicable margin rate (currently 0.50% per annum for Base Rate advances and 1.50% per annum for LIBOR advances) depending on our credit rating. Also, our quarterly commitment fee is 0.225% per annum on the undrawn portion of the \$2.25 billion commitment, which is also based on our credit rating. Recent credit rating actions have resulted in the highest applicable margin rate on borrowings and our quarterly commitment fee.

The Credit Facility requires us to maintain a total debt to total capitalization ratio that is less than or equal to 60%. The Credit Facility also contains customary restrictive covenants, including, among others, prohibitions on creating, incurring or assuming certain debt and liens; entering into certain merger arrangements; selling, leasing, transferring or otherwise disposing of all or substantially all of our assets; making a material change in the nature of the business; and entering into certain transactions with affiliates. We have the right, subject to receipt of commitments from new or existing lenders, to increase the commitments under the Credit Facility by an amount not exceeding \$500 million and to extend the maturity of the commitments under the Credit Facility by one additional year.

As of March 31, 2017, we were in compliance in all material respects with our covenants under the Credit Facility. We had no amounts outstanding under the Credit Facility as of March 31, 2017 and December 31, 2016.

Our access to credit and capital markets depends on the credit ratings assigned to our debt. As a result of recent rating actions, we no longer maintain an investment-grade status. Our current credit ratings, and any additional actual or anticipated downgrades in our credit ratings, could limit available options when accessing credit and capital markets, or when restructuring or refinancing debt. In addition, future financings or refinancings may result in higher borrowing costs and require more restrictive terms and covenants, which may further restrict our operations. With a credit rating below investment grade, we have no access to the commercial paper market.

Other Financing

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

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

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

Other Commitments

As of March 31, 2017, we were contingently liable for an aggregate amount of \$52.5 million under outstanding letters of credit and surety bonds which guarantee our performance as it relates to our drilling contracts, contract bidding, customs duties, tax appeals and other obligations in various jurisdictions. Obligations under these letters of credit and surety bonds are not normally called, as we typically comply with the underlying performance requirement. As of March 31, 2017, we had not been required to make any collateral deposits with respect to these agreements.

Liquidity

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

	March 31, 2017	December 31, 2016
Cash and cash equivalents	\$ 271.7	\$ 1,159.7
Short-term investments	\$ 1,805.6	\$ 1,442.6
Working capital	\$ 2,167.5	\$ 2,424.9
Current ratio	5.0	3.8

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

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

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

MARKET RISK

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

We utilize cash flow hedges to hedge forecasted foreign currency denominated transactions, primarily to reduce our exposure to foreign currency exchange rate risk on future expected contract drilling expenses and capital expenditures denominated in various foreign currencies. We predominantly structure our drilling contracts in U.S. dollars, which significantly reduces the portion of our cash flows and assets denominated in foreign currencies. As of March 31, 2017, we had cash flow hedges outstanding to exchange an aggregate \$176.6 million for various foreign currencies.

We have net assets and liabilities denominated in numerous foreign currencies and use various strategies to manage our exposure to changes in foreign currency exchange rates. We occasionally enter into derivatives that hedge the fair value of recognized foreign currency denominated assets or liabilities, thereby reducing exposure to earnings fluctuations caused by changes in foreign currency exchange rates. We do not designate such derivatives as hedging instruments. In these situations, a natural hedging relationship generally exists whereby changes in the fair value of the derivatives offset changes in the fair value of the underlying hedged items. As of March 31, 2017, we held derivatives not designated as hedging instruments to exchange an aggregate \$122.4 million for various foreign currencies.

If we were to incur a hypothetical 10% adverse change in foreign currency exchange rates, net unrealized losses associated with our foreign currency denominated assets and liabilities as of March 31, 2017 would approximate \$13.1 million. Approximately \$9.6 million of these unrealized losses would be offset by corresponding gains on the derivatives utilized to offset changes in the fair value of net assets and liabilities denominated in foreign currencies.

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

We do not enter into derivatives for trading or other speculative purposes. We believe that our use of derivatives and related hedging activities reduces our exposure to foreign currency exchange rate risk and does not expose us to material credit risk or any other material market risk. All of our derivatives mature during the next 18 months. See Note 3 to our condensed consolidated financial statements included in "Item 1. Financial Information" for additional information on our derivative instruments.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America requires us to make estimates, judgments and assumptions that affect the amounts reported in our condensed consolidated financial statements and accompanying notes. Our significant accounting policies are included in Note 1 to our audited consolidated financial statements for the year ended December 31, 2016 included in our annual report on Form 10-K filed with the SEC on February 28, 2017 . These policies, along with our underlying judgments and assumptions made in their application, have a significant impact on our condensed consolidated financial statements.

We identify our critical accounting policies as those that are the most pervasive and important to the portrayal of our financial position and operating results and that require the most difficult, subjective and/or complex judgments by us regarding estimates in matters that are inherently uncertain. Our critical accounting policies are those related to property and equipment, impairment of long-lived assets and income taxes. For a discussion of the critical accounting policies and estimates that we use in the preparation of our condensed consolidated financial statements, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates" in Part II of our annual report on Form 10-K for the year ended December 31, 2016 . During the quarter ended March 31, 2017 , there were no material changes to the judgments, assumptions or policies upon which our critical accounting estimates are based.

New Accounting Pronouncements

See Note 1 to our condensed consolidated financial statements included in "Item 1. Financial Information" for information on new accounting pronouncements.

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

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

Item 4. *Controls and Procedures*

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

During the fiscal quarter ended March 31, 2017 , there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. *Legal Proceedings*

Brazil Internal Investigation

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

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

To date, our Audit Committee has found no evidence that Pride or Ensco or any of their current or former employees were aware of or involved in any wrongdoing, and our Audit Committee has found no evidence linking Ensco or Pride to any illegal acts committed by our former marketing consultant, who provided services to Pride and Ensco in connection with the DSA. Independent counsel has continued to provide the SEC and DOJ with updates throughout the investigation, including detailed briefings regarding its investigation and findings. We entered into one-year tolling agreements with the DOJ and SEC that expired in December 2016 and March 2017, respectively. We are in discussions with the SEC regarding an extension of its tolling agreement for an additional 12 months.

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

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

Outside of Petrobras' allegations, we have not been contacted by any Brazil governmental authority regarding alleged wrongdoing by Pride or Ensco or any of their current or former employees related to this matter. We cannot predict whether any U.S., Brazilian or other governmental authority will seek to investigate Pride's involvement in

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

DSA Dispute

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

We did not recognize revenue for amounts owed to us under the DSA from the beginning of the fourth quarter of 2015 through the Termination Date as we concluded that collectability of these amounts was not reasonably assured. Additionally, our receivables from Petrobras related to the DSA from prior to the fourth quarter of 2015 are fully reserved in our condensed consolidated balance sheet as of March 31, 2017. We have initiated arbitration proceedings in the U.K. against Petrobras seeking payment of all amounts owed to us under the DSA, in addition to any other amounts to which we are entitled, and intend to vigorously pursue our claims. Petrobras subsequently filed a counterclaim seeking restitution of certain sums paid under the DSA less value received by Petrobras under the DSA. We have also initiated separate arbitration proceedings in the U.K. against SHI for any losses we have incurred in connection with the foregoing. SHI subsequently filed a statement of defense disputing our claim. There can be no assurance as to how these arbitration proceedings will ultimately be resolved.

Pride FCPA Investigation

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

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

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

Environmental Matters

We are currently subject to pending notices of assessment relating to spills of drilling fluids, oil, brine, chemicals, grease or fuel from drilling rigs operating offshore Brazil from 2008 to 2016, pursuant to which the governmental authorities have assessed, or are anticipated to assess, fines. We have contested these notices and appealed certain adverse decisions and are awaiting decisions in these cases. Although we do not expect disposition of these assessments to have a material adverse effect on our financial position, operating results or cash flows, there can be no assurance as to the ultimate outcome of these assessments. A \$200,000 liability related to these matters was included in accrued liabilities and other in our condensed consolidated balance sheet as of March 31, 2017 .

We currently are subject to a pending administrative proceeding initiated during 2009 by a Spanish government authority seeking payment in an aggregate amount of approximately \$3.0 million for an alleged environmental spill originating from ENSCO 5006 while it was operating offshore Spain. Our customer has posted guarantees with the Spanish government to cover potential penalties. Additionally, we expect to be indemnified for any payments resulting from this incident by our customer under the terms of the drilling contract. A criminal investigation of the incident was initiated during 2010 by a prosecutor in Tarragona, Spain, and the administrative proceedings have been suspended pending the outcome of this investigation. We do not know at this time what, if any, involvement we may have in this investigation.

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

Other Matters

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

Item 1A. Risk Factors

There are numerous factors that affect our business and results of operations, many of which are beyond our control. In addition to information set forth in this quarterly report, you should carefully read and consider "Item 1A. Risk Factors" in Part I and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II of our annual report on Form 10-K for the year ended December 31, 2016 , which contains descriptions of significant risks that might cause our actual results of operations in future periods to differ materially from those currently anticipated or expected. There have been no material changes from the risks previously disclosed in our annual report on Form 10-K for the year ended December 31, 2016 .

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

The table below provides a summary of our repurchases of equity securities during the quarter ended March 31, 2017 :

Issuer Purchases of Equity Securities

<u>Period</u>	<u>Total Number of Securities Purchased</u> <u>(1)</u>	<u>Average Price Paid per Security</u>	<u>Total Number of Securities Purchased as Part of Publicly Announced Plans or Programs (2)</u>	<u>Approximate Dollar Value of Securities that May Yet Be Purchased Under Plans or Programs</u>
January 1 - January 31	1,973	\$ 10.04	—	\$ 2,000,000,000
February 1 - February 28	1,394	\$ 11.01	—	\$ 2,000,000,000
March 1 - March 31	147,117	\$ 9.83	—	\$ 2,000,000,000
Total	150,484	\$ 9.84	—	

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

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

Item 6. Exhibits

**Exhibit
Number**

Exhibit

- *10.1 Form of Ensco plc 2012 Long-Term Incentive Plan Restricted Share Award Agreement (executives).
- *10.2 Form of Ensco plc 2012 Long-Term Incentive Plan Restricted Share Unit Award Agreement (executives).
- *10.3 Form of Ensco plc 2012 Long-Term Incentive Plan Performance Unit Award Agreement (executives).
- *10.4 Form of Ensco plc 2012 Long-Term Incentive Plan Restricted Share Award Agreement (Carl Trowell).
- *10.5 Form of Ensco plc 2012 Long-Term Incentive Plan Performance Unit Award Agreement (Carl Trowell).
- *10.6 Form of Ensco plc 2012 Long-Term Incentive Plan Restricted Share Unit Award Agreement (non-employee directors).
- *10.7 Form of Retention Award Agreement.
- *12.1 Computation of ratio of earnings to fixed charges.
- *15.1 Letter regarding unaudited interim financial information.
- *31.1 Certification of the Chief Executive Officer of Registrant Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- *31.2 Certification of the Chief Financial Officer of Registrant Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- **32.1 Certification of the Chief Executive Officer of Registrant Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- **32.2 Certification of the Chief Financial Officer of Registrant Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- *101.INS XBRL Instance Document
- *101.SCH XBRL Taxonomy Extension Schema
- *101.CAL XBRL Taxonomy Extension Calculation Linkbase
- *101.DEF XBRL Taxonomy Extension Definition Linkbase
- *101.LAB XBRL Taxonomy Extension Label Linkbase
- *101.PRE XBRL Taxonomy Extension Presentation Linkbase

* Filed herewith.

** Furnished herewith.

SIGNATURES

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

Ensc o plc

Date: April 27, 2017

/s/ JONATHAN H. BAKSHT

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

/s/ ROBERT W. EDWARDS III

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

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** Furnished herewith.

Form of Ensco plc 2012 Long-Term Incentive Plan
Employee
Terms and Conditions Acceptance Agreement

You have been granted the following award of restricted Class A ordinary shares, nominal value US\$0.10 per share (“Restricted Shares”), in Ensco plc (the “Company”) pursuant to the Ensco plc 2012 Long-Term Incentive Plan (the “Plan”):

Name of Participant: [insert name]
 Total Number of Shares Granted: [insert # shares]
 Type of Grant: Restricted Shares
 Date of Grant: [insert date]
 Vesting Commencement Date: [insert date]
 Vesting Schedule: 33-1/3% per year for 3 years

The terms of the grant referenced herein are subject to the provisions of the Plan and the Restricted Share Award Agreement Terms and Conditions. The Restricted Share Award Agreement Terms and Conditions are provided herewith. The Plan and Plan prospectus are available to you through the Corporate Compensation Department in Houston and may be accessed on the Merrill Lynch Benefits OnLine[®] website.

The income resulting from the grant is subject to the Plan’s withholding provisions and the Company’s procedures regarding taxation on equity awards.

You must continue as an employee of the Company or a subsidiary of the Company in order to become vested in the Shares subject to this grant. The Shares subject to this grant that have not become vested under the **three-year** Vesting Schedule will be forfeited if you cease to be an employee with the Company or a subsidiary of the Company prior to the third anniversary of the Date of Grant. You hereby agree that any director or officer of the Company may take such steps and execute such documents as such director or officer shall consider necessary or desirable to procure the transfer of the Shares on any forfeiture event to the trustees of the Ensco plc Employee Benefit Trust (the “Trust”) or an account held for benefit of the trustees of the Trust. Without limitation, you irrevocably appoint any director or officer of the Company as your attorney to procure the transfer of shares to the trustees of the Trust or an account held for benefit of the trustees of the Trust to facilitate any such forfeiture. The forfeiture restrictions applicable to the Shares subject to this grant are subject to automatic waiver and earlier vesting under specified circumstances. Furthermore, the value of benefits received within one year before or after the termination of your employment are subject to the “Return of Proceeds” provisions which apply to these grants in the event you engage in competitive activity within the one-year period following your termination, as further described in Section 11 of the Restricted Share Award Agreement Terms and Conditions.

By signing this Acceptance Agreement, you agree to accept the above grant under and pursuant to the provisions of the Plan, as well as the Restricted Share Award Agreement Terms and Conditions. Your signature also serves to acknowledge receipt of the Ensco plc 2012 Long-Term Incentive Plan Summary and the Restricted Share Award Agreement Terms and Conditions.

Please return this original signed document to the Corporate Compensation Department in Houston in the enclosed envelope no later than [insert date].

ACCEPTED AND AGREED

[Insert name], Participant

_____ [insert year]

ENSCO plc
2012 LONG-TERM INCENTIVE PLAN
THREE-YEAR VESTING PERIOD
RESTRICTED SHARE AWARD AGREEMENT
TERMS AND CONDITIONS

The Board of Directors (the "Board") of Ensco plc, a public limited company incorporated under the laws of England and Wales (the "Company"), has adopted the Ensco plc 2012 Long-Term Incentive Plan (the "Plan"). In furtherance of the purposes of the Plan and pursuant thereto, a Restricted Share Award has been granted to the Participant as specifically described in the Terms and Conditions Acceptance Agreement (the "Acceptance Agreement") which must be executed by the Participant by the date specified in the Acceptance Agreement to reflect his or her acceptance of the following Terms and Conditions:

1. **Award of Restricted Shares** . The Company hereby grants an award (the "Award") to the Participant, subject to the terms, conditions and restrictions set forth in the Plan and those specified herein, the number of Shares specified in the Acceptance Agreement (the "Restricted Shares"), which Shares shall be fully paid up.

The Acceptance Agreement and the terms, conditions and restrictions set forth herein, including the Appendix attached hereto, shall collectively constitute the Award Agreement (the "Agreement") for this Award of Restricted Shares.

2. **Restrictions; Restriction Period; Vesting** . The Restricted Shares awarded hereunder may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner during the Restriction Period, which begins on the Date of Grant and ends with respect to a portion of the Restricted Shares on the vesting dates specified in this Section 2, other than by the executor or administrator of the Participant's estate in the event of the Participant's death. The Restricted Shares awarded hereunder shall not be assignable by operation of law or subject to execution, attachment or similar process. Any attempted sale, pledge, assignment, hypothecation, transfer or other disposition of the Restricted Shares contrary to the provisions of this Agreement or the Plan and the levy of any execution, attachment or similar process upon the Restricted Shares shall be null and void and without force or effect. No transfer of the Restricted Shares by will or by the laws of descent and distribution shall be effective to bind the Company unless the Company shall have been furnished written notice thereof and an authenticated copy of the will and/or such other evidence as the Committee may deem necessary to establish the validity of the transfer. The transfer to the executor or administrator of the Participant's estate shall be binding upon the executors, administrators, heirs and successors of the Participant.

These restrictions shall be released, and all right, title and interest to the Restricted Shares shall vest in the Participant, at the rate of thirty-three and one-third percent (33-1/3%) of the original number of Restricted Shares (subject to adjustment pursuant to Section 11(a) of the Plan) per year on the successive anniversaries of the Date of Grant (each, a "Vesting Date") and shall be fully vested on the third anniversary of the Date of Grant. The vesting and the waiver of the restrictions on the Restricted Shares shall be subject to acceleration on the terms and conditions stated in the Plan and in Section 5 hereof. Restricted Shares shall become "Vested Shares" upon release of the restrictions on the Vesting Date with respect to such Shares.

3. Deposit of Restricted Shares; Release of Shares . Restricted Shares shall be held (i) in escrow by the designee of the Company until the Vesting Date with respect to such Shares, or (ii) pursuant to such other arrangement in order to ensure compliance with the restrictions. Any such designee shall be considered the Plan “Administrator” with respect to any and all duties, responsibilities and functions delegated to it by the Company. Subject to prior compliance with Section 10 below, once Restricted Shares granted hereby become Vested Shares, the Plan Administrator shall arrange for the transfer of such Vested Shares to the Participant.

4. Rights with Respect to Restricted Shares . The Participant shall have the right to receive all dividends and other distributions paid with respect to the Restricted Shares and may exercise full voting rights in connection with such Shares. All rights with respect to, or in connection with, the Restricted Shares shall be exercisable during the Participant’s lifetime only by the Participant.

5. Termination of Employment .

(a) If the Participant ceases to perform Services for the Company and its Subsidiaries as a result of his or her Retirement on or after his or her Normal Retirement Age during the Restriction Period, all of the restrictions remaining on all of the Restricted Shares shall be automatically waived on such Participant’s actual normal retirement date and all of such Restricted Shares shall become Vested Shares.

(b) If the Participant is unable to continue to perform Services for the Company and its Subsidiaries by reason of his or her death or Permanent and Total Disability during the Restriction Period, the restrictions remaining on the Restricted Shares shall be automatically waived on the date of such Participant’s death or Participant’s termination date due to Permanent and Total Disability to the extent that such restrictions would have terminated automatically on the three anniversary dates of the Date of Grant next succeeding such Participant’s date of death or Participant’s termination date due to Permanent and Total Disability (to the extent a Vesting Date) and all of the Restricted Shares with respect to which such restrictions are hereby waived shall become Vested Shares. If a Participant’s employment is terminated during the Restriction Period because of his or her death, any earlier payment provided by the Company in settlement of this Award shall be made to the executor or administrator of the Participant’s estate. All remaining Restricted Shares that are still subject to restrictions shall be forfeited automatically and returned to the Ensco plc Employee Benefit Trust (the “Trust”) or retained by the Administrator in an account on behalf of the Trust, unless this forfeiture provision is waived in accordance with the Plan.

(c) Except as provided in Section 5(d) hereof, if the Participant ceases to perform Services for the Company and its Subsidiaries for any reason other than Retirement on or after his or her Normal Retirement Age, Permanent and Total Disability, or death during the Restriction Period, all remaining Restricted Shares that are still subject to restrictions on the date his or her Services cease shall be forfeited automatically and returned to the Trust or retained by the Administrator in an account on behalf of the Trust, unless, in the event of an involuntary termination of the Participant’s Services, this forfeiture provision is waived. In the case of such waiver, all of the restrictions with respect to such Restricted Shares are hereby waived and the Restricted Shares shall become Vested Shares. By accepting this Award, the Participant hereby agrees that, and shall be taken to have authorized that, any director or officer of the Company may take such steps and execute such documents as such director or officer shall consider necessary or desirable to procure the transfer of the Shares to the trustees of the Trust or an account held for benefit of the

trustees of the Trust. Without limitation, the Participant irrevocably appoints any director or officer of the Company as his or her attorney to procure the transfer of shares to the trustees of the Trust or an account held for benefit of the trustees of the Trust.

(d) Notwithstanding the foregoing and subject to the provisions of this Section 5(d), in the event of a Change in Control (as defined below) and the subsequent termination of the Participant's Services with the Company and its Subsidiaries by the Company or one of its Subsidiaries without Cause (as defined below), or the subsequent termination of the Participant's Services with the Company and its Subsidiaries by the Participant within thirty (30) days of his or her discovery of the occurrence of one or more events which constitute Good Reason (as defined below), in either case within two (2) years following such Change in Control, all of the restrictions remaining on all of the Restricted Shares shall be automatically waived on the date his or her Services terminates, and all of such Shares shall become Vested Shares. In the event of the occurrence of any event which constitutes Good Reason and in the event the Participant wishes to resign from his or her employment on the basis of the occurrence of such event, the Participant shall give notice of his or her proposed resignation, and the successor corporation shall have a period of thirty (30) days following its receipt of such notice to remedy the breach or occurrence giving rise to such proposed resignation. In the event the successor corporation fails to so remedy said breach or occurrence by expiration of said thirty (30)-day period, the Participant shall be deemed to have resigned from his or her employment for Good Reason pursuant to this Section 5(d) and shall be treated as if his or her employment has been terminated without Cause and he or she shall be entitled to the treatment of his or her Restricted Shares described in this Section 5(d).

