

ENSCOROWAN



Investor Presentation

May 2019

Statements contained in this investor presentation that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. 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 involving expected financial performance, effective tax rate, expected expense savings, day rates and backlog, estimated rig availability; rig commitments and contracts; contract duration, status, terms and other contract commitments; estimated capital expenditures; letters of intent or letters of award; scheduled delivery dates for rigs; the timing of delivery, mobilization, contract commencement, relocation or other movement of rigs; our intent to sell or scrap rigs; and general market, business and industry conditions, trends and outlook. In addition, statements included in this investor presentation regarding the anticipated benefits, opportunities, synergies and effects of the EnscoRowan merger are forward-looking statements. Such statements are subject to numerous risks, uncertainties and assumptions that may cause actual results to vary materially from those indicated, including actions by rating agencies or other third parties; actions by our security holders; costs and difficulties related to the integration of Ensco and Rowan and the related impact on our financial results and performance; our ability to repay debt and the timing thereof; availability and terms of any financing; commodity price fluctuations, customer demand, new rig supply, downtime and other risks associated with offshore rig operations, relocations, severe weather or hurricanes; changes in worldwide rig supply and demand, competition and technology; future levels of offshore drilling activity; governmental action, civil unrest and political and economic uncertainties; terrorism, piracy and military action; risks inherent to shipyard rig construction, repair, maintenance or enhancement; possible cancellation, suspension or termination of drilling contracts as a result of mechanical difficulties, performance, customer finances, the decline or the perceived risk of a further decline in oil and/or natural gas prices, or other reasons, including terminations for convenience (without cause); the cancellation of letters of intent or letters of award or any failure to execute definitive contracts following announcements of letters of intent, letters of award or other expected work commitments; the outcome of litigation, legal proceedings, investigations or other claims or contract disputes; governmental regulatory, legislative and permitting requirements affecting drilling operations; our ability to attract and retain skilled personnel on commercially reasonable terms; environmental or other liabilities, risks or losses; debt restrictions that may limit our liquidity and flexibility; tax matters including our effective tax rate; and cybersecurity risks and threats. In addition to the numerous factors described above, you should also 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 most recent annual report on Form 10-K, as updated in our subsequent quarterly reports on Form 10-Q, which are available on the SEC’s website at www.sec.gov or on the Investor Relations section of our website at www.enscorowan.com. 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.

EnscoRowan Overview

- Company highlights
- Merger synergies

Offshore Market Recovery

- Improving offshore fundamentals
- Increasing customer demand
- Attrition of less capable rigs

Global Leader in Offshore Drilling

- High-quality fleet
- Scale and diversification
- Solid financial position

ENSCO ROWAN



EnSCO Rowan Overview

Fleet

- Largest and amongst the highest quality offshore drilling fleets in the world
 - 16 drillships
 - 12 semisubmersibles
 - 53 jackups
- ARO Drilling 50/50 JV with Saudi Aramco, the largest jackup customer worldwide
 - 7 contributed jackups
 - 20 jackup newbuild program with deliveries scheduled over the next 10 years

Operational

- Presence in nearly all major offshore markets and on six continents
- Large & diverse customer base including major, national and independent E&P companies
- Strong track record of safety and operational excellence
- Strategic focus on innovative technologies that increase efficiencies and lower offshore project costs