For purposes of this Section 5(d), a "Change in Control" shall mean the occurrence of any of the following events: (i) a change in the ownership of the Company, which occurs on the date that any one person, or more than one person acting as a group, acquires ownership of Shares that, together with Shares held by such person or group, constitutes more than 50% of the total voting power of the Shares, or (ii) a majority of the members of the Board is replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. The determination of whether a Change in Control has occurred shall be determined by the Committee consistent with Section 409A of the Code.

Notwithstanding the foregoing paragraph, a "Change in Control" of the Company shall not be deemed to have occurred by virtue of the consummation of any transaction or series of related transactions immediately following which the beneficial owners of the voting Shares immediately before such transaction or series of transactions continue to have a majority of the direct or indirect ownership in one or more entities which, singly or together, immediately following such transaction or series of transactions, either (i) own all or substantially all of the assets of the Company as constituted immediately prior to such transaction or series of transactions, or (ii) are the ultimate parent with direct or indirect ownership of all of the voting Shares after such transaction or series of transactions.

For further clarification, a "Change in Control" of the Company shall not be deemed to have occurred by virtue of the consummation of any transaction or series of related transactions effected for the purpose of changing the place of incorporation or form of organization of the Company or the ultimate parent company of the Company and its Subsidiaries.

For purposes of this Agreement, "Cause" is defined as and limited to (i) gross misconduct or gross neglect by the Participant in the discharge of his or her duties as an Employee of the Company or any of its Subsidiaries, (ii) the breach by the Participant of any policy or written agreement with the Company or any of its Subsidiaries, including, without limitation, the Company's Code of Business Conduct Policy and any employment or non-disclosure agreement, (iii) proven dishonesty in the performance of the Participant's duties, (iv) the Participant's conviction or a plea of guilty or nolo contendere to a felony or crime of moral turpitude, or (v) the Participant's alcohol or drug abuse; provided, however, the Participant shall not be deemed to have been dismissed for Cause unless and until there shall have been delivered to the Participant a copy of a resolution duly adopted by the Board or the Committee at a meeting of the Board or Committee duly called and held for the purpose (after reasonable notice to the Participant and an opportunity for the Participant, together with his or her counsel, to be heard before the Board or Committee), finding that in the good-faith, reasonable opinion of the Board or Committee, the Participant was guilty of the conduct set forth in this sentence and specifying the particulars in detail.

For purposes of this Section 5(d), "Good Reason" shall mean (i) without the Participant's express written consent, the assignment of the Participant to any position which is not at least equivalent to the Participant's duties, responsibilities and status within the Company and its Subsidiaries immediately prior to the Change in Control, (ii) a reduction of the Participant's base salary or of any bonus compensation formula applicable to him or her immediately prior to the Change in Control, (iii) a failure to maintain any of the employee benefits to which the Participant is entitled at a level substantially equal to or greater than the value to him or her and his or her dependents of those employee benefits in effect immediately prior to the Change in Control through the continuation of the same or substantially similar plans, programs or policies, or the taking of any action that would materially affect the Participant's participation in or reduce the Participant's benefits under any such plans, programs or policies, or deprive the Participant or his or her dependents of any material fringe benefits enjoyed by the Participant immediately prior to the Change in Control, (iv) the failure to permit the Participant to take substantially the same number of paid vacation days and leave to which the Participant is entitled immediately prior to the Change in Control, or (v) requiring the Participant who is based in the office of ENSCO International Incorporated in Houston, Texas on the date a Change in Control of the Company occurs to be based anywhere other than within a fifty (50) mile radius of the office of ENSCO International Incorporated in Houston, Texas, except for required travel on business to an extent substantially consistent with the Participant's business travel obligations immediately prior to the Change in Control.

6. Effect of Company Blackout Periods . The Company has established the Ensco Securities Trading Policy and Procedure (the "Policy") relative to disclosure and trading on inside information as described in the Policy. Under the Policy, directors, officers and managers (as defined in the Policy) of the Company are prohibited from trading Company securities during certain "blackout periods" as described in the Policy. In respect to any Participant subject to the Policy, if the date on which any Restriction Period will lapse and as a result of which Restricted Shares will become Vested Shares falls within a blackout period imposed by the Policy, the date described in this sentence shall automatically be extended by this Section 6 to the second U.S. business day immediately following the last day of the applicable blackout period. The Committee shall interpret and apply the extension automatically provided by the preceding sentence to ensure that in no event shall any Restriction Period lapse during an imposed blackout period. If, however, the Policy is subsequently amended after the Date of Grant of this Award, the automatic extension of any date in accordance with the preceding sentences shall be rescinded or otherwise adjusted

automatically in accordance with the Policy, as amended, and the Committee shall interpret this Section 6 to ensure its compliance with the Policy, as amended.

7. **Employment Relationship** . For purposes of this Agreement, the Participant shall be considered to be in the employment of the Company or a Subsidiary, as applicable, as long as the Participant continues performing Services for the Company or a Subsidiary and the relationship between the Participant and the Company or a Subsidiary, as applicable, is the legal relationship of employer and employee within the meaning of Section 3401(c) of the Code or according to local employment laws in any non-U.S. jurisdiction in which the Participant is employed, as applicable. Any question as to whether and when there has been a termination of such continuous Services as an Employee for purposes of this Agreement, and the cause of such termination for purposes of this Agreement, shall be determined by the Committee, and its determination shall be final, conclusive and binding.

8. **Nature of Grant** . In accepting this Award, the Participant acknowledges, understands and agrees that:

(a) The Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan.

(b) The grant of this Award is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Shares or benefits in lieu of Restricted Shares, even if Restricted Shares or other awards have been granted in the past.

(c) All decisions with respect to future grants of Restricted Shares or other awards, if any, will be at the sole discretion of the Company.

(d) This Award and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company or any of its Subsidiaries and shall not interfere with the ability of the Company or any of its Subsidiaries, as applicable, to terminate the Participant's employment or service relationship (if any).

(e) The Participant is voluntarily participating in the Plan.

(f) This Award and the Shares subject to this Award are not intended to replace any pension rights or compensation.

(g) This Award and the Shares subject to this Award, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments.

(h) The future value of the Shares subject to this Award is unknown, indeterminable and cannot be predicted with certainty.

(i) No claim or entitlement to compensation or damages shall arise from forfeiture of this Award resulting from the Participant ceasing to provide employment or other services to the Company or any of its Subsidiaries (for any reason whatsoever, whether or not is later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the

terms of the Participant's employment agreement, if any). In consideration of the grant of this Award to which the Participant is otherwise not entitled, the Participant irrevocably agrees other than in the event of Company's breach of this Agreement, to (i) not institute any claim against the Company or any of its Subsidiaries in connection with this Agreement, (ii) waive the ability, if any, to bring any such claim and (iii) release the Company and its Subsidiaries from any such claim. If, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

(j) Unless otherwise provided in the Plan or by the Company in its discretion, this Award and the benefits evidenced by this Agreement do not create any entitlement to have this Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out, or substituted for, in connection with any corporate transaction affecting the Shares; and

(k) The following provisions apply only if the Participant is providing services outside the United States:

(i) this Award and the Shares subject to this Award are not part of normal or expected compensation or salary for any purpose; and

(ii) the Participant acknowledges and agrees that neither the Company nor any Subsidiary shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of this Award or any amounts due to the Participant with respect to the settlement of this Award or any subsequent sale of any Shares acquired pursuant to this Award.

9. **Tax Consequences; No Advice Regarding Grant** . The issuance of Vested Shares released from the forfeiture restrictions will have tax consequences for a Participant who is subject to U.S. federal taxation under the Code. The Award, the issuance of Restricted Shares and/or the issuance of Vested Shares released from the forfeiture restrictions may also have tax consequences for Participants who are subject to taxation in other jurisdictions.

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding participation in the Plan or the acquisition or sale of the Shares subject to this Award.

THE PARTICIPANT IS HEREBY ADVISED TO CONSULT WITH HIS OR HER OWN PERSONAL TAX, LEGAL AND FINANCIAL ADVISERS REGARDING HIS OR HER PARTICIPATION IN THE PLAN AND ANY TAX OR OTHER CONSEQUENCES ASSOCIATED WITH THIS AWARD.

10. **Tax Withholding** . To the extent that the Participant is subject to withholding of federal, state, or local income taxes and/or other taxes or social insurance contributions imposed by the country of residence or citizenship of the Participant or the country or residence of the Company or its Subsidiary which has the legal relationship of employer and employee with the Participant or is obligated to the Company or any of its Subsidiaries under the Company's tax equalization or hypothetical tax policies or specific agreements relating thereto (the "Employee Taxes"), the Participant shall, at such time as the value of any Shares or other amounts received

pursuant to this Award first becomes includable in the gross income of the Participant for such Employee Taxes or the time that a withholding obligation arises for the Company or any of its Subsidiaries with respect to this Award, as applicable, pay to the Company or its designee, or make arrangements satisfactory to the Committee or its designee regarding payment of, any and all such Employee Taxes required to be withheld with respect to such income and, if applicable, any amounts owed to the Company or its Subsidiaries under its tax equalization or hypothetical tax policies or specific agreements relating thereto.

Regardless of any action the Company or any of its Subsidiaries take with respect to the Employee Taxes, the Participant acknowledges that the ultimate liability for all Employee Taxes is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company and a Subsidiary. The Participant further acknowledges that the Company and its Subsidiaries (i) make no representations or undertakings regarding the treatment of any Employee Taxes in connection with any aspect of this Award, including, but not limited to, the grant or vesting of the Restricted Shares, the release of the restrictions to which the Restricted Shares are subject, any waiver of the forfeiture provisions applicable to the Restricted Shares, the subsequent sale of any Shares acquired pursuant to this Award, and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of this Award to reduce or eliminate the Participant's liability for Employee Taxes or achieve any particular tax result.

Subject in each case to approval by the Committee or its designee and Section 6 hereof as well as compliance with all applicable law, the Participant may elect to have any withholding obligation of the Company or any Subsidiary satisfied, in whole or in part, by (i) selling to the Trust a number of Shares that would otherwise be released from the restrictions on a Vesting Date, such number of Shares having an aggregate Fair Market Value (as of the date the Shares are sold) equal to the statutory prescribed amount of the withholding due or other applicable withholding amount as determined by the Company, (ii) authorizing the Company's designee to sell a number of Shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the statutory prescribed amount of the withholding due or other applicable withholding amount as determined by the Company, and/or (iii) paying to the Company or a Subsidiary the amount of Employee Taxes in cash, check or other cash equivalent. In the absence of any election by the Participant, any withholding obligation for Employee Taxes shall be satisfied pursuant to clause (i) of the immediately preceding sentence.

The Company may refuse to release the Restricted Shares from the forfeiture restrictions if the Participant fails to comply with the obligations in connection with Employee Taxes.

11. **Return of Proceeds** . If (i) the Participant engages in an activity that competes with the business of the Company or any of its Subsidiaries within one (1) year after (A) the Participant's voluntarily resignation or Retirement from his or her position as an Employee, or (B) his or her status as an Employee was terminated by the Company or a Subsidiary for Cause (as defined in Section 5(d) hereof) (either event constituting a "Termination" for purposes of this Section 11), and (ii) Restricted Shares held by the Participant had vested within one (1) year of the date of Termination; then the Participant shall remit to the Company, or its designee, within five (5) business days of receipt of written demand therefor, an amount in good funds equal to the Fair Market Value of such Shares computed as of the Vesting Date of such Shares.

12. **Compliance with Law** . Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any Shares issuable upon lapse of the forfeiture restrictions applicable to the Restricted Shares prior to (i) the completion of any registration or qualification of the Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or (ii) obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Participant understands that the Company is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Further, the Participant agrees that the Company shall have unilateral authority to amend the Plan and this Agreement without the Participant's consent to the extent that the Company deems it to be necessary or advisable to comply with securities or other laws applicable to issuance of Shares pursuant to this Agreement.

13. **Data Privacy** . The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other Award materials by and among, as applicable, the Participant's employer, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.

The Participant understands that the Company and the Participant's employer may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all Awards or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").

The Participant understands that Data will be transferred to Merrill Lynch and Computershare or such other stock plan service providers as may be selected by the Company in the future, which are assisting the Company with the implementation, administration and management of the Plan. In addition, Data may be transferred to the trustee of the Trust established in connection with the Plan. The Participant understands that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. If the Participant resides outside the United States, the Participant understands that the Participant may request a list with the names and addresses of any potential recipients of Data by contacting the Participant's local human resources representative. The Participant authorizes the Company, Merrill Lynch, Computershare and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. If the Participant resides outside the United States, the Participant understands that the Participant may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or

withdraw the consents herein, in any case without cost, by contacting in writing the Participant's local human resources representative. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke his or her consent, his or her employment status or service and career with the Company and its Subsidiaries will not be adversely affected; the only adverse consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant the Participant Restricted Shares or other equity awards or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

14. **Electronic Delivery and Participation** . The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

15. **Language** . If the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will take precedence.

16. **Notices** . Notices delivered under this Agreement shall be delivered to the Company at its principal office (Attention: General Counsel and Secretary), and to the Participant at such address as the Participant shall designate in writing to the Company.

17. **Binding Effect and Interpretation** . This Agreement shall be binding upon and inure to the benefit of any successors to the Company or to the Participant. In the event of conflict between this Agreement and the Plan, the terms of the Plan shall control. All undefined capitalized terms used herein shall have the meaning assigned to them in the Plan. The Board or the Committee shall have the authority to construe the terms of this Agreement, and such determinations shall be final and binding on the Participant and the Company and its Subsidiaries. The Participant may obtain a copy of the Plan on the Merrill Lynch Benefits Online[®] website or by contacting the Corporate Compensation Department in Houston.

18. **Severability** . The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

19. **Governing Law** . This Agreement and all actions hereunder shall be governed by and construed in accordance with the laws of England and Wales, without regard to conflict of laws principles thereof.

20. **Waiver** . The Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant or any other Participant.

21. **Appendix** . Notwithstanding any provisions in this Agreement, this Award shall be subject to any special terms and conditions set forth in any Appendix to this Agreement for the Participant's country. Moreover, if the Participant relocates to one of the countries included in the

Appendix, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with the laws of the country where the Participant resides or facilitate the administration of the Plan. The Appendix constitutes part of this Agreement.

22. **Imposition of Other Requirements** . The Company reserves the right to impose other requirements on participation in the Plan, on this Award and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with the laws of the country where the Participant resides or facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Form of Ensco plc 2012 Long-Term Incentive Plan
Employee
Terms and Conditions Acceptance Agreement

You have been granted the following award of restricted Class A ordinary shares, nominal value US\$0.10 per share, in Ensco plc (the "Company") in the form of units ("Restricted Share Units") pursuant to the Ensco plc 2012 Long-Term Incentive Plan (the "Plan"):

Name of Participant: [insert name]
 Total Number of Units Granted: [insert # of units]
 Type of Grant: Restricted Stock Units
 Date of Grant: [insert date]
 Vesting Commencement Date: [insert date]
 Vesting Schedule: 33 1/3% per year for 3 years

The terms of the grant referenced herein are subject to the provisions of the Plan and the Employee Restricted Share Unit Award Agreement Terms and Conditions. The Employee Restricted Share Unit Award Agreement Terms and Conditions are provided herewith. The Plan and Plan prospectus are available to you through the Corporate Compensation Department in Houston and may be accessed on the Merrill Lynch Benefits OnLine[®] website.

The income resulting from the Restricted Share Unit Award, the vesting of the Restricted Share Units, the issuance of Shares with respect to Vested Share Units, and the payment of an amount equal to any dividend or other distribution on the Company's Shares is subject to the Plan's withholding provisions and the Company's procedures regarding taxation on equity awards.

You must continue as an employee of the Company or a subsidiary of the Company in order to become vested in the Restricted Share Units subject to this grant and to become entitled to any payment under the Restricted Share Unit Award. The Restricted Share Units subject to this grant that have not become vested under the **three-year** Vesting Schedule will be forfeited if you cease to be an employee with the Company or a subsidiary of the Company prior to the third anniversary of the Date of Grant. The forfeiture restrictions applicable to the Restricted Share Units subject to this grant are subject to automatic waiver and earlier vesting under specified circumstances. Furthermore, the value of the benefits and payments received within one year before or after the termination of your employment are subject to the "Return of Proceeds" provisions which apply to these grants in the event you engage in competitive activity within the one-year period following your termination, as further described in Section 11 of the Employee Restricted Share Unit Award Agreement Terms and Conditions.

By signing this Acceptance Agreement, you agree to accept the above grant under and pursuant to the provisions of the Plan, as well as the Employee Restricted Share Unit Award Agreement Terms and Conditions. Your signature also serves to acknowledge receipt of the Ensco plc 2012 Long-Term Incentive Plan Summary and the Employee Restricted Share Unit Award Agreement Terms and Conditions.

Please return this original signed document to the Corporate Compensation Department in Houston in the enclosed envelope no later than [insert date].

ACCEPTED AND AGREED

[insert name], Participant

_____ [insert year]

ENSCO plc
2012 LONG-TERM INCENTIVE PLAN
EMPLOYEE

THREE-YEAR VESTING PERIOD
RESTRICTED SHARE UNIT AWARD AGREEMENT
TERMS AND CONDITIONS

The Board of Directors (the "Board") of Ensco plc, a public limited company incorporated under the laws of England and Wales (the "Company"), has adopted the Ensco plc 2012 Long-Term Incentive Plan (the "Plan"). In furtherance of the purposes of the Plan and pursuant thereto, a Restricted Share Unit Award has been granted under to the Plan to the Participant as specifically described in the Terms and Conditions Acceptance Agreement (the "Acceptance Agreement") which must be executed by the Participant by the date specified in the Acceptance Agreement to reflect his or her acceptance of the following Terms and Conditions:

1. **Award of Restricted Share Units** . The Company hereby grants to the Participant, subject to the terms, conditions and restrictions set forth in the Plan and those specified herein, the number of Restricted Share Units specified in the Acceptance Agreement (the "Award") with one unit representing one Share, which Shares shall be fully paid up, upon fulfillment of the terms, conditions and restrictions set forth in the Plan and those specified herein.

The Acceptance Agreement and the terms, conditions and restrictions set forth herein, including the Appendix attached hereto, shall collectively constitute the Award Agreement (the "Agreement") for this Award of Restricted Share Units.

2. **Restrictions; Restriction Period; Vesting** . The Restricted Share Units awarded hereunder and the Shares subject to this Award may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner during the Restriction Period, which begins on the Date of Grant and ends with respect to a portion of the Restricted Share Units on the vesting dates specified in this Section 2, other than by the executor or administrator of the Participant's estate in the event of the Participant's death. The Restricted Share Units awarded hereunder and the Shares subject to this Award shall not be assignable by operation of law or subject to execution, attachment or similar process. Any attempted sale, pledge, assignment, hypothecation, transfer or other disposition of the Restricted Share Units or the Shares subject to this Award contrary to the provisions of this Agreement or the Plan and the levy of any execution, attachment or similar process upon the Restricted Share Units or Shares shall be null and void and without force or effect. No transfer of the Restricted Share Units or the Shares subject to this Award by will or by the laws of descent and distribution shall be effective to bind the Company unless the Company shall have been furnished written notice thereof and an authenticated copy of the will and/or such other evidence as the Committee may deem necessary to establish the validity of the transfer. The transfer to the executor or administrator of the Participant's estate shall be binding upon the executors, administrators, heirs and successors of the Participant.

These restrictions shall be released, and all right, title and interest to the Shares subject to this Award shall vest in the Participant, at the rate of thirty-three and one-third percent (33-1/3%) of the original number of Restricted Share Units (subject to adjustment pursuant to Section 11(a) of the Plan) per year on the successive anniversaries of the Date of Grant (each, a "Vesting Date")

and shall be fully vested on the third anniversary of the Date of Grant. The vesting and the waiver of the restrictions on the Restricted Share Units shall be subject to acceleration on the terms and conditions stated in the Plan and in Section 5 hereof. Restricted Share Units shall become "Vested Share Units" upon release of the restrictions on the Vesting Date with respect to such Share Units.

3. Issuance of Shares; Payment under this Award. Subject to prior compliance with Section 10 and Section 12 below, once the Restricted Share Units granted hereby become Vested Share Units, whether pursuant to Section 2 or Sections 5(a), (b) or (d) hereof, the Plan Administrator shall arrange for the transfer to the Participant of a corresponding number of Shares equal to the number of those Vested Share Units. The transfer of the total number of Shares shall be made to the Participant within sixty (60) days (with the exact payment date determined by the Company in its sole discretion) of the earlier of: (i) the Vesting Date under Section 2 hereof, or (ii) the date the Participant's Services terminate during the Restriction Period for a reason provided in Section 5(a), (b), or (d) hereof, in order to ensure that this Award and the Plan complies with the payment requirements of Section 409A(a)(2)(A) of the Code and Treas. Reg. §§1.409A-3(a)(1), (a)(4), (b) and (i).

4. Rights with Respect to Restricted Share Units . In the case of a dividend or other distribution on the Shares during the Restriction Period, the Participant shall be paid or issued - with respect to the number of Shares subject to this Award - an equivalent amount at the same time as such dividends or other distributions are paid or issued on Shares, and in no event no more than sixty (60) days after that payment or issuance date, and always in the same calendar year that the dividends or other distributions are paid or issued on Shares, in order to ensure that this Award and the Plan complies with Treas. Reg. §1.409A-3(e) and the specified time of payment requirement of Section 409A(a)(2)(A)(iv) of the Code and Treas. Reg. §§1.409A-3(a)(4) and (d). All rights with respect to, or in connection with, the Restricted Share Units shall be exercisable during the Participant's lifetime only by the Participant.

5. Termination of Employment .

(a) If the Participant ceases to perform Services for the Company and its Subsidiaries as a result of his or her Retirement on or after his or her Normal Retirement Age during the Restriction Period, then all of the restrictions remaining on all of the Restricted Share Units governed by this Agreement shall be automatically waived on such Participant's actual normal retirement date and all of such Restricted Share Units shall become Vested Share Units and Shares shall be issued as set forth in Section 3 above.

(b) If the Participant is unable to continue to perform Services for the Company and its Subsidiaries by reason of his or her death or Permanent and Total Disability during the Restriction Period, all of the restrictions remaining on the Restricted Share Units shall be automatically waived on the date of such Participant's death or Participant's termination date due to Permanent and Total Disability to the extent that such restrictions would have terminated automatically on the three anniversary dates of the Date of Grant next succeeding such Participant's date of death or Participant's termination date due to Permanent and Total Disability (to the extent a Vesting Date) and all of the Restricted Share Units with respect to which such restrictions are hereby waived shall become Vested Share Units and Shares shall be issued as set forth in Section 3 above. If a Participant's employment is terminated during the Restriction Period because of his or her death, any earlier payment provided by the Company in settlement of this Award shall be made to the executor or administrator of the Participant's estate.

(c) Except as provided in Section 5(d) hereof, if the Participant ceases to perform Services for the Company and its Subsidiaries for any reason other than Retirement on or after his or her Normal Retirement Age, Permanent and Total Disability or death during the Restriction Period, all remaining Restricted Share Units that are still subject to restrictions on the date his or her Services cease shall be forfeited automatically, unless, in the event of an involuntary termination of the Participant's Services, this forfeiture provision is waived. In the case of such waiver, all of the restrictions with respect to such Restricted Share Units are hereby waived and the Restricted Share Units shall become Vested Share Units and Shares shall be issued as set forth in Section 3 above.

(d) Notwithstanding the foregoing and subject to the provisions of this Section 5(d), in the event of a Change in Control (as defined below) and the subsequent termination of the Participant's Services with the Company and its Subsidiaries by the Company or one of its Subsidiaries without Cause (as defined below), or the subsequent termination of the Participant's Services with the Company and its Subsidiaries by the Participant within thirty (30) days of his or her discovery of the occurrence of one or more events which constitute Good Reason (as defined below), in either case within two (2) years following such Change in Control, all of the restrictions remaining on all of the Restricted Share Units shall be automatically waived on the date his or her Services terminates, and all of such Restricted Share Units shall become Vested Share Units and Shares shall be issued as forth in Section 3 above. In the event of the occurrence of any event which constitutes Good Reason and in the event the Participant wishes to resign from his or her employment on the basis of the occurrence of such event, the Participant shall give notice of his or her proposed resignation, and the successor corporation shall have a period of thirty (30) days following its receipt of such notice to remedy the breach or occurrence giving rise to such proposed resignation. In the event the successor corporation fails to so remedy said breach or occurrence by expiration of said thirty (30)-day period, the Participant shall be deemed to have resigned from his or her employment for Good Reason pursuant to this Section 5(d) and shall be treated as if his or her employment has been terminated without Cause and he or she shall be entitled to the treatment of his or her Restricted Share Units described in this Section 5(d).

For purposes of this Section 5(d), a "Change in Control" shall mean the occurrence of any of the following events: (i) a change in the ownership of the Company, which occurs on the date that any one person, or more than one person acting as a group, acquires ownership of Shares that, together with Shares held by such person or group, constitutes more than 50% of the total voting power of the Shares, or (ii) a majority of the members of the Board is replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. The determination of whether a Change in Control has occurred shall be determined by the Committee consistent with Section 409A of the Code.

Notwithstanding the foregoing paragraph, a "Change in Control" of the Company shall not be deemed to have occurred by virtue of the consummation of any transaction or series of related transactions immediately following which the beneficial owners of the voting Shares immediately before such transaction or series of transactions continue to have a majority of the direct or indirect ownership in one or more entities which, singly or together, immediately following such transaction or series of transactions, either (i) own all or substantially all of the assets of the Company as constituted immediately prior to such transaction or series of transactions, or (ii) are the ultimate parent with direct or indirect ownership of all of the voting Shares after such transaction or series of transactions.

For further clarification, a "Change in Control" of the Company shall not be deemed to have occurred by virtue of the consummation of any transaction or series of related transactions effected for the purpose of changing the place of incorporation or form of organization of the Company or the ultimate parent company of the Company and its Subsidiaries.

For purposes of this Agreement, "Cause" is defined as and limited to (i) gross misconduct or gross neglect by the Participant in the discharge of his or her duties as an Employee of the Company or any of its Subsidiaries, (ii) the breach by the Participant of any policy or written agreement with the Company or any of its Subsidiaries, including, without limitation, the Company's Code of Business Conduct Policy and any employment or non-disclosure agreement, (iii) proven dishonesty in the performance of the Participant's duties, (iv) the Participant's conviction or a plea of guilty or nolo contendere to a felony or crime of moral turpitude, or (v) the Participant's alcohol or drug abuse; provided, however, the Participant shall not be deemed to have been dismissed for Cause unless and until there shall have been delivered to the Participant a copy of a resolution duly adopted by the Board or the Committee at a meeting of the Board or Committee duly called and held for the purpose (after reasonable notice to the Participant and an opportunity for the Participant, together with his or her counsel, to be heard before the Board or Committee), finding that in the good-faith, reasonable opinion of the Board or Committee, the Participant was guilty of the conduct set forth in this sentence and specifying the particulars in detail.

For purposes of this Section 5(d), "Good Reason" shall mean (i) without the Participant's express written consent, the assignment of the Participant to any position which is not at least equivalent to the Participant's duties, responsibilities and status within the Company and its Subsidiaries immediately prior to the Change in Control, (ii) a reduction of the Participant's base salary or of any bonus compensation formula applicable to him or her immediately prior to the Change in Control, (iii) a failure to maintain any of the employee benefits to which the Participant is entitled at a level substantially equal to or greater than the value to him or her and his or her dependents of those employee benefits in effect immediately prior to the Change in Control through the continuation of the same or substantially similar plans, programs or policies, or the taking of any action that would materially affect the Participant's participation in or reduce the Participant's benefits under any such plans, programs or policies, or deprive the Participant or his or her dependents of any material fringe benefits enjoyed by the Participant immediately prior to the Change in Control, (iv) the failure to permit the Participant to take substantially the same number of paid vacation days and leave to which the Participant is entitled immediately prior to the Change in Control, or (v) requiring the Participant who is based in the office of ENSCO International Incorporated in Houston, Texas on the date a Change in Control of the Company occurs to be based anywhere other than within a fifty (50) mile radius of the office of ENSCO International Incorporated in Houston, Texas, except for required travel on business to an extent substantially consistent with the Participant's business travel obligations immediately prior to the Change in Control.

(e) Notwithstanding the date of payment specified by Section 5(a) or (d) above with respect to the amount determined pursuant to such subsection, if the Participant is a Specified Employee on the date he or she ceases to perform Services for the Company and its Subsidiaries, to the extent required under Section 409A of the Code and the guidance and Treasury regulations issued thereunder, payment of that amount shall not be made until the date which is six (6) months after the date of his or her Retirement or the date his or her Services terminates, whichever is applicable.

For purposes of this Section 5(e), "Specified Employee" shall mean an Employee for each twelve (12)-consecutive month period that begins on any April 1st and immediately follows a calendar year during which such Employee was, at any time during that calendar year (i) an officer of the Company or any Subsidiary having annual compensation greater than \$160,000 (as adjusted under Section 416(i)(1) of the Code); (ii) a more than five-percent owner of the Company or any Subsidiary; or (iii) a more than one-percent owner of the Company or any Subsidiary having annual compensation from the Company and all Subsidiaries of more than \$150,000. For this purpose, "annual compensation" shall mean annual compensation as defined in Section 415(c)(3) of the Code, which includes amounts contributed by the Company and all Subsidiaries pursuant to a salary reduction agreement which are excludable from the Participant's gross income under Section 125, 402(e)(3), 402(h)(1)(B), 408(p)(2)(A)(i), 457 or 403(b) of the Code, and elective amounts that are not includible in the gross income of the Participant by reason of Section 132(f)(4) of the Code. For this purpose, no more than 50 Employees (or, if lesser, the greater of three or ten percent of the Employees) shall be treated as officers. The constructive ownership rules of Section 318 of the Code (or the principles of that section, in the case of an unincorporated Subsidiary) shall apply to determine ownership in each Subsidiary.

6. **Effect of Company Blackout Periods** . The Company has established the Ensco Securities Trading Policy and Procedure (the "Policy") relative to disclosure and trading on inside information as described in the Policy. Under the Policy, directors, officers and managers (as defined in the Policy) of the Company are prohibited from trading Company securities during certain "blackout periods" as described in the Policy. In respect to any Participant subject to the Policy, if the date on which any Restriction Period will lapse and as a result of which Restricted Share Units will become Vested Share Units falls within a blackout period imposed by the Policy, the date described in this sentence shall automatically be extended by this Section 6 to the second U.S. business day immediately following the last day of the applicable blackout period. The Committee shall interpret and apply the extension automatically provided by the preceding sentence to ensure that in no event shall any Restriction Period lapse during an imposed blackout period. If, however, the Policy is subsequently amended after the Date of Grant of this Award, the automatic extension of any date in accordance with the preceding sentences shall be rescinded or otherwise adjusted automatically in accordance with the Policy, as amended, and the Committee shall interpret this Section 6 to ensure its compliance with the Policy, as amended.

7. **Employment Relationship** . For purposes of this Agreement, the Participant shall be considered to be in the employment of the Company or a Subsidiary, as applicable, as long as the Participant continues performing Services for the Company or a Subsidiary and the relationship between the Participant and the Company or a Subsidiary, as applicable, is the legal relationship of employer and employee within the meaning of Section 3401(c) of the Code or according to local employment laws in any non-U.S. jurisdiction in which the Participant is employed, as applicable. In order for a Participant's Services to be considered to have terminated for purposes of Sections 5(a) and (d), such Retirement or other termination of employment must constitute a "separation from service" within the meaning of Treas. Reg. §1.409A-1(h)(1). Any question as to whether and when there has been a termination of such continuous Services as an Employee for purposes of this Agreement, and the cause of such termination for purposes of this Agreement, shall be determined by the Committee, and its determination shall be final, conclusive and binding.

8. **Nature of Grant** . In accepting this Award, the Participant acknowledges, understands and agrees that:

(a) The Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan.

(b) The grant of this Award is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Share Units or benefits in lieu of Restricted Share Units, even if Restricted Share Units or other awards have been granted in the past.

(c) All decisions with respect to future grants of Restricted Share Units or other awards, if any, will be at the sole discretion of the Company.

(d) This Award and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company or any of its Subsidiaries and shall not interfere with the ability of the Company or any of its Subsidiaries, as applicable, to terminate the Participant's employment or service relationship (if any).

(e) The Participant is voluntarily participating in the Plan.

(f) This Award and the Shares subject to this Award are not intended to replace any pension rights or compensation.

(g) This Award and the Shares subject to this Award, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments.

(h) The future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty.

(i) No claim or entitlement to compensation or damages shall arise from forfeiture of this Award resulting from the Participant ceasing to provide employment or other services to the Company or any of its Subsidiaries (for any reason whatsoever, whether or not is later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any). In consideration of the grant of this Award to which the Participant is otherwise not entitled, the Participant irrevocably agrees other than in the event of Company's breach of this Agreement, to (i) not institute any claim against the Company or any of its Subsidiaries in connection with this Agreement, (ii) waive the ability, if any, to bring any such claim and (iii) release the Company and its Subsidiaries from any such claim. If, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

(j) Unless otherwise provided in the Plan or by the Company in its discretion, this Award and the benefits evidenced by this Agreement do not create any entitlement to have this Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out, or substituted for, in connection with any corporate transaction affecting the Shares; and

(k) The following provisions apply only if the Participant is providing services outside the United States:

(i) this Award and the Shares subject to this Award are not part of normal or expected compensation or salary for any purpose; and

(ii) the Participant acknowledges and agrees that neither the Company nor any Subsidiary shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of this Award or any amounts due to the Participant with respect to the settlement of this Award or any subsequent sale of any Shares acquired upon settlement.

9. **Tax Consequences; No Advice Regarding Grant** . The vesting of the Restricted Share Units, the issuance of Shares with respect to Vested Share Units and the payment of an amount equal to any dividend or other distribution on the Company's Shares as described in Section 4 will have tax consequences for a Participant who is subject to U.S. federal taxation under the Code. The Award, the vesting of the Restricted Share Units, the issuance of Shares with respect to Vested Share Units and the payment of an amount equal to any dividend or other distribution on the Company's Shares as described in Section 4 may also have tax consequences for Participants who are subject to taxation in other jurisdictions.

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding participation in the Plan or the acquisition or sale of the Shares that may be issued under this Award.

THE PARTICIPANT IS HEREBY ADVISED TO CONSULT WITH HIS OR HER OWN PERSONAL TAX, LEGAL AND FINANCIAL ADVISERS REGARDING HIS OR HER PARTICIPATION IN THE PLAN AND ANY TAX OR OTHER CONSEQUENCES ASSOCIATED WITH THIS AWARD.

10. **Tax Withholding** . To the extent that the Participant is subject to withholding of federal, state, or local income taxes and/or other taxes or social insurance contributions imposed by the country of residence or citizenship of the Participant or the country or residence of the Company or its Subsidiary which has the legal relationship of employer and employee with the Participant or is obligated to the Company or any of its Subsidiaries under the Company's tax equalization or hypothetical tax policies or specific agreements relating thereto (the "Employee Taxes"), the Participant shall, at such time as the value of any Shares or other amounts received pursuant to this Award first becomes includable in the gross income of the Participant for such Employee Taxes or the time that a withholding obligation arises for the Company or any of its Subsidiaries with respect to this Award, as applicable, pay to the Company or its designee, or make arrangements satisfactory to the Committee or its designee regarding payment of, any and all such Employee Taxes required to be withheld with respect to such income and, if applicable, any amounts owed to the Company or its Subsidiaries under its tax equalization or hypothetical tax policies or specific agreements relating thereto.

Regardless of any action the Company or any of its Subsidiaries take with respect to the Employee Taxes, the Participant acknowledges that the ultimate liability for all Employee Taxes is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company and a Subsidiary. The Participant further acknowledges that the Company and its

Subsidiaries (i) make no representations or undertakings regarding the treatment of any Employee Taxes in connection with any aspect of this Award, including, but not limited to, the grant or vesting of the Restricted Share Units, the receipt of an amount equal to any dividend or other distribution on the Shares during the Restriction Period, the issuance of Shares with respect to Vested Share Units, the receipt of any dividends or other distribution on Shares issued pursuant to this Award and the subsequent sale of any Shares acquired pursuant to this Award; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of this Award to reduce or eliminate the Participant's liability for Employee Taxes or achieve any particular tax result.

Subject in each case to approval by the Committee or its designee and Section 6 hereof as well as compliance with all applicable law, the Participant may elect to have any withholding obligation of the Company or any Subsidiary satisfied, in whole or in part, by (i) authorizing the Company or its designee to withhold Shares to be issued pursuant to this Award, a number of Shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the statutory prescribed amount of the withholding due or other applicable withholding amount; (ii) selling or transferring to the Ensco plc Employee Benefit Trust (the "Trust") or other designee of the Company a number of Shares that would otherwise be issued pursuant to this Award, such number of Shares having an aggregate Fair Market Value (as of the date the Shares are sold or transferred) equal to the statutory prescribed amount of the withholding due or other applicable withholding amount as determined by the Company; (iii) authorizing the Company's designee to sell a number of Shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the statutory prescribed amount of the withholding due or other applicable withholding amount as determined by the Company; (iv) paying to the Company or a Subsidiary the amount of Employee Taxes in cash, check or other cash equivalent; and/or (v) having the Company withhold from any amount payable under this Award or from any cash compensation payable to the Participant. If the withholding obligation is satisfied by withholding a number of Shares as described in (i) above, solely for tax purposes, the Participant will be deemed to have been issued the full number of Shares subject to the Vested Share Units, notwithstanding that a number of the Shares are withheld in order for the Company to meet its withholding obligation in connection with the Employee Taxes. In the absence of any election by the Participant, any withholding obligation for Employee Taxes shall be satisfied pursuant to clause (i) of the first sentence of this paragraph.

The Company may refuse to issue the Shares upon vesting of the Restricted Share Units or make any payment pursuant to Section 4 above if the Participant fails to comply with the obligations in connection with Employee Taxes.

11. **Return of Proceeds** . If (i) the Participant engages in an activity that competes with the business of the Company or any of its Subsidiaries within one (1) year after (A) the Participant's voluntarily resignation or Retirement from his or her position as an Employee, or (B) his or her status as an Employee was terminated by the Company or a Subsidiary for Cause (as defined in Section 5(d) hereof) (either event constituting a "Termination" for purposes of this Section 11), and (ii) Restricted Share Units held by the Participant had vested and become payable within one (1) year of the date of Termination; then the Participant shall remit to the Company, or its designee, within five (5) business days of receipt of written demand therefor, an amount in good funds equal to the sum of the Fair Market Value of the Shares issued in the settlement of this Award, if any, computed as of the date of issuance of such Shares.

12. **Compliance with Law** . Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any Shares issuable upon settlement of Vested Share Units prior to (i) the completion of any registration or qualification of the Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission (“SEC”) or of any other governmental regulatory body, or (ii) obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Participant understands that the Company is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Further, the Participant agrees that the Company shall have unilateral authority to amend the Plan and this Agreement without the Participant’s consent to the extent that the Company deems it to be necessary or advisable to comply with securities or other laws applicable to issuance of Shares pursuant to this Agreement.

13. **Data Privacy** . The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant’s personal data as described in this Agreement and any other Award materials by and among, as applicable, the Participant’s employer, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Participant’s participation in the Plan.

The Participant understands that the Company and the Participant’s employer may hold certain personal information about the Participant, including, but not limited to, the Participant’s name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all Awards or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Participant’s favor, for the exclusive purpose of implementing, administering and managing the Plan (“Data”).

The Participant understands that Data will be transferred to Merrill Lynch and Computershare or such other stock plan service providers as may be selected by the Company in the future, which are assisting the Company with the implementation, administration and management of the Plan. In addition, Data may be transferred to the trustee of the Trust established in connection with the Plan. The Participant understands that the recipients of Data may be located in the United States or elsewhere, and that the recipients’ country (e.g., the United States) may have different data privacy laws and protections than the Participant’s country. If the Participant resides outside the United States, the Participant understands that the Participant may request a list with the names and addresses of any potential recipients of Data by contacting the Participant’s local human resources representative. The Participant authorizes the Company, Merrill Lynch, Computershare and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Participant’s participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant’s participation in the Plan. If the Participant resides outside the United States, the Participant understands that the Participant may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Participant’s

local human resources representative. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke his or her consent, his or her employment status or service and career with the Company and its Subsidiaries will not be adversely affected; the only adverse consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant the Participant Restricted Share Units or other equity awards or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

14. **Electronic Delivery and Participation** . The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

15. **Language** . If the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will take precedence.

16. **Notices** . Notices delivered under this Agreement shall be delivered to the Company at its principal office (Attention: General Counsel and Secretary), and to the Participant at such address as the Participant shall designate in writing to the Company.

17. **Binding Effect and Interpretation** . This Agreement shall be binding upon and inure to the benefit of any successors to the Company or to the Participant. In the event of conflict between this Agreement and the Plan, the terms of the Plan shall control. All undefined capitalized terms used herein shall have the meaning assigned to them in the Plan. The Board or the Committee shall have the authority to construe the terms of this Agreement, and such determinations shall be final and binding on the Participant and the Company and its Subsidiaries. The Participant may obtain a copy of the Plan on the Merrill Lynch Benefits Online[®] website or by contacting the Corporate Compensation Department in Houston.

18. **Severability** . The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

19. **Waiver** . The Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant or any other Participant.

20. **Governing Law** . This Agreement and all actions hereunder shall be governed by and construed in accordance with the laws of England and Wales, without regard to conflict of laws principles thereof.

21. **Appendix** . Notwithstanding any provisions in this Agreement, this Award shall be subject to any special terms and conditions set forth in any Appendix to this Agreement for the Participant's country. Moreover, if the Participant relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to the Participant, to the

extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with the laws of the country where the Participant resides or facilitate the administration of the Plan. The Appendix constitutes part of this Agreement.