Financial

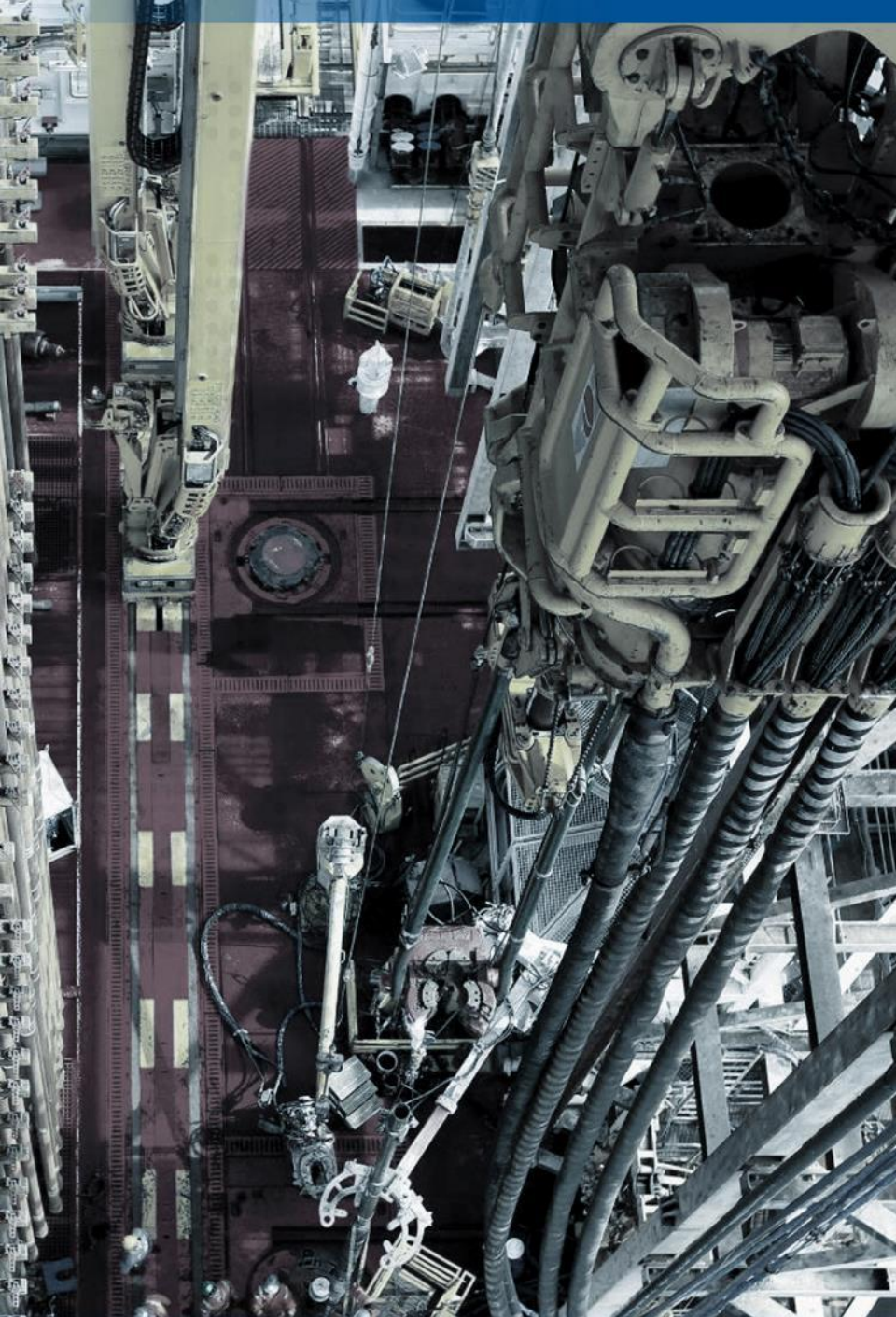
- \$2.6 billion of contracted revenue backlog¹
- \$1.5 billion of cash & short-term investments¹
- \$2.3 billion unsecured revolving credit facility²
- \$1.1 billion of debt maturities to 2024
 - No secured debt in capital structure

¹EncoRowan pro forma as of March 31, 2019

²Borrowing capacity under revolving credit facility is approximately \$2.3B through September 2019 and approximately \$1.7B from October 2019 through September 2022

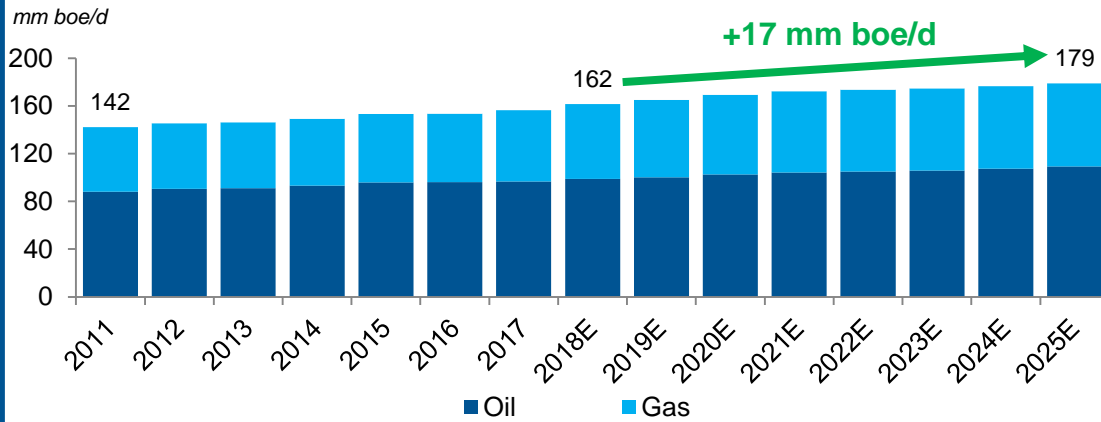
- \$165 million of annual pre-tax expense synergies identified including:
 - General and administrative cost reductions
 - Operational support efficiencies
 - Regional office consolidation
 - Other operational synergies including inventory, logistics and vendor relationships
- > 75% of these synergies expected to be achieved within one year of closing
 - Full run rate synergies anticipated by year-end 2020
- These synergies are expected to create approximately \$1.1 billion of capitalized value¹
- Further potential savings from adoption of best-in-class operational processes and economies of scale in capital purchasing