22. **Imposition of Other Requirements** . The Company reserves the right to impose other requirements on participation in the Plan, on this Award and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with laws of the country where the Participant resides or facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

23. **Section 409A.** The Plan and this Agreement and the benefits provided hereunder are intended to comply with Section 409A of the Code and the guidance and Treasury regulations issued thereunder, to the extent applicable thereto. Notwithstanding any provision of the Plan or this Agreement to the contrary, the Plan and this Agreement shall be interpreted and construed consistent with this intent. Notwithstanding the foregoing, the Company shall not be required to assume any increased economic burden in connection therewith. Although the Company and the Plan Administrator intend to administer the Plan and this Agreement so that they will comply with the requirements of Section 409A of the Code, to the extent applicable, neither the Company nor the Plan Administrator represents or warrants that the Plan or this Agreement will comply with Section 409A of the Code or any other provision of federal, state, local or foreign law. Neither the Company or any of its Subsidiaries, nor their respective directors, officers, employees or advisers shall be liable to any Participant (or any other individual claiming a benefit through the Participant) for any tax, interest or penalties the Participant may owe as a result of participation in the Plan, and the Company and its Subsidiaries shall have no obligation to indemnify or otherwise protect any Participant from the obligation to pay any taxes pursuant to Section 409A of the Code. For purposes of applying the provisions of Section 409A of the Code, each separately identified amount to which a Participant is entitled shall be treated as a separate payment.

Form of Enscopl 2012 Long-Term Incentive Plan
Performance Unit Award
Terms and Conditions Acceptance Agreement

You have been granted by Enscopl (the "Company"), subject to your acceptance, the following Performance Unit Award pursuant to the Enscopl 2012 Long-Term Incentive Plan and Annex 2 thereto (the "Plan"):

Name of Participant: «First_Name» «Last_Name»
Type of Grant: Performance Unit Award
Date of Grant: «Date»
Performance Period: «Begin_Date» - «End_Date»
Dollar Target Amount of Performance Unit Award: «\$Total_Target»
Form of Payment: «Cash Lump Sum »
Performance Goals and Weighting: [Description]

The terms of the grant referenced herein are subject to the provisions of the Plan and the Performance Unit Award Agreement Terms and Conditions (including any country-specific provisions contained in any Appendix thereto). Attached for your review is an Award Summary which provides the Performance Goal (definitions and formulas) relative to the Performance Period noted above. The Performance Unit Award Agreement Terms and Conditions is provided herewith. The Plan is available to you through the Corporate Compensation Department in Houston and may be accessed on the Merrill Lynch Benefits OnLine[®] website.

The income resulting from the cash payment under the Performance Unit Award is subject to the Plan's withholding provisions which may require cooperation by covered expatriate employees in arranging for satisfaction of required withholding, and may obligate such employees to make tax equalization and hypothetical tax payments to the Company or a subsidiary of the Company in satisfaction of governmental or employer required withholding. Subsequent to any tax filings by U.S. expatriate employees, tax refunds or tax savings resulting from foreign tax credits are to be returned to the Company or a subsidiary of the Company.

Subject to certain exceptions, **you must continue as an employee of the Company or a subsidiary of the Company through the payment certification date for the Performance Period to become entitled to the cash payment under the Performance Unit Award.**

The Performance Unit Award is subject to forfeiture under certain circumstances, and your entitlements thereunder may be limited in the event of a termination of employment with the Company or its subsidiaries. Furthermore, the cash payment received within one year before or after the termination of your employment is subject to the "Return of Proceeds" provisions which apply to these grants in the event you engage in competitive activity within the one-year period following your termination, as further described in Section 7 of the Performance Unit Award Agreement Terms and Conditions.

By signing this Acceptance Agreement, you agree to accept the above grant under and pursuant to the provisions of the Plan, as well as the Performance Unit Award Agreement Terms and Conditions (including any country-specific provisions contained in the Appendix thereto), and, for covered expatriates, to cooperate with the Company and its subsidiaries regarding required withholding and tax equalization

and hypothetical tax payments. Your signature also serves to acknowledge receipt of the Enco plc 2012 Long-Term Incentive Plan Summary and the Performance Unit Award Agreement Terms and Conditions.

Please return this original signed document to the Corporate Compensation Department in Houston in the enclosed envelope no later than _____, 20__.

ACCEPTED AND AGREED

«First_Name» «Last_Name», Participant

_____, 2013

ENSCO plc
2012 LONG-TERM INCENTIVE PLAN

PERFORMANCE UNIT AWARD AGREEMENT
TERMS AND CONDITIONS

The Board of Directors (the "Board") of Ensco plc, a public limited company incorporated under the laws of England and Wales (the "Company"), has adopted the Ensco plc 2012 Long-Term Incentive Plan (the "Plan"), and adopted Annex 2 to the Plan. (In this document, references to the Plan shall be taken to include Annex 2 to the Plan). In furtherance of the purposes of the Plan and pursuant thereto, a Performance Unit Award has been granted under the Plan to the Participant as specifically described in the Terms and Conditions Acceptance Agreement (the "Acceptance Agreement") which must be executed by the Participant by the date specified in the Acceptance Agreement to reflect his or her acceptance of the following Terms and Conditions:

1. **Grant of Performance Unit Award** . The Company hereby grants to the Participant, subject to the terms, conditions and restrictions set forth in the Plan and those specified herein, this performance unit award specified in the Acceptance Agreement ("Performance Unit Award"). The target dollar amount that may become payable under this Performance Unit Award shall be specified in the Acceptance Agreement.

The Acceptance Agreement and the terms, conditions and restrictions set forth herein, including any Appendix attached hereto, shall collectively constitute the Performance Unit Award Agreement (the "Agreement") for this Performance Unit Award.

2. **Non-Transferability; Vesting** . The amount, if any, which becomes payable pursuant to this Performance Unit Award may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner during the Performance Period, other than by the executor or administrator of the Participant's estate in the event of the Participant's death. The amount, if any, which becomes payable pursuant to this Performance Unit Award shall not be assignable by operation of law or subject to execution, attachment or similar process. Any attempted sale, pledge, assignment, hypothecation, transfer or other disposition of the amount, if any, which becomes payable pursuant to this Performance Unit Award contrary to the provisions of this Agreement or the Plan and the levy of any execution, attachment or similar process upon that amount shall be null and void and without force or effect. No transfer of this Performance Unit Award by will or by the laws of descent and distribution shall be effective to bind the Company unless the Company shall have been furnished written notice thereof and an authenticated copy of the will and/or such other evidence as the Committee may deem necessary to establish the validity of the transfer. The transfer to the executor or administrator of the Participant's estate shall be binding upon the executors, administrators, heirs and successors of the Participant.

The lapse of the restrictions on this Performance Unit Award shall be subject to acceleration on the terms and conditions stated in the Plan and in Section 3 hereof.

3. **Termination of Employment** .

(a) Except as provided in Sections 3(b)-(f) below, upon the Committee's written certification in accordance with Section 8(h) of the Plan that a payment for the Performance Period is due under this

Performance Unit Award, the Participant shall be entitled to the payment of the amount certified by the Committee if the Participant remained continuously employed by the Company or a Subsidiary until the last day of the Performance Period.

Subject to prior compliance with Section 6 below, payment under this Performance Unit Award shall be made in cash in one lump sum payment. It is intended that payment under this Performance Unit Award shall be made as soon as administratively feasible after the end of the Performance Period following written certification by the Committee that payment of this Performance Unit Award is due and no later than the December 31st of the year following the year in which that Performance Period ends in order to ensure that this Performance Unit Award and the Plan complies with the specified time of payment requirement of Section 409A(a)(2)(A)(iv) of the Code and Treas. Reg. §§1.409A-3(a)(4) and (d).

(b) If the Participant ceases to perform Services for the Company and its Subsidiaries as a result of his or her Retirement on or after his or her Normal Retirement Age during the Performance Period, this Performance Unit Award shall be determined on a pro rata basis for that Performance Period by comparing the actual level of performance to the specific targets related to the Performance Goals established by the Committee for that Participant for that Performance Period and then multiplying that amount by a fraction, the numerator of which is the number of days in the Performance Period that had elapsed as of the date his or her Services terminates and the denominator of which is the total number of days in that Performance Period. Except as provided in Section 3(f), the Participant shall receive payment of the amount determined pursuant to this Section 3(b) within sixty (60) days of the date the Participant's Services terminates.

(c) If the Participant is unable to continue to perform Services for the Company and its Subsidiaries by reason of his or her death or Permanent and Total Disability during the Performance Period, this Performance Unit Award shall be interpreted as if the specific targets related to the Performance Goals established by the Committee for that Participant for that Performance Period have been achieved to a level of performance, as of the date his or her Services terminates, that would cause all (100%) of the Participant's targeted amount under this Performance Unit Award to become payable. If a Participant's employment is terminated during the Performance Period because of his or her death, any earlier payment provided by the Company in settlement of this Performance Unit Award shall be made to the executor or administrator of the Participant's estate. The Participant (or such other individual or estate in the event of his or her death) shall receive payment of the amount determined pursuant to this Section 3(c) within sixty (60) days of the date the Participant's Services terminates.

(d) Except as provided in Section 3(e) hereof, if the Participant ceases to perform Services for the Company and its Subsidiaries for any reason other than Retirement on or after his or her Normal Retirement Age, Permanent and Total Disability, or death during the Performance Period or before the Participant's Performance Unit Award has been certified by the Committee pursuant to Section 8(h) of the Plan, then the Participant shall forfeit that unpaid Performance Unit Award and shall not be entitled to receive any payment under the Plan with respect to his or her Performance Unit Award for such Performance Period.

(e) Notwithstanding the foregoing and subject to the provisions of this Section 3(e), in the event of a Change in Control (as defined below) and the subsequent termination of the Participant's Services with the Company and its Subsidiaries by the Company or one of its Subsidiaries without Cause (as defined below), or the subsequent termination of the Participant's Services with the Company and its Subsidiaries by the Participant within thirty (30) days of his or her discovery of the occurrence of one or more events which constitute Good Reason (as defined below), in either case within two (2) years

following such Change in Control, this Performance Unit Award shall be interpreted as if the specific targets related to the Performance Goals established by the Committee for that Participant for that Performance Period have been achieved to a level of performance, as of the date his or her Services terminates, that would cause all (100%) of the Participant's targeted amount under this Performance Unit Award to become payable. In the event of the occurrence of any event which constitutes Good Reason and in the event the Participant wishes to resign from his or her employment on the basis of the occurrence of such event, the Participant shall give notice of his or her proposed resignation, and the successor corporation shall have a period of thirty (30) days following its receipt of such notice to remedy the breach or occurrence giving rise to such proposed resignation. In the event the successor corporation fails to so remedy said breach or occurrence by expiration of said thirty (30)-day period, the Participant shall be deemed to have resigned from his or her employment for Good Reason pursuant to this Section 3(e) and shall be treated as if his or her employment has been terminated without Cause and, except as provided in Section 3(f), he or she shall receive payment of the amount determined pursuant to this Section 3(e) within sixty (60) days of the date the Participant's Services terminates.

For purposes of this Section 3(e), a "Change in Control" shall mean the occurrence of any of the following events: (i) a change in the ownership of the Company, which occurs on the date that any one person, or more than one person acting as a group, acquires ownership of Shares that, together with Shares held by such person or group, constitutes more than 50% of the total voting power of the Shares, or (ii) a majority of the members of the Board is replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. The determination of whether a Change in Control has occurred shall be determined by the Committee consistent with Section 409A of the Code.

Notwithstanding the foregoing paragraph, a "Change in Control" of the Company shall not be deemed to have occurred by virtue of the consummation of any transaction or series of related transactions immediately following which the beneficial owners of the voting Shares immediately before such transaction or series of transactions continue to have a majority of the direct or indirect ownership in one or more entities which, singly or together, immediately following such transaction or series of transactions, either (i) own all or substantially all of the assets of the Company as constituted immediately prior to such transaction or series of transactions, or (ii) are the ultimate parent with direct or indirect ownership of all of the voting Shares after such transaction or series of transactions.

For further clarification, a "Change in Control" of the Company shall not be deemed to have occurred by virtue of the consummation of any transaction or series of related transactions effected for the purpose of changing the place of incorporation or form of organization of the Company or the ultimate parent company of the Company and its Subsidiaries.

For purposes of this Agreement, "Cause" is defined as and limited to (i) gross misconduct or gross neglect by the Participant in the discharge of his or her duties as an Employee of the Company or any of its Subsidiaries, (ii) the breach by the Participant of any policy or written agreement with the Company or any of its Subsidiaries, including, without limitation, the Company's Code of Conduct and any employment or non-disclosure agreement, (iii) proven dishonesty in the performance of the Participant's duties, (iv) the Participant's conviction or a plea of guilty or nolo contendere to a felony or crime of moral turpitude, or (v) the Participant's alcohol or drug abuse; provided, however, the Participant shall not be deemed to have been dismissed for Cause unless and until there shall have been delivered to the Participant a copy of a resolution duly adopted by the Board or the Committee at a meeting of the Board or Committee duly called and held for the purpose (after reasonable notice to the Participant and an opportunity for the Participant, together with his or her counsel, to be heard before the Board or

Committee), finding that in the good-faith, reasonable opinion of the Board or Committee, the Participant was guilty of the conduct set forth in this sentence and specifying the particulars in detail.

For purposes of this Section 3(e), "Good Reason" shall mean (i) without the Participant's express written consent, the assignment of the Participant to any position which is not at least equivalent to the Participant's duties, responsibilities and status within the Company and its Subsidiaries immediately prior to the Change in Control, (ii) a reduction of the Participant's base salary or of any bonus compensation formula applicable to him or her immediately prior to the Change in Control, (iii) a failure to maintain any of the employee benefits to which the Participant is entitled at a level substantially equal to or greater than the value to him or her and his or her dependents of those employee benefits in effect immediately prior to the Change in Control through the continuation of the same or substantially similar plans, programs or policies, or the taking of any action that would materially affect the Participant's participation in or reduce the Participant's benefits under any such plans, programs or policies, or deprive the Participant or his or her dependents of any material fringe benefits enjoyed by the Participant immediately prior to the Change in Control, (iv) the failure to permit the Participant to take substantially the same number of paid vacation days and leave to which the Participant is entitled immediately prior to the Change in Control, or (v) requiring the Participant who is based in the office of ENSCO International Incorporated in Houston, Texas on the date a Change in Control of the Company occurs to be based anywhere other than within a fifty (50) mile radius of the office of ENSCO International Incorporated in Houston, Texas, except for required travel on business to an extent substantially consistent with the Participant's business travel obligations immediately prior to the Change in Control.

(f) Notwithstanding the date of payment specified by Section 3(b) or 3(e) above with respect to the amount determined pursuant to such subsection, if the Participant is a Specified Employee on the date he or she ceases to perform Services for the Company and its Subsidiaries, payment of that amount shall not be made until the date which is six (6) months after the date of his or her Retirement or the date his or her Services terminates, whichever is applicable.

For purposes of this Section 3(f), "Specified Employee" shall mean an Employee for each twelve (12)-consecutive month period that begins on any April 1st and immediately follows a calendar year during which such Employee was, at any time during that calendar year (i) an officer of the Company or any Subsidiary having annual compensation greater than \$175,000 (as adjusted under Section 416(i)(1) of the Code); (ii) a more than five-percent owner of the Company or any Subsidiary; or (iii) a more than one-percent owner of the Company or any Subsidiary having annual compensation from the Company and all Subsidiaries of more than \$150,000. For this purpose, "annual compensation" shall mean annual compensation as defined in Section 415(c)(3) of the Code, which includes amounts contributed by the Company and all Subsidiaries pursuant to a salary reduction agreement which are excludable from the Participant's gross income under Section 125, 402(e)(3), 402(h)(1)(B), 408(p)(2)(A)(i), 457 or 403(b) of the Code, and elective amounts that are not includible in the gross income of the Participant by reason of Section 132(f)(4) of the Code. For this purpose, no more than 50 Employees (or, if lesser, the greater of three or ten percent of the Employees) shall be treated as officers. The constructive ownership rules of Section 318 of the Code (or the principles of that section, in the case of an unincorporated Subsidiary) shall apply to determine ownership in each Subsidiary.

4. Employment Relationship . For purposes of this Agreement, the Participant shall be considered to be in the employment of the Company or a Subsidiary, as applicable, as long as the Participant continues performing Services for the Company or a Subsidiary and the relationship between the Participant and the Company or a Subsidiary, as applicable, is the legal relationship of employer and employee within the meaning of Section 3401(c) of the Code or according to local employment laws in

any non-U.S. jurisdiction in which the Participant is employed, as applicable. In order for a Participant's Services to be considered to have terminated for purposes of Sections 3(b) and (e), such Retirement or other termination of employment must constitute a "separation from service" within the meaning of Treas. Reg. §1.409A-1(h)(1). Any question as to whether and when there has been a termination of such continuous Services as an Employee for purposes of this Agreement, and the cause of such termination for purposes of this Agreement, shall be determined by the Committee, and its determination shall be final, conclusive and binding.

5. **Nature of Grant** . In accepting this Performance Unit Award, the Participant acknowledges, understands and agrees that:

(a) The Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time to the extent permitted by the Plan.

(b) The grant of this Performance Unit Award is voluntary and occasional and does not create any contractual or other right to receive future grants of Performance Unit Awards or benefits in lieu of Performance Unit Awards, even if Performance Unit Awards or other awards have been granted in the past.

(c) All decisions with respect to future grants of Performance Unit Awards or other awards, if any, will be at the sole discretion of the Company.

(d) This Performance Unit Award and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company or any of its Subsidiaries and shall not interfere with the ability of the Company or any of its Subsidiaries, as applicable, to terminate the Participant's employment or service relationship (if any).

(e) The Participant is voluntarily participating in the Plan.

(f) This Performance Unit Award and the amount payable pursuant to this Performance Unit Award are not intended to replace any pension rights or compensation.

(g) This Performance Unit Award and the amount payable pursuant to this Performance Unit Award, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments.

(h) No claim or entitlement to compensation or damages shall arise from forfeiture of this Performance Unit Award resulting from the Participant ceasing to provide employment or other services to the Company or any of its Subsidiaries (for any reason whatsoever, whether or not is later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any). In consideration of the grant of this Performance Unit Award to which the Participant is otherwise not entitled, the Participant irrevocably agrees other than in the event of Company's breach of this Agreement, to (i) not institute any claim against the Company or any of its Subsidiaries in connection with this Agreement, (ii) waive the ability, if any, to bring any such claim and (iii) release the Company and its Subsidiaries from any such claim. If, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

(i) Unless otherwise provided in the Plan or by the Company in its discretion, this Performance Unit Award and the benefits evidenced by this Agreement do not create any entitlement to have this Performance Unit Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out, or substituted for, in connection with any corporate transaction affecting the Shares.

(j) The following provisions apply only if the Participant is providing services outside the United States:

(i) this Performance Unit Award and amount payable pursuant to this Performance Unit Award are not part of normal or expected compensation or salary for any purpose; and

(ii) the Participant acknowledges and agrees that neither the Company nor any Subsidiary shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of this Performance Unit Award or any amounts due to the Participant with respect to the settlement of this Performance Unit Award.

6. Tax Withholding . Performance Unit Awards under the Plan will be subject to withholding as required by law. To the extent that the Participant is subject to withholding of federal, state, or local income taxes and/or other taxes or social insurance contributions imposed by the country of residence or citizenship of the Participant or the country or residence of the Company or its Subsidiary which has the legal relationship of employer and employee with the Participant or is obligated to the Company or any of its Subsidiaries under the Company's tax equalization or hypothetical tax policies or specific agreements relating thereto (the "Employee Taxes"), the Participant shall, at such time as the payment under this Performance Unit Award or other amounts received pursuant to this Performance Unit Award first becomes includable in the gross income of the Participant for such Employee Taxes or the time that a withholding obligation arises for the Company or any of its Subsidiaries with respect to this Performance Unit Award, as applicable, pay to the Company or its designee, or make arrangements satisfactory to the Committee or its designee regarding payment of, any and all such Employee Taxes required to be withheld with respect to such income and, if applicable, any amounts owed to the Company or its Subsidiaries under its tax equalization or hypothetical tax policies or specific agreements relating thereto.

Regardless of any action the Company or any of its Subsidiaries take with respect to the Employee Taxes, the Participant acknowledges that the ultimate liability for all Employee Taxes is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company and a Subsidiary. The Participant further acknowledges that the Company and its Subsidiaries (i) make no representations or undertakings regarding the treatment of any Employee Taxes in connection with any aspect of this Performance Unit Award, including, but not limited to, the grant of or lapse of the restrictions on this Performance Unit Award and any waiver of the forfeiture provisions applicable to this Performance Unit Award; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of this Performance Unit Award to reduce or eliminate the Participant's liability for Employee Taxes or achieve any particular tax result.

Subject in each case to approval by the Committee or its designee and compliance with all applicable law, the Participant may elect to have any withholding obligation of the Company or any Subsidiary satisfied, in whole or in part, by (i) paying to the Company or a Subsidiary the amount of Employee Taxes in cash, check or other cash equivalent; and/or (ii) having the Company withhold from

any amount payable under this Performance Unit Award or from any cash compensation payable to the Participant.

The Company may refuse to issue payment under this Performance Unit Award if the Participant fails to comply with the obligations in connection with Employee Taxes.

7. Return of Proceeds . If (i) the Participant engages in an activity that competes with the business of the Company or any of its Subsidiaries within one (1) year after (A) the Participant's voluntarily resignation or Retirement from his or her position as an Employee, or (B) his or her status as an Employee was terminated by the Company or a Subsidiary for Cause (as defined in Section 3(e) hereof) (either event constituting a "Termination" for purposes of this Section 7), and (ii) this Performance Unit Award held by the Participant had vested and become payable within one (1) year of the date of Termination; then the Participant shall remit to the Company, or its designee, within five (5) business days of receipt of written demand therefor, an amount in good funds equal to the lump sum cash payment received by the Participant in settlement of this Performance Unit Award.

8. Data Privacy . The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other Performance Unit Award materials by and among, as applicable, the Participant's employer, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.

The Participant understands that the Company and the Participant's employer may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all Awards, canceled, exercised, vested, unvested or outstanding in the Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").

The Participant understands that Data will be transferred to Merrill Lynch and Computershare or such other stock plan service providers as may be selected by the Company in the future, which are assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. If the Participant resides outside the United States, the Participant understands that the Participant may request a list with the names and addresses of any potential recipients of Data by contacting the Participant's local human resources representative. The Participant authorizes the Company, Merrill Lynch, Computershare and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. If the Participant resides outside the United States, the Participant understands that the Participant may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Participant's local human resources representative. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke his or her consent, his or her employment status or service and career with the

Company and its Subsidiaries will not be adversely affected; the only adverse consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant the Participant a Performance Unit Award or other equity awards or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

9. **Electronic Delivery and Participation** . The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

10. **Language** . If the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will take precedence.

11. **Notices** . Notices delivered under this Agreement shall be delivered to the Company at its principal office (Attention: General Counsel and Secretary), and to the Participant at such address as the Participant shall designate in writing to the Company.

12. **Binding Effect and Interpretation** . This Agreement shall be binding upon and inure to the benefit of any successors to the Company or to the Participant. In the event of conflict between this Agreement and the Plan, the terms of the Plan shall control. All undefined capitalized terms used herein shall have the meaning assigned to them in the Plan. The Board or the Committee shall have the authority to construe the terms of this Agreement, and such determinations shall be final and binding on the Participant and the Company and its Subsidiaries. The Participant may obtain a copy of the Plan on the Merrill Lynch Benefits OnLine[®] website or by contacting the Corporate Compensation Department in Houston.

13. **Severability** . The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

14. **Waiver** . The Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant or any other Participant.

15. **Governing Law** . This Agreement and all actions hereunder shall be governed by and construed in accordance with the laws of England and Wales, without regard to conflict of laws principles thereof.

16. **Appendix** . Notwithstanding any provisions in this Agreement, this Performance Unit Award shall be subject to any special terms and conditions set forth in any Appendix to this Agreement for the Participant's country. Moreover, if the Participant relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with laws of the country where the Participant resides or facilitate the administration of the Plan. The Appendix constitutes part of this Agreement.

17. **Imposition of Other Requirements** . The Company reserves the right to impose other requirements on participation in the Plan, on this Performance Unit Award and on any Shares received as payment under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with laws of the country where the Participant resides or facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

18. **Section 409A** . The Plan and this Agreement and the benefits provided hereunder are intended to comply with Section 409A of the Code and the guidance and Treasury regulations issued thereunder, to the extent applicable thereto. Notwithstanding any provision of the Plan or this Agreement to the contrary, the Plan and this Agreement shall be interpreted and construed consistent with this intent. Notwithstanding the foregoing, the Company shall not be required to assume any increased economic burden in connection therewith. Although the Company and the Plan Administrator intend to administer the Plan and this Agreement so that they will comply with the requirements of Section 409A of the Code, to the extent applicable, neither the Company nor the Plan Administrator represents or warrants that the Plan or this Agreement will comply with Section 409A of the Code or any other provision of federal, state, local, or foreign law. Neither the Company or any of its Subsidiaries, nor their respective directors, officers, employees or advisers shall be liable to any Participant (or any other individual claiming a benefit through the Participant) for any tax, interest, or penalties the Participant may owe as a result of participation in the Plan, and the Company and its Subsidiaries shall have no obligation to indemnify or otherwise protect any Participant from the obligation to pay any taxes pursuant to Section 409A of the Code. For purposes of applying the provisions of Section 409A of the Code, each separately identified amount to which a Participant is entitled shall be treated as a separate payment.

Form of Ensco plc 2012 Long-Term Incentive Plan
Employee
Terms and Conditions Acceptance Agreement

You have been granted the following award of restricted Class A ordinary shares, nominal value US\$0.10 per share (“Restricted Shares”), in Ensco plc (the “Company”) pursuant to the Ensco plc 2012 Long-Term Incentive Plan (the “Plan”):

Name of Participant: [insert name]
 Total Number of Shares Granted: [insert # shares]
 Type of Grant: Restricted Shares
 Date of Grant: [insert date]
 Vesting Commencement Date: [insert date]
 Vesting Schedule: 33-1/3% per year for 3 years

The terms of the grant referenced herein are subject to the provisions of the Plan and the Restricted Share Award Agreement Terms and Conditions. The Restricted Share Award Agreement Terms and Conditions are provided herewith. The Plan and Plan prospectus are available to you through the Corporate Compensation Department in Houston and may be accessed on the Merrill Lynch Benefits OnLine[®] website.

The income resulting from the grant is subject to the Plan’s withholding provisions and the Company’s procedures regarding taxation on equity awards.

You must continue as an employee of the Company or a subsidiary of the Company in order to become vested in the Shares subject to this grant. The Shares subject to this grant that have not become vested under the **three-year** Vesting Schedule will be forfeited if you cease to be an employee with the Company or a subsidiary of the Company prior to the third anniversary of the Date of Grant. You hereby agree that any director or officer of the Company may take such steps and execute such documents as such director or officer shall consider necessary or desirable to procure the transfer of the Shares on any forfeiture event to the trustees of the Ensco plc Employee Benefit Trust (the “Trust”) or an account held for benefit of the trustees of the Trust. Without limitation, you irrevocably appoint any director or officer of the Company as your attorney to procure the transfer of shares to the trustees of the Trust or an account held for benefit of the trustees of the Trust to facilitate any such forfeiture. The forfeiture restrictions applicable to the Shares subject to this grant are subject to automatic waiver and earlier vesting under specified circumstances. Furthermore, the value of benefits received within one year before or after the termination of your employment are subject to the “Return of Proceeds” provisions which apply to these grants in the event you engage in competitive activity within the one-year period following your termination, as further described in Section 11 of the Restricted Share Award Agreement Terms and Conditions.

By signing this Acceptance Agreement, you agree to accept the above grant under and pursuant to the provisions of the Plan, as well as the Restricted Share Award Agreement Terms and Conditions. Your signature also serves to acknowledge receipt of the Ensco plc 2012 Long-Term Incentive Plan Summary and the Restricted Share Award Agreement Terms and Conditions.

Please return this original signed document to the Corporate Compensation Department in Houston in the enclosed envelope no later than [insert date].

ACCEPTED AND AGREED

[insert name], Participant

_____ [insert year]

ENSCO plc
2012 LONG-TERM INCENTIVE PLAN
THREE-YEAR VESTING PERIOD
RESTRICTED SHARE AWARD AGREEMENT
TERMS AND CONDITIONS

The Board of Directors (the "Board") of Ensco plc, a public limited company incorporated under the laws of England and Wales (the "Company"), has adopted the Ensco plc 2012 Long-Term Incentive Plan (the "Plan"). In furtherance of the purposes of the Plan and pursuant thereto, a Restricted Share Award has been granted to the Participant as specifically described in the Terms and Conditions Acceptance Agreement (the "Acceptance Agreement") which must be executed by the Participant by the date specified in the Acceptance Agreement to reflect his or her acceptance of the following Terms and Conditions:

1. **Award of Restricted Shares** . The Company hereby grants an award (the "Award") to the Participant, subject to the terms, conditions and restrictions set forth in the Plan and those specified herein, the number of Shares specified in the Acceptance Agreement (the "Restricted Shares"), which Shares shall be fully paid up.

The Acceptance Agreement and the terms, conditions and restrictions set forth herein, including the Appendix attached hereto, shall collectively constitute the Award Agreement (the "Agreement") for this Award of Restricted Shares.

2. **Restrictions; Restriction Period; Vesting** . The Restricted Shares awarded hereunder may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner during the Restriction Period, which begins on the Date of Grant and ends with respect to a portion of the Restricted Shares on the vesting dates specified in this Section 2, other than by the executor or administrator of the Participant's estate in the event of the Participant's death. The Restricted Shares awarded hereunder shall not be assignable by operation of law or subject to execution, attachment or similar process. Any attempted sale, pledge, assignment, hypothecation, transfer or other disposition of the Restricted Shares contrary to the provisions of this Agreement or the Plan and the levy of any execution, attachment or similar process upon the Restricted Shares shall be null and void and without force or effect. No transfer of the Restricted Shares by will or by the laws of descent and distribution shall be effective to bind the Company unless the Company shall have been furnished written notice thereof and an authenticated copy of the will and/or such other evidence as the Committee may deem necessary to establish the validity of the transfer. The transfer to the executor or administrator of the Participant's estate shall be binding upon the executors, administrators, heirs and successors of the Participant.

These restrictions shall be released, and all right, title and interest to the Restricted Shares shall vest in the Participant, at the rate of thirty-three and one-third percent (33-1/3%) of the original number of Restricted Shares (subject to adjustment pursuant to Section 11(a) of the Plan) per year on the successive anniversaries of the Date of Grant (each, a "Vesting Date") and shall be fully vested on the third anniversary of the Date of Grant. The vesting and the waiver of the restrictions on the Restricted Shares shall be subject to acceleration on the terms and conditions stated in the

Plan and in Section 5 hereof. Restricted Shares shall become "Vested Shares" upon release of the restrictions on the Vesting Date with respect to such Shares.

3. **Deposit of Restricted Shares; Release of Shares** . Restricted Shares shall be held (i) in escrow by the designee of the Company until the Vesting Date with respect to such Shares, or (ii) pursuant to such other arrangement in order to ensure compliance with the restrictions. Any such designee shall be considered the Plan "Administrator" with respect to any and all duties, responsibilities and functions delegated to it by the Company. Subject to prior compliance with Section 10 below, once Restricted Shares granted hereby become Vested Shares, the Plan Administrator shall arrange for the transfer of such Vested Shares to the Participant.

4. **Rights with Respect to Restricted Shares** . The Participant shall have the right to receive all dividends and other distributions paid with respect to the Restricted Shares and may exercise full voting rights in connection with such Shares. All rights with respect to, or in connection with, the Restricted Shares shall be exercisable during the Participant's lifetime only by the Participant.

5. **Termination of Employment** .

(a) If the Participant ceases to perform Services for the Company and its Subsidiaries as a result of his or her Retirement on or after his or her Normal Retirement Age during the Restriction Period, all of the restrictions remaining on all of the Restricted Shares shall be automatically waived on such Participant's actual normal retirement date and all of such Restricted Shares shall become Vested Shares.

(b) If the Participant ceases to perform Services for the Company and its Subsidiaries as a result of his or her termination of employment by the Company without Cause (as defined below) or by the Participant for Good Reason (as defined below) during the Restriction Period, then the restrictions remaining on 20% of the total number of Restricted Shares governed by this Agreement shall be automatically waived on such Participant's termination of employment and that 20% of the Restricted Shares governed hereby shall become Vested Shares.

(c) If the Participant is unable to continue to perform Services for the Company and its Subsidiaries by reason of his or her death or Permanent and Total Disability during the Restriction Period, the restrictions remaining on the Restricted Shares shall be automatically waived on the date of such Participant's death or Participant's termination date due to Permanent and Total Disability to the extent that such restrictions would have terminated automatically on the three anniversary dates of the Date of Grant next succeeding such Participant's date of death or Participant's termination date due to Permanent and Total Disability (to the extent a Vesting Date) and all of the Restricted Shares with respect to which such restrictions are hereby waived shall become Vested Shares. If a Participant's employment is terminated during the Restriction Period because of his or her death, any earlier payment provided by the Company in settlement of this Award shall be made to the executor or administrator of the Participant's estate. All remaining Restricted Shares that are still subject to restrictions shall be forfeited automatically and returned to the Ensco plc Employee Benefit Trust (the "Trust") or retained by the Administrator in an account on behalf of the Trust, unless this forfeiture provision is waived in accordance with the Plan.

(d) Except as provided in Section 5(e) hereof, if the Participant ceases to perform Services for the Company and its Subsidiaries for any reason other than Retirement on or after

his or her Normal Retirement Age, Permanent and Total Disability, or death during the Restriction Period, all remaining Restricted Shares that are still subject to restrictions on the date his or her Services cease shall be forfeited automatically and returned to the Trust or retained by the Administrator in an account on behalf of the Trust, unless, in the event of an involuntary termination of the Participant's Services, this forfeiture provision is waived. In the case of such waiver, all of the restrictions with respect to such Restricted Shares are hereby waived and the Restricted Shares shall become Vested Shares. By accepting this Award, the Participant hereby agrees that, and shall be taken to have authorized that, any director or officer of the Company may take such steps and execute such documents as such director or officer shall consider necessary or desirable to procure the transfer of the Shares to the trustees of the Trust or an account held for benefit of the trustees of the Trust. Without limitation, the Participant irrevocably appoints any director or officer of the Company as his or her attorney to procure the transfer of shares to the trustees of the Trust or an account held for benefit of the trustees of the Trust.

(e) Notwithstanding the foregoing and subject to the provisions of this Section 5(e), in the event of a Change in Control (as defined below) and the subsequent termination of the Participant's Services with the Company and its Subsidiaries by the Company or one of its Subsidiaries without Cause, or the subsequent termination of the Participant's Services with the Company and its Subsidiaries by the Participant within thirty (30) days of his or her discovery of the occurrence of one or more events which constitute Good Reason, in either case within two (2) years following such Change in Control, all of the restrictions remaining on all of the Restricted Shares shall be automatically waived on the date his or her Services terminates, and all of such Shares shall become Vested Shares. In the event of the occurrence of any event which constitutes Good Reason and in the event the Participant wishes to resign from his or her employment on the basis of the occurrence of such event, the Participant shall give notice of his or her proposed resignation, and the successor corporation shall have a period of thirty (30) days following its receipt of such notice to remedy the breach or occurrence giving rise to such proposed resignation. In the event the successor corporation fails to so remedy said breach or occurrence by expiration of said thirty (30)-day period, the Participant shall be deemed to have resigned from his or her employment for Good Reason pursuant to this Section 5(e) and shall be treated as if his or her employment has been terminated without Cause and he or she shall be entitled to the treatment of his or her Restricted Shares described in this Section 5(e).

For purposes of this Section 5(e), a "Change in Control" shall have the meaning set forth in the employment agreement entered into between the Participant and the Company dated May 3, 2014 (the "Employment Agreement")

For purposes of this Agreement, "Cause" is defined as a termination of employment by the Company for any reason enumerated in Section 18.1(a) through (l) of the Employment Agreement.

For purposes of this Agreement, "Good Reason" shall have the meaning set forth in the Employment Agreement.

6. **Effect of Company Blackout Periods** . The Company has established the Ensco Securities Trading Policy and Procedure (the "Policy") relative to disclosure and trading on inside information as described in the Policy. Under the Policy, directors, officers and managers (as defined in the Policy) of the Company are prohibited from trading Company securities during certain "blackout periods" as described in the Policy. In respect to any Participant subject to the Policy, if the date on which any Restriction Period will lapse and as a result of which Restricted Shares will

become Vested Shares falls within a blackout period imposed by the Policy, the date described in this sentence shall automatically be extended by this Section 6 to the second U.S. business day immediately following the last day of the applicable blackout period. The Committee shall interpret and apply the extension automatically provided by the preceding sentence to ensure that in no event shall any Restriction Period lapse during an imposed blackout period. If, however, the Policy is subsequently amended after the Date of Grant of this Award, the automatic extension of any date in accordance with the preceding sentences shall be rescinded or otherwise adjusted automatically in accordance with the Policy, as amended, and the Committee shall interpret this Section 6 to ensure its compliance with the Policy, as amended.

7. **Employment Relationship** . For purposes of this Agreement, the Participant shall be considered to be in the employment of the Company or a Subsidiary, as applicable, as long as the Participant continues performing Services for the Company or a Subsidiary and the relationship between the Participant and the Company or a Subsidiary, as applicable, is the legal relationship of employer and employee within the meaning of Section 3401(c) of the Code or according to local employment laws in any non-U.S. jurisdiction in which the Participant is employed, as applicable. Any question as to whether and when there has been a termination of such continuous Services as an Employee for purposes of this Agreement, and the cause of such termination for purposes of this Agreement, shall be determined by the Committee, and its determination shall be final, conclusive and binding.

8. **Nature of Grant** . In accepting this Award, the Participant acknowledges, understands and agrees that:

(a) The Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan.

(b) The grant of this Award is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Shares or benefits in lieu of Restricted Shares, even if Restricted Shares or other awards have been granted in the past.

(c) All decisions with respect to future grants of Restricted Shares or other awards, if any, will be at the sole discretion of the Company.

(d) This Award and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company or any of its Subsidiaries and shall not interfere with the ability of the Company or any of its Subsidiaries, as applicable, to terminate the Participant's employment or service relationship (if any).

(e) The Participant is voluntarily participating in the Plan.

(f) This Award and the Shares subject to this Award are not intended to replace any pension rights or compensation.

(g) This Award and the Shares subject to this Award, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments.

(h) The future value of the Shares subject to this Award is unknown, indeterminable and cannot be predicted with certainty.

(i) No claim or entitlement to compensation or damages shall arise from forfeiture of this Award resulting from the Participant ceasing to provide employment or other services to the Company or any of its Subsidiaries (for any reason whatsoever, whether or not is later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any). In consideration of the grant of this Award to which the Participant is otherwise not entitled, the Participant irrevocably agrees other than in the event of Company's breach of this Agreement, to (i) not institute any claim against the Company or any of its Subsidiaries in connection with this Agreement, (ii) waive the ability, if any, to bring any such claim and (iii) release the Company and its Subsidiaries from any such claim. If, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

(j) Unless otherwise provided in the Plan or by the Company in its discretion, this Award and the benefits evidenced by this Agreement do not create any entitlement to have this Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out, or substituted for, in connection with any corporate transaction affecting the Shares; and

(k) The following provisions apply only if the Participant is providing services outside the United States:

(i) this Award and the Shares subject to this Award are not part of normal or expected compensation or salary for any purpose; and

(ii) the Participant acknowledges and agrees that neither the Company nor any Subsidiary shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of this Award or any amounts due to the Participant with respect to the settlement of this Award or any subsequent sale of any Shares acquired pursuant to this Award.

9. **Tax Consequences; No Advice Regarding Grant** . The issuance of Vested Shares released from the forfeiture restrictions will have tax consequences for a Participant who is subject to U.S. federal taxation under the Code. The Award, the issuance of Restricted Shares and/or the issuance of Vested Shares released from the forfeiture restrictions may also have tax consequences for Participants who are subject to taxation in other jurisdictions.

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding participation in the Plan or the acquisition or sale of the Shares subject to this Award.

THE PARTICIPANT IS HEREBY ADVISED TO CONSULT WITH HIS OR HER OWN PERSONAL TAX, LEGAL AND FINANCIAL ADVISERS REGARDING HIS OR HER PARTICIPATION IN THE PLAN AND ANY TAX OR OTHER CONSEQUENCES ASSOCIATED WITH THIS AWARD.

10. **Tax Withholding** . To the extent that the Participant is subject to withholding of federal, state, or local income taxes and/or other taxes or social insurance contributions imposed by the country of residence or citizenship of the Participant or the country or residence of the Company or its Subsidiary which has the legal relationship of employer and employee with the Participant or is obligated to the Company or any of its Subsidiaries under the Company's tax equalization or hypothetical tax policies or specific agreements relating thereto (the "Employee Taxes"), the Participant shall, at such time as the value of any Shares or other amounts received pursuant to this Award first becomes includable in the gross income of the Participant for such Employee Taxes or the time that a withholding obligation arises for the Company or any of its Subsidiaries with respect to this Award, as applicable, pay to the Company or its designee, or make arrangements satisfactory to the Committee or its designee regarding payment of, any and all such Employee Taxes required to be withheld with respect to such income and, if applicable, any amounts owed to the Company or its Subsidiaries under its tax equalization or hypothetical tax policies or specific agreements relating thereto.

Regardless of any action the Company or any of its Subsidiaries take with respect to the Employee Taxes, the Participant acknowledges that the ultimate liability for all Employee Taxes is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company and a Subsidiary. The Participant further acknowledges that the Company and its Subsidiaries (i) make no representations or undertakings regarding the treatment of any Employee Taxes in connection with any aspect of this Award, including, but not limited to, the grant or vesting of the Restricted Shares, the release of the restrictions to which the Restricted Shares are subject, any waiver of the forfeiture provisions applicable to the Restricted Shares, the subsequent sale of any Shares acquired pursuant to this Award, and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of this Award to reduce or eliminate the Participant's liability for Employee Taxes or achieve any particular tax result.

Subject in each case to approval by the Committee or its designee and Section 6 hereof as well as compliance with all applicable law, the Participant may elect to have any withholding obligation of the Company or any Subsidiary satisfied, in whole or in part, by (i) selling to the Trust a number of Shares that would otherwise be released from the restrictions on a Vesting Date, such number of Shares having an aggregate Fair Market Value (as of the date the Shares are sold) equal to the statutory prescribed amount of the withholding due or other applicable withholding amount as determined by the Company, (ii) authorizing the Company's designee to sell a number of Shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the statutory prescribed amount of the withholding due or other applicable withholding amount as determined by the Company, and/or (iii) paying to the Company or a Subsidiary the amount of Employee Taxes in cash, check or other cash equivalent. In the absence of any election by the Participant, any withholding obligation for Employee Taxes shall be satisfied pursuant to clause (i) of the immediately preceding sentence.

The Company may refuse to release the Restricted Shares from the forfeiture restrictions if the Participant fails to comply with the obligations in connection with Employee Taxes.

11. **Return of Proceeds** . If (i) the Participant engages in an activity that competes with the business of the Company or any of its Subsidiaries within one (1) year after (A) the Participant's voluntarily resignation or Retirement from his or her position as an Employee, or (B) his or her status as an Employee was terminated by the Company or a Subsidiary for Cause (as defined in Section 5(e) hereof) (either event constituting a "Termination" for purposes of this Section 11), and

(ii) Restricted Shares held by the Participant had vested within one (1) year of the date of Termination; then the Participant shall remit to the Company, or its designee, within five (5) business days of receipt of written demand therefor, an amount in good funds equal to the Fair Market Value of such Shares computed as of the Vesting Date of such Shares.

12. **Compliance with Law** . Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any Shares issuable upon lapse of the forfeiture restrictions applicable to the Restricted Shares prior to (i) the completion of any registration or qualification of the Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or (ii) obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Participant understands that the Company is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Further, the Participant agrees that the Company shall have unilateral authority to amend the Plan and this Agreement without the Participant's consent to the extent that the Company deems it to be necessary or advisable to comply with securities or other laws applicable to issuance of Shares pursuant to this Agreement.

13. **Data Privacy** . The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other Award materials by and among, as applicable, the Participant's employer, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.

The Participant understands that the Company and the Participant's employer may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all Awards or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").

The Participant understands that Data will be transferred to Merrill Lynch and Computershare or such other stock plan service providers as may be selected by the Company in the future, which are assisting the Company with the implementation, administration and management of the Plan. In addition, Data may be transferred to the trustee of the Trust established in connection with the Plan. The Participant understands that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. If the Participant resides outside the United States, the Participant understands that the Participant may request a list with the names and addresses of any potential recipients of Data by contacting the Participant's local human resources representative. The Participant authorizes the Company, Merrill Lynch, Computershare and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering

and managing the Participant's participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. If the Participant resides outside the United States, the Participant understands that the Participant may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Participant's local human resources representative. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke his or her consent, his or her employment status or service and career with the Company and its Subsidiaries will not be adversely affected; the only adverse consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant the Participant Restricted Shares or other equity awards or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

14. **Electronic Delivery and Participation** . The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

15. **Language** . If the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will take precedence.

16. **Notices** . Notices delivered under this Agreement shall be delivered to the Company at its principal office (Attention: General Counsel and Secretary), and to the Participant at such address as the Participant shall designate in writing to the Company.

17. **Binding Effect and Interpretation** . This Agreement shall be binding upon and inure to the benefit of any successors to the Company or to the Participant. In the event of conflict between this Agreement and the Plan, the terms of the Plan shall control. All undefined capitalized terms used herein shall have the meaning assigned to them in the Plan. The Board or the Committee shall have the authority to construe the terms of this Agreement, and such determinations shall be final and binding on the Participant and the Company and its Subsidiaries. The Participant may obtain a copy of the Plan on the Merrill Lynch Benefits Online[®] website or by contacting the Corporate Compensation Department in Houston.

18. **Severability** . The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

19. **Governing Law** . This Agreement and all actions hereunder shall be governed by and construed in accordance with the laws of England and Wales, without regard to conflict of laws principles thereof.

20. **Waiver** . The Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant or any other Participant.

21. **Appendix** . Notwithstanding any provisions in this Agreement, this Award shall be subject to any special terms and conditions set forth in any Appendix to this Agreement for the Participant's country. Moreover, if the Participant relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with the laws of the country where the Participant resides or facilitate the administration of the Plan. The Appendix constitutes part of this Agreement.

22. **Imposition of Other Requirements** . The Company reserves the right to impose other requirements on participation in the Plan, on this Award and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with the laws of the country where the Participant resides or facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Form of EnSCO plc 2012 Long-Term Incentive Plan
Performance Unit Award
Terms and Conditions Acceptance Agreement

You have been granted by EnSCO plc (the "Company"), subject to your acceptance, the following Performance Unit Award pursuant to the EnSCO plc 2012 Long-Term Incentive Plan and Annex 2 thereto (the "Plan"):

Name of Participant: «First_Name» «Last_Name»
 Type of Grant: Performance Unit Award
 Date of Grant: «Date»
 Performance Period: «Begin_Date» - «End_Date»
 Dollar Target Amount of Performance Unit Award: «\$Total_Target»
 Form of Payment: «Cash Lump Sum »
 Performance Goals and Weighting: [Description]

The terms of the grant referenced herein are subject to the provisions of the Plan and the Performance Unit Award Agreement Terms and Conditions (including any country-specific provisions contained in any Appendix thereto). Attached for your review is an Award Summary which provides the Performance Goal (definitions and formulas) relative to the Performance Period noted above. The Performance Unit Award Agreement Terms and Conditions is provided herewith. The Plan is available to you through the Corporate Compensation Department in Houston and may be accessed on the Merrill Lynch Benefits OnLine[®] website.

The income resulting from the cash payment under the Performance Unit Award is subject to the Plan's withholding provisions which may require cooperation by covered expatriate employees in arranging for satisfaction of required withholding, and may obligate such employees to make tax equalization and hypothetical tax payments to the Company or a subsidiary of the Company in satisfaction of governmental or employer required withholding. Subsequent to any tax filings by U.S. expatriate employees, tax refunds or tax savings resulting from foreign tax credits are to be returned to the Company or a subsidiary of the Company.

Subject to certain exceptions, **you must continue as an employee of the Company or a subsidiary of the Company through the payment certification date for the Performance Period to become entitled to the cash payment under the Performance Unit Award.**

The Performance Unit Award is subject to forfeiture under certain circumstances, and your entitlements thereunder may be limited in the event of a termination of employment with the Company or its subsidiaries. Furthermore, the cash payment received within one year before or after the termination of your employment is subject to the "Return of Proceeds" provisions which apply to these grants in the event you engage in competitive activity within the one-year period following your termination, as further described in Section 7 of the Performance Unit Award Agreement Terms and Conditions.

By signing this Acceptance Agreement, you agree to accept the above grant under and pursuant to the provisions of the Plan, as well as the Performance Unit Award Agreement Terms and Conditions (including any country-specific provisions contained in the Appendix thereto), and, for covered expatriates, to cooperate with the Company and its subsidiaries regarding required withholding and tax equalization and hypothetical tax payments. Your signature also serves to acknowledge receipt of the EnSCO plc

2012 Long-Term Incentive Plan Summary and the Performance Unit Award Agreement Terms and Conditions.

Please return this original signed document to the Corporate Compensation Department in Houston in the enclosed envelope no later than _____, 20__.

ACCEPTED AND AGREED

«First_Name» «Last_Name», Participant

_____, 2013

ENSCO plc
2012 LONG-TERM INCENTIVE PLAN

PERFORMANCE UNIT AWARD AGREEMENT
TERMS AND CONDITIONS

The Board of Directors (the "Board") of EnSCO plc, a public limited company incorporated under the laws of England and Wales (the "Company"), has adopted the EnSCO plc 2012 Long-Term Incentive Plan (the "Plan"), and adopted Annex 2 to the Plan. (In this document, references to the Plan shall be taken to include Annex 2 to the Plan.) In furtherance of the purposes of the Plan and pursuant thereto, a Performance Unit Award has been granted under the Plan to the Participant as specifically described in the Terms and Conditions Acceptance Agreement (the "Acceptance Agreement") which must be executed by the Participant by the date specified in the Acceptance Agreement to reflect his or her acceptance of the following Terms and Conditions:

1. **Grant of Performance Unit Award** . The Company hereby grants to the Participant, subject to the terms, conditions and restrictions set forth in the Plan and those specified herein, this performance unit award specified in the Acceptance Agreement ("Performance Unit Award"). The target dollar amount that may become payable under this Performance Unit Award shall be specified in the Acceptance Agreement.

The Acceptance Agreement and the terms, conditions and restrictions set forth herein, including any Appendix attached hereto, shall collectively constitute the Performance Unit Award Agreement (the "Agreement") for this Performance Unit Award.

2. **Non-Transferability; Vesting** . The amount, if any, which becomes payable pursuant to this Performance Unit Award may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner during the Performance Period, other than by the executor or administrator of the Participant's estate in the event of the Participant's death. The amount, if any, which becomes payable pursuant to this Performance Unit Award shall not be assignable by operation of law or subject to execution, attachment or similar process. Any attempted sale, pledge, assignment, hypothecation, transfer or other disposition of the amount, if any, which becomes payable pursuant to this Performance Unit Award contrary to the provisions of this Agreement or the Plan and the levy of any execution, attachment or similar process upon that amount shall be null and void and without force or effect. No transfer of this Performance Unit Award by will or by the laws of descent and distribution shall be effective to bind the Company unless the Company shall have been furnished written notice thereof and an authenticated copy of the will and/or such other evidence as the Committee may deem necessary to establish the validity of the transfer. The transfer to the executor or administrator of the Participant's estate shall be binding upon the executors, administrators, heirs and successors of the Participant.

The lapse of the restrictions on this Performance Unit Award shall be subject to acceleration on the terms and conditions stated in the Plan and in Section 3 hereof.

3. **Termination of Employment** .

(a) Except as provided in Sections 3(b)-(g) below, upon the Committee's written certification in accordance with Section 8(h) of the Plan that a payment for the Performance Period is due under this Performance Unit Award, the Participant shall be entitled to the payment of the amount certified by the

Committee if the Participant remained continuously employed by the Company or a Subsidiary until the last day of the Performance Period.

Subject to prior compliance with Section 6 below, payment under this Performance Unit Award shall be made in cash in one lump sum payment. It is intended that payment under this Performance Unit Award shall be made as soon as administratively feasible after the end of the Performance Period following written certification by the Committee that payment of this Performance Unit Award is due and no later than the December 31st of the year following the year in which that Performance Period ends in order to ensure that this Performance Unit Award and the Plan complies with the specified time of payment requirement of Section 409A(a)(2)(A)(iv) of the Code and Treas. Reg. §§1.409A-3(a)(4) and (d).

(b) If the Participant ceases to perform Services for the Company and its Subsidiaries as a result of his or her Retirement on or after his or her Normal Retirement Age during the Performance Period, this Performance Unit Award shall be determined on a pro rata basis for that Performance Period by comparing the actual level of performance to the specific targets related to the Performance Goals established by the Committee for that Participant for that Performance Period and then multiplying that amount by a fraction, the numerator of which is the number of days in the Performance Period that had elapsed as of the date his or her Services terminates and the denominator of which is the total number of days in that Performance Period. Except as provided in Section 3(g), the Participant shall receive payment of the amount determined pursuant to this Section 3(b) within sixty (60) days of the date the Participant's Services terminates.

(c) If the Participant ceases to perform Services for the Company and its Subsidiaries as a result of a termination of employment by the Company without Cause (as defined below) or by the Participant for Good Reason (as defined below), then the Participant shall become vested in 20% of the Performance Unit Award upon such termination and shall receive the payment due under that 20% of the Performance Unit Award based on the actual level of performance as compared to the specific targets related to the Performance Goals established by the Committee for the relevant Performance Period, paid at the time and in form as the Performance Unit Award would have been paid if the Participant had continued to provide Services for the Company through the date of payment.

(d) If the Participant is unable to continue to perform Services for the Company and its Subsidiaries by reason of his or her death or Permanent and Total Disability during the Performance Period, this Performance Unit Award shall be interpreted as if the specific targets related to the Performance Goals established by the Committee for that Participant for that Performance Period have been achieved to a level of performance, as of the date his or her Services terminates, that would cause all (100%) of the Participant's targeted amount under this Performance Unit Award to become payable. If a Participant's employment is terminated during the Performance Period because of his or her death, any earlier payment provided by the Company in settlement of this Performance Unit Award shall be made to the executor or administrator of the Participant's estate. The Participant (or such other individual or estate in the event of his or her death) shall receive payment of the amount determined pursuant to this Section 3(d) within sixty (60) days of the date the Participant's Services terminates.

(e) Except as provided in Section 3(f) hereof, if the Participant ceases to perform Services for the Company and its Subsidiaries for any reason other than Retirement on or after his or her Normal Retirement Age, termination of employment by the Company without Cause, Permanent and Total Disability, or death during the Performance Period or before the Participant's Performance Unit Award has been certified by the Committee pursuant to Section 8(h) of the Plan, then the Participant shall forfeit

that unpaid Performance Unit Award and shall not be entitled to receive any payment under the Plan with respect to his or her Performance Unit Award for such Performance Period.

(f) Notwithstanding the foregoing and subject to the provisions of this Section 3(f), in the event of a Change in Control (as defined below) and the subsequent termination of the Participant's Services with the Company and its Subsidiaries by the Company or one of its Subsidiaries without Cause (as defined below), or the subsequent termination of the Participant's Services with the Company and its Subsidiaries by the Participant within thirty (30) days of his or her discovery of the occurrence of one or more events which constitute Good Reason (as defined below), in either case within two (2) years following such Change in Control, this Performance Unit Award shall be interpreted as if the specific targets related to the Performance Goals established by the Committee for that Participant for that Performance Period have been achieved to a level of performance, as of the date his or her Services terminates, that would cause all (100%) of the Participant's targeted amount under this Performance Unit Award to become payable. In the event of the occurrence of any event which constitutes Good Reason and in the event the Participant wishes to resign from his or her employment on the basis of the occurrence of such event, the Participant shall give notice of his or her proposed resignation, and the successor corporation shall have a period of thirty (30) days following its receipt of such notice to remedy the breach or occurrence giving rise to such proposed resignation. In the event the successor corporation fails to so remedy said breach or occurrence by expiration of said thirty (30)-day period, the Participant shall be deemed to have resigned from his or her employment for Good Reason pursuant to this Section 3(f) and shall be treated as if his or her employment has been terminated without Cause and, except as provided in Section 3(g), he or she shall receive payment of the amount determined pursuant to this Section 3(f) within sixty (60) days of the date the Participant's Services terminates.

For purposes of this Section 3(f), a "Change in Control" shall have the meaning set forth in the employment agreement entered into between the Participant and the Company dated May 3, 2014 (the "Employment Agreement").

For purposes of this Agreement, "Cause" is defined as a termination of employment by the Company or any of its Subsidiaries for any reason enumerated in Section 18.1(a) through (l) of the Employment Agreement.

For purposes of this Section 3(f), "Good Reason" shall have the meaning set forth in the Employment Agreement.

(g) Notwithstanding the date of payment specified by Section 3(b), 3(c), or 3(f) above with respect to the amount determined pursuant to such subsection, if the Participant is a Specified Employee on the date he or she ceases to perform Services for the Company and its Subsidiaries, to the extent required under Section 409A of the Code and the guidance and Treasury regulations issued thereunder, payment of that amount shall not be made until the date which is six (6) months after the date of his or her Retirement or the date his or her Services terminates, whichever is applicable.

For purposes of this Section 3(g), "Specified Employee" shall mean an Employee for each twelve (12)-consecutive month period that begins on any April 1st and immediately follows a calendar year during which such Employee was, at any time during that calendar year (i) an officer of the Company or any Subsidiary having annual compensation greater than \$175,000 (as adjusted under Section 416(i)(1) of the Code); (ii) a more than five-percent owner of the Company or any Subsidiary; or (iii) a more than one-percent owner of the Company or any Subsidiary having annual compensation from the Company and all Subsidiaries of more than \$150,000. For this purpose, "annual compensation" shall mean annual

compensation as defined in Section 415(c)(3) of the Code, which includes amounts contributed by the Company and all Subsidiaries pursuant to a salary reduction agreement which are excludable from the Participant's gross income under Section 125, 402(e)(3), 402(h)(1)(B), 408(p)(2)(A)(i), 457 or 403(b) of the Code, and elective amounts that are not includible in the gross income of the Participant by reason of Section 132(f)(4) of the Code. For this purpose, no more than 50 Employees (or, if lesser, the greater of three or ten percent of the Employees) shall be treated as officers. The constructive ownership rules of Section 318 of the Code (or the principles of that section, in the case of an unincorporated Subsidiary) shall apply to determine ownership in each Subsidiary.

4. **Employment Relationship** . For purposes of this Agreement, the Participant shall be considered to be in the employment of the Company or a Subsidiary, as applicable, as long as the Participant continues performing Services for the Company or a Subsidiary and the relationship between the Participant and the Company or a Subsidiary, as applicable, is the legal relationship of employer and employee within the meaning of Section 3401(c) of the Code or according to local employment laws in any non-U.S. jurisdiction in which the Participant is employed, as applicable. In order for a Participant's Services to be considered to have terminated for purposes of Sections 3(b), (c) and (f), such Retirement or other termination of employment must constitute a "separation from service" within the meaning of Treas. Reg. §1.409A-1(h)(1). Any question as to whether and when there has been a termination of such continuous Services as an Employee for purposes of this Agreement, and the cause of such termination for purposes of this Agreement, shall be determined by the Committee, and its determination shall be final, conclusive and binding.

5. **Nature of Grant** . In accepting this Performance Unit Award, the Participant acknowledges, understands and agrees that:

(a) The Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time to the extent permitted by the Plan.

(b) The grant of this Performance Unit Award is voluntary and occasional and does not create any contractual or other right to receive future grants of Performance Unit Awards or benefits in lieu of Performance Unit Awards, even if Performance Unit Awards or other awards have been granted in the past.

(c) All decisions with respect to future grants of Performance Unit Awards or other awards, if any, will be at the sole discretion of the Company.

(d) This Performance Unit Award and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company or any of its Subsidiaries and shall not interfere with the ability of the Company or any of its Subsidiaries, as applicable, to terminate the Participant's employment or service relationship (if any).

(e) The Participant is voluntarily participating in the Plan.

(f) This Performance Unit Award and the amount payable pursuant to this Performance Unit Award are not intended to replace any pension rights or compensation.

(g) This Performance Unit Award and the amount payable pursuant to this Performance Unit Award, and the income and value of same, are not part of normal or expected compensation for purposes

of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments.

(h) No claim or entitlement to compensation or damages shall arise from forfeiture of this Performance Unit Award resulting from the Participant ceasing to provide employment or other services to the Company or any of its Subsidiaries (for any reason whatsoever, whether or not is later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any). In consideration of the grant of this Performance Unit Award to which the Participant is otherwise not entitled, the Participant irrevocably agrees other than in the event of Company's breach of this Agreement, to (i) not institute any claim against the Company or any of its Subsidiaries in connection with this Agreement, (ii) waive the ability, if any, to bring any such claim and (iii) release the Company and its Subsidiaries from any such claim. If, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

(i) Unless otherwise provided in the Plan or by the Company in its discretion, this Performance Unit Award and the benefits evidenced by this Agreement do not create any entitlement to have this Performance Unit Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out, or substituted for, in connection with any corporate transaction affecting the Shares.

(j) The following provisions apply only if the Participant is providing services outside the United States:

(i) this Performance Unit Award and amount payable pursuant to this Performance Unit Award are not part of normal or expected compensation or salary for any purpose; and

(ii) the Participant acknowledges and agrees that neither the Company nor any Subsidiary shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of this Performance Unit Award or any amounts due to the Participant with respect to the settlement of this Performance Unit Award.

6. **Tax Withholding** . Performance Unit Awards under the Plan will be subject to withholding as required by law. To the extent that the Participant is subject to withholding of federal, state, or local income taxes and/or other taxes or social insurance contributions imposed by the country of residence or citizenship of the Participant or the country or residence of the Company or its Subsidiary which has the legal relationship of employer and employee with the Participant or is obligated to the Company or any of its Subsidiaries under the Company's tax equalization or hypothetical tax policies or specific agreements relating thereto (the "Employee Taxes"), the Participant shall, at such time as the payment under this Performance Unit Award or other amounts received pursuant to this Performance Unit Award first becomes includable in the gross income of the Participant for such Employee Taxes or the time that a withholding obligation arises for the Company or any of its Subsidiaries with respect to this Performance Unit Award, as applicable, pay to the Company or its designee, or make arrangements satisfactory to the Committee or its designee regarding payment of, any and all such Employee Taxes required to be withheld with respect to such income and, if applicable, any amounts owed to the Company or its Subsidiaries under its tax equalization or hypothetical tax policies or specific agreements relating thereto.

Regardless of any action the Company or any of its Subsidiaries take with respect to the Employee Taxes, the Participant acknowledges that the ultimate liability for all Employee Taxes is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company and a Subsidiary. The Participant further acknowledges that the Company and its Subsidiaries (i) make no representations or undertakings regarding the treatment of any Employee Taxes in connection with any aspect of this Performance Unit Award, including, but not limited to, the grant of or lapse of the restrictions on this Performance Unit Award and any waiver of the forfeiture provisions applicable to this Performance Unit Award; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of this Performance Unit Award to reduce or eliminate the Participant's liability for Employee Taxes or achieve any particular tax result.

Subject in each case to approval by the Committee or its designee and compliance with all applicable law, the Participant may elect to have any withholding obligation of the Company or any Subsidiary satisfied, in whole or in part, by (i) paying to the Company or a Subsidiary the amount of Employee Taxes in cash, check or other cash equivalent; and/or (ii) having the Company withhold from any amount payable under this Performance Unit Award or from any cash compensation payable to the Participant.

The Company may refuse to issue payment under this Performance Unit Award if the Participant fails to comply with the obligations in connection with Employee Taxes.

7. Return of Proceeds . If (i) the Participant engages in an activity that competes with the business of the Company or any of its Subsidiaries within one (1) year after (A) the Participant's voluntarily resignation or Retirement from his or her position as an Employee, or (B) his or her status as an Employee was terminated by the Company or a Subsidiary for Cause (as defined in Section 3(f) hereof) (either event constituting a "Termination" for purposes of this Section 7), and (ii) this Performance Unit Award held by the Participant had vested and become payable within one (1) year of the date of Termination; then the Participant shall remit to the Company, or its designee, within five (5) business days of receipt of written demand therefor, an amount in good funds equal to the lump sum cash payment received by the Participant in settlement of this Performance Unit Award.

8. Data Privacy . The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other Performance Unit Award materials by and among, as applicable, the Participant's employer, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.

The Participant understands that the Company and the Participant's employer may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all Awards, canceled, exercised, vested, unvested or outstanding in the Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").

The Participant understands that Data will be transferred to Merrill Lynch and Computershare or such other stock plan service providers as may be selected by the Company in the future, which are assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and

protections than the Participant's country. If the Participant resides outside the United States, the Participant understands that the Participant may request a list with the names and addresses of any potential recipients of Data by contacting the Participant's local human resources representative. The Participant authorizes the Company, Merrill Lynch, Computershare and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. If the Participant resides outside the United States, the Participant understands that the Participant may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Participant's local human resources representative. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke his or her consent, his or her employment status or service and career with the Company and its Subsidiaries will not be adversely affected; the only adverse consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant the Participant a Performance Unit Award or other equity awards or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

9. **Electronic Delivery and Participation** . The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

10. **Language** . If the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will take precedence.

11. **Notices** . Notices delivered under this Agreement shall be delivered to the Company at its principal office (Attention: General Counsel and Secretary), and to the Participant at such address as the Participant shall designate in writing to the Company.

12. **Binding Effect and Interpretation** . This Agreement shall be binding upon and inure to the benefit of any successors to the Company or to the Participant. In the event of conflict between this Agreement and the Plan, the terms of the Plan shall control. All undefined capitalized terms used herein shall have the meaning assigned to them in the Plan. The Board or the Committee shall have the authority to construe the terms of this Agreement, and such determinations shall be final and binding on the Participant and the Company and its Subsidiaries. The Participant may obtain a copy of the Plan on the Merrill Lynch Benefits OnLine[®] website or by contacting the Corporate Compensation Department in Houston.

13. **Severability** . The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

14. **Waiver** . The Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant or any other Participant.

15. **Governing Law** . This Agreement and all actions hereunder shall be governed by and construed in accordance with the laws of England and Wales, without regard to conflict of laws principles thereof.

16. **Appendix** . Notwithstanding any provisions in this Agreement, this Performance Unit Award shall be subject to any special terms and conditions set forth in any Appendix to this Agreement for the Participant's country. Moreover, if the Participant relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with laws of the country where the Participant resides or facilitate the administration of the Plan. The Appendix constitutes part of this Agreement.

17. **Imposition of Other Requirements** . The Company reserves the right to impose other requirements on participation in the Plan, on this Performance Unit Award and on any Shares received as payment under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with laws of the country where the Participant resides or facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

18. **Section 409A** . The Plan and this Agreement and the benefits provided hereunder are intended to comply with Section 409A of the Code and the guidance and Treasury regulations issued thereunder, to the extent applicable thereto. Notwithstanding any provision of the Plan or this Agreement to the contrary, the Plan and this Agreement shall be interpreted and construed consistent with this intent. Notwithstanding the foregoing, the Company shall not be required to assume any increased economic burden in connection therewith. Although the Company and the Plan Administrator intend to administer the Plan and this Agreement so that they will comply with the requirements of Section 409A of the Code, to the extent applicable, neither the Company nor the Plan Administrator represents or warrants that the Plan or this Agreement will comply with Section 409A of the Code or any other provision of federal, state, local, or foreign law. Neither the Company or any of its Subsidiaries, nor their respective directors, officers, employees or advisers shall be liable to any Participant (or any other individual claiming a benefit through the Participant) for any tax, interest, or penalties the Participant may owe as a result of participation in the Plan, and the Company and its Subsidiaries shall have no obligation to indemnify or otherwise protect any Participant from the obligation to pay any taxes pursuant to Section 409A of the Code. For purposes of applying the provisions of Section 409A of the Code, each separately identified amount to which a Participant is entitled shall be treated as a separate payment.

Form of Ensco plc 2012 Long-Term Incentive Plan
Non-Employee Director
Terms and Conditions Acceptance Agreement

You have been granted the following award of restricted Class A ordinary shares, nominal value US\$0.10 per share, in Ensco plc (the "Company") in the form of units ("Restricted Share Units") pursuant to the Ensco plc 2012 Long-Term Incentive Plan and Annex 1 thereto (the "Plan"):

Name of Participant: [insert name]
 Total Number of Units Granted: [insert # of units]
 Type of Grant: Restricted Share Units
 Date of Grant: [insert date]
 Vesting Commencement Date: [insert date]
 Vesting Schedule: 33 1/3% per year for 3 years

The terms of the grant referenced herein are subject to the provisions of the Plan and the Non-Employee Director Restricted Share Unit Award Agreement Terms and Conditions. The Non-Employee Director Restricted Share Unit Award Agreement Terms and Conditions is provided herewith. The Plan and Plan prospectus are available to you through the Corporate Compensation Department in Houston and may be accessed on the Merrill Lynch Benefits OnLine® website.

The income resulting from the Restricted Share Unit Award, the vesting of the Restricted Share Units, the issuance of Shares (or payment of the cash equivalent) with respect to Vested Share Units, and the payment of an amount equal to any dividend or other distribution on the Company's Shares is subject to the Plan's withholding provisions which may require your cooperation in arranging for satisfaction of required withholding.

You must continue as a Non-Employee Director of the Company in order to become vested in the Restricted Share Units subject to this grant and to become entitled to any payment under the Restricted Share Unit Award. The Restricted Share Units subject to this grant that have not become vested under the **three-year** Vesting Schedule will be forfeited if you cease to be a Non-Employee Director of the Company prior to the third anniversary of the Date of Grant. The forfeiture restrictions applicable to the Restricted Share Units subject to this grant are subject to automatic waiver and earlier vesting under specified circumstances. Furthermore, the value of the benefits and payments received within one year before or after the termination of your service as a Non-Employee Director of the Company are subject to the "Return of Proceeds" provisions which apply to these grants in the event you engage in competitive activity within the one-year period following your termination, as further described in Section 11 of the Non-Employee Restricted Share Unit Award Agreement Terms and Conditions.

By signing this Acceptance Agreement, you agree to accept the above grant under and pursuant to the provisions of the Plan as well as the Non-Employee Restricted Share Unit Award Agreement Terms and Conditions. Your signature also serves to acknowledge receipt of the Ensco plc 2012 Long-Term Incentive Plan Prospectus and the Non-Employee Restricted Share Unit Award Agreement Terms and Conditions.

Please return this original signed document to the Corporate Compensation Department in Houston in the enclosed envelope no later than [insert date].

ACCEPTED AND AGREED

[insert name], Participant

_____ [insert year]

ENSCO plc
2012 LONG-TERM INCENTIVE PLAN
NON-EMPLOYEE DIRECTOR
RESTRICTED SHARE UNIT AWARD AGREEMENT
TERMS AND CONDITIONS

The Board of Directors (the "Board") of Ensco plc, a public limited company incorporated under the laws of England and Wales (the "Company"), has adopted the Ensco plc 2012 Long-Term Incentive Plan (the "Plan"), and has adopted Annex 1 to the Plan, both as have been or may be amended from time to time. (In this document, references to the Plan shall be taken to include Annex 1 to the Plan.) In furtherance of the purposes of the Plan and pursuant thereto, a Restricted Share Unit Award has been granted under Annex 1 to the Plan to the Participant as specifically described in the Terms and Conditions Acceptance Agreement (the "Acceptance Agreement") which must be executed by the Participant by the date specified in the Acceptance Agreement to reflect his or her acceptance of the following Terms and Conditions:

1. **Award of Restricted Share Units** . The Company hereby grants to the Participant, subject to the terms, conditions and restrictions set forth in the Plan and those specified herein, the number of Restricted Share Units specified in the Acceptance Agreement (the "Award") with one unit representing one Share (or a Fair Market Value equivalent payment in cash) to be issued out of the Company's presently authorized but unissued Shares, which Shares shall be fully paid up, upon fulfillment of the terms, conditions and restrictions set forth in the Plan and those specified herein.

The Acceptance Agreement and the terms, conditions and restrictions set forth herein shall collectively constitute the Award Agreement (the "Agreement") for this Award of Restricted Share Units.

2. **Restrictions; Restriction Period; Vesting** . The Restricted Share Units awarded hereunder and the Shares (or the cash equivalent) subject to this Award may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner during the Restriction Period, which begins on the Date of Grant and ends with respect to a portion of the Restricted Share Units on the vesting dates specified in this Section 2, other than by the executor or administrator of the Participant's estate in the event of the Participant's death. The Restricted Share Units awarded hereunder and the Shares (or the cash equivalent) subject to this Award shall not be assignable by operation of law or subject to execution, attachment or similar process. Any attempted sale, pledge, assignment, hypothecation, transfer or other disposition of the Restricted Share Units or the Shares (or the cash equivalent) subject to this Award contrary to the provisions of this Agreement or the Plan and the levy of any execution, attachment or similar process upon the Restricted Share Units or Shares (or cash equivalent) shall be null and void and without force or effect. No transfer of the Restricted Share Units or the Shares (or the cash equivalent) subject to this Award by will or by the laws of descent and distribution shall be effective to bind the Company unless the Company shall have been furnished written notice thereof and an authenticated copy of the will and/or such other evidence as the Board may deem necessary to establish the validity of the transfer. The transfer to the executor or administrator of the Participant's estate shall be binding upon the executors, administrators, heirs and successors of the Participant.

These restrictions shall be released, and all right, title and interest to the Shares (or the cash equivalent) subject to this Award shall vest in the Participant, at the rate of thirty-three and one-third percent (33-1/3%) of the original number of Restricted Share Units (subject to adjustment pursuant to Section 11(a) of the Plan) per year on the successive anniversaries of the Date of Grant (each, a "Vesting Date") and shall be fully vested on the third anniversary of the Date of Grant. The vesting and the waiver of the restrictions on the Restricted Share Units shall be subject to acceleration on the terms and conditions stated in the Plan and in Section 5 hereof. Restricted Share Units shall become "Vested Share Units" upon release of the restrictions on the Vesting Date with respect to such Share Units.

3. Issuance of Shares; Payment under this Award . Subject to prior compliance with Section 10 and Section 12 below, once the Restricted Share Units granted hereby become Vested Share Units, whether pursuant to Section 2 or Sections 5(b) or (c) hereof, upon payment of the nominal value of the Shares to be issued upon vesting, the Plan Administrator shall arrange for the transfer to the Participant of a corresponding number of Shares equal to the number of those Vested Share Units. Alternatively, the Plan Administrator may determine to make a single lump sum payment in cash to the Participant with respect to all or any portion of those Vested Share Units, in lieu of arranging for the transfer to the Participant of the total number of Shares pursuant to the preceding sentence of this Section 3, of an amount equal to the aggregate Fair Market Value (within the meaning of Section 2 of the Plan) of the total number of Shares that would otherwise have been transferred determined as of the date of such cash payment to the Participant. The transfer of the total number of Shares and/or the payment of the lump sum cash amount in lieu of the transfer of all or a portion of those Shares with respect to Vested Share Units shall be made to the Participant within sixty (60) days (with the exact payment date determined by the Company in its sole discretion) of the earlier of: (i) the Vesting Date under Section 2 hereof, or (ii) the date the Participant's Services terminate during the Restriction Period for a reason provided in Section 5(b) or (c) hereof, in order to ensure that this Award and the Plan complies with the payment requirements of Section 409A(a)(2)(A) of the Code and Treas. Reg. §§1.409A-3(a)(1), (a)(4), (b) and (i).

4. Rights with Respect to Restricted Share Units . In the case of a dividend or other distribution on the Shares during the Restriction Period, the Participant shall be paid or issued - with respect to the number of Shares subject to this Award - an equivalent amount at the same time as such dividends or other distributions are paid or issued on Shares, and in no event more than sixty (60) days after that payment or issuance date, and always in the same calendar year that the dividends or other distributions are paid or issued on Shares, in order to ensure that this Award and the Plan complies with Treas. Reg. §1.409A-3(e) and the specified time of payment requirement of Section 409A(a)(2)(A)(iv) of the Code and Treas. Reg. §§1.409A-3(a)(4) and (d). Any equivalent amount paid or issued to the Participant at the same time as dividends or other distributions are paid or issued on Shares shall be provided to compensate the Participant for the fact that actual dividends or other distributions are not paid or issued with respect to the Shares subject to this Award until the applicable Vesting Date; accordingly, such amount shall be considered earnings from the Participant's directorship and shall not constitute actual dividends or other distributions. All rights with respect to, or in connection with, the Restricted Share Units shall be exercisable during the Participant's lifetime only by the Participant.

5. Participant's Directorship .

(a) In consideration of the grant of this Award and pursuant to Section 7 of Annex 1 to the Plan, the Participant covenants with the Company that he or she shall remain a Non-Employee Director for at least six (6) months from the Date of Grant.

(b) If the Participant ceases to perform Services as a Non-Employee Director of the Company as a result of his or her retirement, with the consent of the Board, during the Restriction Period, all of the restrictions remaining on the Restricted Share Units shall be automatically waived on such Participant's actual retirement date and all of such Restricted Share Units shall become Vested Share Units and Shares shall be issued (or the cash equivalent shall be paid) as set forth in Section 3 above.

(c) If the Participant is unable to continue to perform Services as a Non-Employee Director of the Company by reason of his or her death or Permanent and Total Disability during the Restriction Period, all of the restrictions remaining on all of the Restricted Share Units shall be automatically waived on the date of such Participant's death or Participant's termination date due to Permanent and Total Disability and all of the Restricted Share Units with respect to which such restrictions are hereby waived shall become Vested Share Units and Shares shall be issued (or the cash equivalent shall be paid) as set forth in Section 3 above. If a Participant's directorship is terminated during the Restriction Period because of his or her death, any earlier payment provided by the Company in settlement of this Award shall be made to the executor or administrator of the Participant's estate.

(d) If the Participant ceases to perform Services as a Non-Employee Director of the Company for any reason other than retirement with the consent of the Board, Permanent and Total Disability, or death during the Restriction Period, all remaining Restricted Share Units that are still subject to restrictions on the date his or her Services as a Non-Employee Director of the Company cease shall be forfeited automatically, unless, in the event of an involuntary termination of the Participant's Services as a Non-Employee Director by the Board without Cause (as defined below), this forfeiture provision is waived. In the case of such waiver, all of the Restricted Share Units with respect to which such restrictions are hereby waived shall become Vested Share Units and Shares shall be issued (or the cash equivalent shall be paid) as set forth in Section 3 above.

For purposes of this Agreement, "Cause" is defined as and limited to (i) gross misconduct or gross neglect by the Participant in the discharge of his or her duties as a Non-Employee Director of the Company, (ii) the breach by the Participant of any policy or written agreement with the Company or any of its Subsidiaries, including, without limitation, the Company's Code of Business Conduct Policy and any employment or non-disclosure agreement, (iii) proven dishonesty in the performance of the Participant's duties, (iv) the Participant's conviction or a plea of guilty or nolo contendere to a felony or crime of moral turpitude, or (v) the Participant's alcohol or drug abuse; provided, however, the Participant shall not be deemed to have been dismissed for Cause unless and until there shall have been delivered to the Participant a copy of a resolution duly adopted by the Board at a meeting of the Board duly called and held for the purpose (after reasonable notice to the Participant and an opportunity for the Participant, together with his or her counsel, to be heard before the Board), finding that in the good-faith, reasonable opinion of the Board, the Participant was guilty of the conduct set forth in this sentence and specifying the particulars in detail.

6. **Effect of Company Blackout Periods** . The Company has established the Ensco Securities Trading Policy and Procedure (the "Policy") relative to disclosure and trading on inside

information as described in the Policy. Under the Policy, directors, officers and managers (as defined in the Policy) of the Company are prohibited from trading Company securities during certain “blackout periods” as described in the Policy. In respect to any Participant subject to the Policy, if the date on which any Restriction Period will lapse and as a result of which Restricted Share Units will become Vested Share Units falls within a blackout period imposed by the Policy, the date described in this sentence shall automatically be extended by this Section 6 to the second U.S. business day immediately following the last day of the applicable blackout period. The Board shall interpret and apply the extension automatically provided by the preceding sentence to ensure that in no event shall any Restriction Period lapse during an imposed blackout period. If, however, the Policy is subsequently amended after the Date of Grant of this Award, the automatic extension of any date in accordance with the preceding sentences shall be rescinded or otherwise adjusted automatically in accordance with the Policy, as amended, and the Board shall interpret this Section 6 to ensure its compliance with the Policy, as amended.

7. **Directorship Relationship** . For purposes of this Agreement, the Participant shall be considered to be a Non-Employee Director of the Company as long as the Participant continues performing Services as a Non-Employee Director and the relationship between the Participant and the Company is not the legal relationship of employer and employee within the meaning of Section 3401(c) of the Code or according to local law in any non-U.S. jurisdiction, as applicable. Any question as to whether and when there has been a termination of such continuous Services as a Non-Employee Director of the Company for purposes of this Agreement, and the cause of such termination for purposes of this Agreement, shall be determined by the Board, and its determination shall be final, conclusive and binding.

8. **No Directorship Rights**. No provision of this Agreement or the Plan shall be construed to give the Participant any right to remain a Non-Employee Director of, or to continue to provide Services as a Non-Employee Director to, the Company or to affect the right of the Board to terminate the Participant’s Services at any time, with or without Cause (as defined in Section 5(d) hereof).

9. **Tax Consequences; No Advice Regarding Grant** . The vesting of the Restricted Share Units, the issuance of Shares (or payment of the cash equivalent) with respect to Vested Share Units and the payment of an amount equal to any dividend or other distribution on the Company’s Shares as described in Section 4 will have tax consequences for a Participant who is subject to U.S. federal taxation under the Code. The Award, the vesting of the Restricted Share Units, the issuance of Shares (or payment of the cash equivalent) with respect to Vested Share Units and the payment of an amount equal to any dividend or other distribution on the Company’s Shares as described in Section 4 may also have tax consequences for Participants who are subject to taxation in other jurisdictions.

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding participation in the Plan or the acquisition or sale of the Shares that may be issued under this Award.

THE PARTICIPANT IS HEREBY ADVISED TO CONSULT WITH HIS OR HER OWN PERSONAL TAX, LEGAL AND FINANCIAL ADVISERS REGARDING HIS OR HER PARTICIPATION IN THE PLAN AND ANY TAX OR OTHER CONSEQUENCES ASSOCIATED WITH THIS AWARD.

10. **Tax Withholding** . To the extent that the Participant is subject to withholding of federal, state, or local income taxes and/or other taxes or social insurance contributions in connection with this Award (the "Tax-Related Items"), the Participant shall, at such time as the value of any Shares or other amounts received pursuant to this Award first becomes includable in the gross income of the Participant for such Tax-Related Items or the time that a withholding obligation arises for the Company with respect to this Award, as applicable, pay to the Company or its designee, or make arrangements satisfactory to the Board or its designee regarding payment of, any and all such Tax-Related Items required to be withheld with respect to such income.

Regardless of any action the Company takes with respect to the Tax-Related Items, the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company (if any). The Participant further acknowledges that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this Award, including, but not limited to, the grant or vesting of the Restricted Share Units, the receipt of an amount equal to any dividend or other distribution on the Shares during the Restriction Period, the issuance of Shares (or payment of the cash equivalent) with respect to Vested Share Units, the receipt of any dividends or other distribution on Shares issued pursuant to this Award and the subsequent sale of any Shares acquired pursuant to this Award; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of this Award to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result.

Subject in each case to approval by the Board, or, if applicable, its designee, the Committee, and Section 6 hereof as well as compliance with all applicable law, the Participant may elect to have any withholding obligation of the Company satisfied, in whole or in part, by (i) authorizing the Company or its designee to withhold from the Shares to be issued pursuant to this Award a number of Shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the statutory prescribed amount of the withholding due or other applicable withholding amount; (ii) selling or transferring to the EnSCO plc Employee Benefit Trust (the "Trust") or other designee of the Company a number of Shares that would otherwise be issued pursuant to this Award, such number of Shares having an aggregate Fair Market Value (as of the date the Shares are sold or transferred) equal to the statutory prescribed amount of the withholding due or other applicable withholding amount as determined by the Company; (iii) authorizing the Company's designee to sell a number of Shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the statutory prescribed amount of the withholding due or other applicable withholding amount as determined by the Company; (iv) paying to the Company the amount of Tax-Related Items in cash, check or other cash equivalent; and/or (v) having the Company withhold from any amount payable under this Award or from any cash compensation payable to the Participant. If the withholding obligation is satisfied by withholding a number of Shares as described in (i) above, solely for tax purposes, the Participant will be deemed to have been issued the full number of Shares subject to the Vested Share Units, notwithstanding that a number of the Shares are withheld in order for the Company to meet its withholding obligation in connection with the Tax-Related Items. In the absence of any election by the Participant, any withholding obligation for Tax-Related Items shall be satisfied pursuant to clause (i) of the first sentence of this paragraph.

The Company may refuse to issue Shares (or pay any cash equivalent) upon vesting of the Restricted Share Units or make any payment pursuant to Section 4 above if the Participant fails to comply with the obligations in connection with Tax-Related Items.

11. **Return of Proceeds** . If (i) the Participant engages in an activity that competes with the business of the Company or any of its Subsidiaries within one (1) year after (A) the Participant voluntarily resigned or retired from his or her position as a Non-Employee Director of the Company, or (B) his or her status as a Non-Employee Director was terminated by the Board for Cause (as defined in Section 5(d) hereof) (either event constituting a "Termination" for purposes of this Section 11), and (ii) Restricted Share Units held by the Participant had vested and become payable within one (1) year of the date of Termination; then the Participant shall remit to the Company, or its designee, within five (5) business days of receipt of written demand therefor, an amount in good funds equal to the sum of (i) the Fair Market Value of the Shares issued in settlement of this Award, if any, computed as of the date of issuance of such Shares, or (ii) the lump sum cash payment, if any, received by the Participant pursuant to this Award.

12. **Compliance with Law** . Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any Shares issuable upon settlement of Vested Share Units prior to (i) the completion of any registration or qualification of the Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or (ii) obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Participant understands that the Company is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Further, the Participant agrees that the Company shall have unilateral authority to amend the Plan and this Agreement without the Participant's consent to the extent that the Company deems it to be necessary or advisable to comply with securities or other laws applicable to issuance of Shares pursuant to this Agreement.

13. **Data Privacy** . The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other Award materials by and among, as applicable, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.

The Participant understands that the Company may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all Awards or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").

The Participant understands that Data will be transferred to Merrill Lynch and Computershare or such other stock plan service providers as may be selected by the Company in the future, which are assisting the Company with the implementation, administration and

management of the Plan. In addition, Data may be transferred to the trustee of the Trust established in connection with the Plan. The Participant understands that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country may have different data privacy laws and protections than the Participant's country. If the Participant resides outside the United States, the Participant understands that the Participant may request a list with the names and addresses of any potential recipients of Data by contacting the Corporate Compensation Department in Houston. The Participant authorizes the Company, Merrill Lynch, Computershare and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. If the Participant resides outside the United States, the Participant understands that the Participant may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by notifying the Corporate Compensation Department in Houston in writing. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke his or her consent, his or her status as a Non-Employee Director will not be adversely affected; the only adverse consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant the Participant Restricted Share Units or other equity awards or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact the Company's Compensation Department in Houston.

14. **Electronic Delivery and Participation** . The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

15. **Notices** . Notices delivered under this Agreement shall be delivered to the Company at its principal office (Attention: Secretary), and to the Participant at such address as the Participant shall designate in writing to the Company.

16. **Binding Effect and Interpretation** . This Agreement shall be binding upon and inure to the benefit of any successors to the Company and all persons lawfully claiming under the Participant. In the event of conflict between this Agreement and the Plan, the terms of the Plan shall control. All undefined capitalized terms used herein shall have the meaning assigned to them in the Plan. The Board shall have the authority to construe the terms of this Agreement, and such determinations shall be final and binding on the Participant and the Company. The Participant may obtain a copy of the Plan on the Merrill Lynch Benefits OnLine[®] website or by contacting the Corporate Compensation Department in Houston.

17. **Severability** . The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

18. **Governing Law** . This Agreement and all actions hereunder shall be governed by and construed in accordance with the laws of England and Wales, without regard to conflict of laws principles thereof.

19. **Waiver** . The Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant or any other Participant.

20. **Imposition of Other Requirements** . The Company reserves the right to impose other requirements on participation in the Plan, on this Award and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with the laws of the country where the Participant resides or facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

21. **Section 409A** . The Plan and this Agreement and the benefits provided hereunder are intended to comply with Section 409A of the Code and the guidance and Treasury regulations issued thereunder, to the extent applicable thereto. Notwithstanding any provision of the Plan or this Agreement to the contrary, the Plan and this Agreement shall be interpreted and construed consistent with this intent. Notwithstanding the foregoing, the Company shall not be required to assume any increased economic burden in connection therewith. Although the Company and the Plan Administrator intend to administer the Plan and this Agreement so that they will comply with the requirements of Section 409A of the Code, to the extent applicable, neither the Company nor the Plan Administrator represents or warrants that the Plan or this Agreement will comply with Section 409A of the Code or any other provision of federal, state, local or foreign law. Neither the Company or any of its Subsidiaries, nor their respective directors, officers, employees or advisers shall be liable to any Participant (or any other individual claiming a benefit through the Participant) for any tax, interest, or penalties the Participant may owe as a result of participation in the Plan, and the Company and its Subsidiaries shall have no obligation to indemnify or otherwise protect any Participant from the obligation to pay any taxes pursuant to Section 409A of the Code. For purposes of applying the provisions of Section 409A of the Code, each separately identified amount to which a Participant is entitled shall be treated as a separate payment.

FORM RETENTION AWARD AGREEMENT

This Retention Award Agreement (the “ **Agreement** ”), dated as of 7 March 2017 (the “ **Effective Date** ”) is by and between _____ (“ **Executive** ”) and Enscopl, a public limited company organized under the laws of England and Wales (“ **Company** ”).

WHEREAS, on 6 March 2017 the Compensation Committee, through its Executive Compensation Subcommittee (the “ **Committee** ”) of the Board of Directors of Company (the “ **Board** ”) authorized the payment of a cash retention award to Executive in the amount of [\$ £]_____ (the “ **Retention Award** ”), payable, subject to the terms and conditions of this Agreement, as to 50% if Executive continues to provide the Services (as hereinafter defined) through 31 December 2017 (the “ **First Year Payment** ”) and 50% if Executive continues to provide the Services through 31 December 2018 (the “ **Second Year Payment** ”), (collectively the “ **Retention Award Payments** ”);

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration the sufficiency and receipt of which are hereby acknowledged by the parties hereto (the “ **Parties** ”), the Parties hereby agree as follows:

1. Retention Award Payments. The Company hereby promises to pay, or to cause Employer (as hereinafter defined) to pay Executive the First Year Payment, subject to Executive’s continued Services through 31 December 2017, within fifteen (15) days following 31 December 2017 and the Second Year Payment, subject to Executive’s continued Services through 31 December 2018, within fifteen (15) days following 31 December 2018. The Retention Award Payments shall be net of any required withholding of federal, state, or local income taxes and/or other taxes or social insurance contributions imposed by the country of residence or citizenship of Executive or the country or residence of Employer (the “ **Employee Taxes** ”).

2. Effect of (i) Permanent and Total Disability or Death or (ii) Resignation for Good Reason or Termination by Employer Without Cause Within Two Years Following a Change in Control. In the event of termination of the Services of Executive prior to 31 December 2017 (i) as of a result of Permanent and Total Disability (as hereinafter defined) or death or (ii) by Executive’s resignation for Good Reason (as hereinafter defined) or by Employer without Cause (as hereinafter defined), in either case within two years following a Change in Control, Company shall pay, or cause Employer to pay the full Retention Award. In the event of termination of the Services of Executive after 31 December 2017 and prior to 31 December 2018 as a result of any of the circumstances set out in (i) and (ii) of this Section 2, the Company shall pay, or cause Employer to pay the full Second Year Payment.

3. Effect of Termination by Employer Without Cause that is not Within Two Years Following a Change in Control. In the event of termination of the Services of Executive by Company without Cause on a date which is not within two years following a Change in Control but is (i) prior to 31 December 2017, the full First Year Payment shall become payable and a prorated amount of the Second Year Payment shall become payable based

on a fraction, the numerator of which is the number of days in the 2017 calendar year that had elapsed as of the date Executive's Services are terminated and the denominator of which is 730, or (ii) after 31 December 2017 and prior to 31 December 2018, the full Second Year Payment shall become payable. Any payment of the Retention Award pursuant to this Section 3 shall be paid to Executive (or to Executive's estate in the event of his or her death) within 60 days of the date upon which such payments become owing.

4. Effect of Voluntary Termination or Termination for Cause. In the event of termination of the Services of Executive prior to 31 December 2017 by (i) Executive for any reason other than as a result of (A) Permanent and Total Disability or death, or (B) resignation for Good Reason within two years following a Change in Control, or (ii) Employer for Cause, the Retention Award shall be cancelled and shall not be payable. In the event of termination of the Services of Executive after 31 December 2017 and prior to 31 December 2018 as a result of any of the circumstances set out in (i) and (ii) of this Section 4, the Second Year Payment shall be cancelled and shall not be payable.

5. Definitions. The following terms shall have the following meanings:

(a) "Affiliate" means any entity that directly or indirectly controls, is controlled by, or is under common control with Company.

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

[FOR CEO: "Cause" means a termination of employment by Ensco Global Resources Limited or any successor Employer for any reason enumerated in Section 18.1(a) through (l) of the employment agreement entered into between Executive and Ensco Global Resources Limited dated May 3, 2014 (the "**Employment Agreement**").]

(c) "Change in Control" means the occurrence of any of the following events: (i) a change in the ownership of Company, which occurs on the date that any one person, or more than one person acting as a group, acquires ownership of the Class A Ordinary Shares, nominal value US\$0.10 per share in Company (the "**Shares**") that, together with Shares held by such person or group, constitutes more than 50% of the total voting power of the Shares, (ii) a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election, or (iii) a sale of all or substantially all of the assets of Company. The determination of whether a Change in

Control has occurred shall be determined by the Committee consistent with Section 409A of the Internal Revenue Code of 1986, as amended (the “ **Code** ”), if applicable.

Notwithstanding the foregoing paragraph, a “Change in Control” of Company shall not be deemed to have occurred by virtue of the consummation of any transaction or series of related transactions immediately following which the beneficial owners of the voting Shares immediately before such transaction or series of transactions continue to have a majority of the direct or indirect ownership in one or more entities which, singly or together, immediately following such transaction or series of transactions, either (i) own all or substantially all of the assets of Company as constituted immediately prior to such transaction or series of transactions, or (ii) are the ultimate parent with direct or indirect ownership of all of the voting Shares after such transaction or series of transactions.

For further clarification, a “Change in Control” of Company shall not be deemed to have occurred by virtue of the consummation of any transaction or series of related transactions effected for the purpose of changing the place of incorporation or form of organization of Company or the ultimate parent company of Company and its Affiliates.

[FOR CEO: “Change in Control” shall have the meaning set forth in the Employment Agreement.]

(d) “Employer” means the Affiliate for whom Executive is performing Services and which has the legal relationship of employer and employee with Executive.

(e) “Permanent and Total Disability” means that an individual is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. An individual shall not be considered to suffer from Permanent and Total Disability unless such individual furnishes proof of the existence thereof in such form and manner, and at such times, as the Committee may reasonably require.

(f) “Good Reason” means the occurrence of any of the following events (without Executive's express written consent) arising during Executive's employment with Company or any Affiliates: (a) a material reduction in Executive's base salary or a material reduction in the aggregate overall compensation opportunity available to Executive, provided that the Board or Committee shall have the discretion to modify Executive's overall compensation package subject to the foregoing restrictions, (b) a material diminution in Executive's authority, duties or responsibilities, (c) in connection with the occurrence of a Change in Control, a permanent relocation in the geographic location at which Executive must perform Services to a location outside the Houston, Texas, or the London, England, metropolitan area, or (d) any other action or inaction that constitutes a material breach by Company of its obligations under this Agreement. In the case of Executive's allegation of Good Reason, (i) Executive shall provide notice to the Board of the event alleged to constitute Good Reason within ninety (90) days of the occurrence of such event, and (ii) Company shall have the opportunity to remedy the alleged Good Reason event within

thirty (30) days from receipt of notice of such allegation. If Company does not cure the circumstance giving rise to Good Reason to Executive's reasonable satisfaction, Executive must terminate his or her employment with Company within thirty (30) days following the end of the thirty (30) day cure period described in clause (ii) above in order for his termination to be considered a termination for Good Reason.

This definition of "Good Reason" is intended to comply with the requirements for such a definition under Section 409A of the Code, but only to the extent that Section 409A of the Code is applicable to the payment or benefit being provided under the Agreement and, in that case, this term shall be interpreted in a manner which is consistent with such intent under Section 409A of the Code.

[FOR CEO: "Good Reason" shall have the meaning set forth in the Employment Agreement.]

(g) "Services" means services rendered by Executive to Employer, Company or any of its Affiliates as an employee within the meaning of Section 3401(c) of the Code or according to local employment laws in any non-U.S. jurisdiction in which Executive is employed, as applicable. Any question as to whether and when there has been a termination of such continuous Services of Executive as an employee for purposes of this Agreement, and the cause of such termination for purposes of this Agreement, shall be determined by the Board or the Committee, and such determination shall be final, conclusive and binding.

6. Nature of Award; No Entitlement; No Claim for Compensation. In accepting the Retention Award, Executive acknowledges the following:

(a) The grant of the Retention Award is voluntary and occasional and does not create any contractual or other right to receive future grants of awards, or benefits in lieu of awards, even if awards have been granted repeatedly in the past.

(b) The amount of the Retention Award paid to Executive in any year will not create any contractual or other right for Executive to receive the same or similar amounts in any future years.

(c) The Retention Award shall not create a right to employment or be interpreted as forming an employment or service contract with Employer, Company or any of its Affiliates and shall not interfere with the ability of Employer, Company or any of its Affiliates, as applicable, to terminate Executive's Services or employment relationship.

(d) Executive is voluntarily accepting the Retention Award and participating in this Agreement.

(e) The Retention Award and any amounts paid pursuant to this Agreement shall not be treated as part of Executive's normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination,

redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

(f) No claim or entitlement to compensation or damages shall arise from forfeiture of the Retention Award resulting from Executive's ceasing to provide employment or Services to Employer, Company or any of its Affiliates (for any reason whatsoever, whether or not such employment or Services is later found to be invalid or in breach of employment laws in the jurisdiction where Executive is employed or the terms of Executive's employment agreement, if any). In consideration of the grant of the Retention Award to which Executive is otherwise not entitled, Executive irrevocably agrees, other than in the event of a breach of this Agreement by Company, to (i) not institute any claim against Employer, Company or any of its Affiliates in connection with this Agreement, (ii) waive the ability, if any, to bring any such claim and (iii) release Employer, Company and its Affiliates from any such claim. If, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by receiving the Retention Award, Executive shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

7. Entire Agreement. This Agreement sets forth the entire agreement of the Parties hereto in respect of the subject matter contained herein and during the term of the Agreement supersedes the provisions of all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any Party hereto with respect to the subject matter hereof.

8. Effective Date. This Agreement shall become effective as of the Effective Date.

9. Language. If Executive has received this Agreement translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will take precedence.

10. Notices. Notices delivered under this Agreement shall be delivered to Company at its principal office (Attention: General Counsel and Secretary), and to Executive at such address as Executive shall designate in writing to Company.

11. Binding Effect and Interpretation. This Agreement shall be binding upon and inure to the benefit of any successors to Company or to Executive. The Board or the Committee shall have the authority to construe the terms of this Agreement, and such determinations shall be final and binding on Executive and Employer, Company and its Affiliates.

12. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

13. Governing Law. This Agreement and all actions hereunder shall be governed by and construed in accordance with the laws of England and Wales, without regard to conflict of laws principles thereof.

14. Section 409 of the Code.

(a) To the extent required under Section 409A of the Code and the guidance and U.S. Treasury Regulations issued thereunder, it is the intention of the Parties that the provisions of this Agreement shall comply with the requirements of the short-term deferral exception to Section 409A of the Code and U.S. Treasury Regulations §1.409A-1(b)(4). Accordingly, to the extent there is any ambiguity as to whether one or more provisions of this Agreement would otherwise contravene the requirements or limitations of Section 409A of the Code applicable to such short-term deferral exception, then those provisions shall be interpreted and applied in a manner that does not result in a violation of the requirements or limitations of Section 409A of the Code and the U.S. Treasury Regulations issued thereunder that apply to such exception.

(b) If and to the extent this Agreement may be deemed to create an arrangement subject to the requirements of Section 409A of the Code, then the following provisions shall apply:

(i) No amount which becomes payable under this Agreement by reason of Executive's cessation of Services shall actually be paid to Executive until the date of Executive's cessation of Services or as soon thereafter as administratively practicable, but in no event later than the later of (A) the last day of the calendar year in which such cessation of Services occurs or (B) the fifteenth day of the third calendar month following the date of such cessation of Services; or

(ii) No amount which becomes payable under this Agreement by reason of Executive's cessation of Services shall actually be paid or distributed to Executive prior to the earlier of: (A) the first day of the seventh month following the date of such cessation of Services or (B) the date of Executive's death, if Executive is deemed at the time of such cessation of Services to be a specified employee under U.S. Treasury Regulation §1.409A-1(i), as determined by Company in accordance with consistent and uniform standards applied to all other arrangements of Company under Section 409A of the Code, and such delayed commencement is otherwise required in order to avoid a prohibited distribution under Section 409A(a)(2) of the Code. The deferred amount shall be paid in a lump sum on the first day of the seventh month following the date of Executive's cessation of Services or, if earlier, the first day of the month immediately following the date Company receives proof of Executive's death.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective for all purposes as of the Effective Date.

ENSCO PLC

By: _____

Name:

Title:

[EXECUTIVE NAME]

By: _____

Title:

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

	Three Months Ended March 31, 2017	Year Ended December 31,				
		2016	2015	2014	2013	2012
Earnings						
Income (loss) from continuing operations before income tax	\$ 0.1	\$ 997.5	\$ (1,471.2)	\$ (2,548.8)	\$ 1,633.2	\$ 1,304.7
Fixed charges deducted from income (loss) from continuing operations	76.5	284.4	323.2	260.4	245.3	247.3
Amortization of capitalized interest	4.2	16.4	18.2	17.0	13.3	12.3
Less:						
Income from continuing operations before income tax attributable to noncontrolling interests	(1.2)	(7.7)	(10.5)	(15.5)	(9.7)	(7.4)
Interest capitalized	(16.8)	(45.7)	(87.4)	(78.2)	(67.7)	(105.8)
	62.8	1,244.9	(1,227.7)	(2,365.1)	1,814.4	1,451.1
Fixed Charges						
Interest on indebtedness, including amortization of deferred loan costs	58.6	228.8	216.3	161.4	158.8	123.6
Estimated interest within rental expense	1.1	9.9	19.5	20.8	18.8	17.9
Fixed charges deducted from income (loss) from continuing operations	59.7	238.7	235.8	182.2	177.6	141.5
Interest capitalized	16.8	45.7	87.4	78.2	67.7	105.8
Total	\$ 76.5	\$ 284.4	\$ 323.2	\$ 260.4	\$ 245.3	\$ 247.3
Ratio of Earnings to Fixed Charges	0.8	4.4	(a)	(a)	7.4	5.9

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

April 27, 2017

Enscopl
London, England

Re: Registration Statements on Form S-8 (Nos. 333-174611, 333-58625, 033-40282, 333-97757, 333-125048, 333-156530, 333-181593, 333-204294 and 333-211588) and Form S-3 (No. 333-201532) and Form S-4 (333-215853).

With respect to the subject registration statements, we acknowledge our awareness of the use therein of our report dated April 27, 2017 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.

/s/ KPMG LLP

Houston, Texas

CERTIFICATION

I, Carl G. Trowell, certify that:

1. I have reviewed this report on Form 10-Q for the fiscal quarter ending March 31, 2017 of Enscopl;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: April 27, 2017

/s/ Carl G. Trowell

Carl G. Trowell
Chief Executive Officer and President

CERTIFICATION

I, Jonathan H. Baksht, certify that:

1. I have reviewed this report on Form 10-Q for the fiscal quarter ending March 31, 2017 of Enscopl;.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: April 27, 2017

/s/ Jonathan H. Baksht

Jonathan H. Baksht
Senior Vice President and
Chief Financial Officer

**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 Enscopl (the "Company") on Form 10-Q for the period ending March 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Carl G. Trowell, Chief Executive Officer and President of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (the "Act"), that, to my knowledge:

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

/s/ Carl G. Trowell

Carl G. Trowell
Chief Executive Officer and President

Dated: April 27, 2017

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

**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 Ensc0 plc (the "Company") on Form 10-Q for the period ending March 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jonathan H. Baksht, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (the "Act"), that, to my knowledge:

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

/s/ Jonathan H. Baksht

Jonathan H. Baksht
Senior Vice President and
Chief Financial Officer

Dated: April 27, 2017

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