¹ Assumes \$165 million of annual synergies capitalized at an illustrative 11% discount rate; inclusive of taxes, transaction costs and expenses



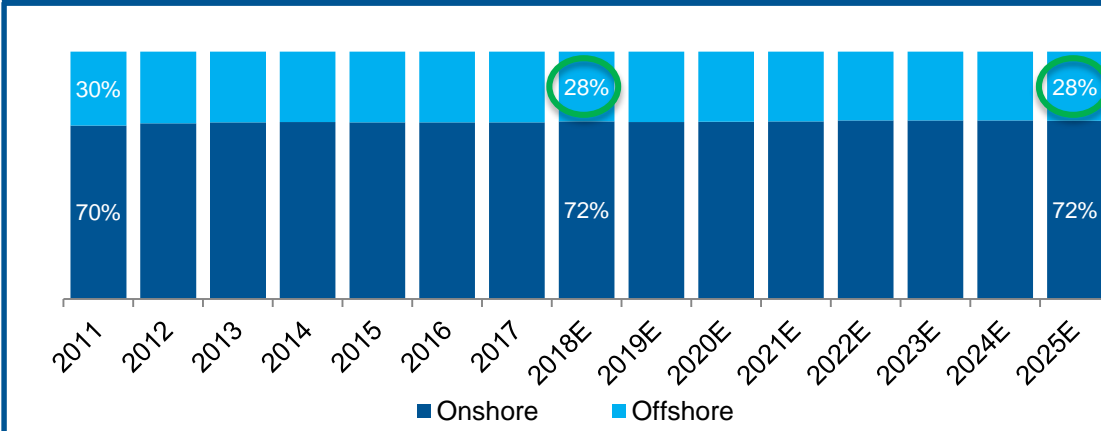
Offshore Market Recovery

Global Oil & Gas Production



- Oil and gas production will continue to be an important part of meeting global energy demand, with total production forecast to grow by 17 million barrels of oil equivalent per day by 2025

Global Oil & Gas Production – Offshore & Onshore

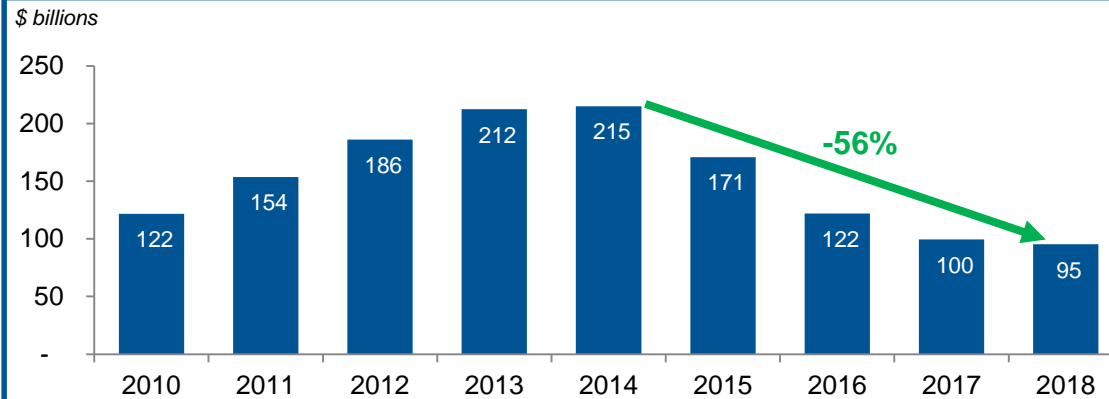


- Despite significant growth in unconventional onshore production, offshore production represents 28% of overall oil and gas production today – and expectations are that offshore production will provide approximately 5 million barrels of oil equivalent growth by 2025

Source: Rystad Energy UCube as of February 2019

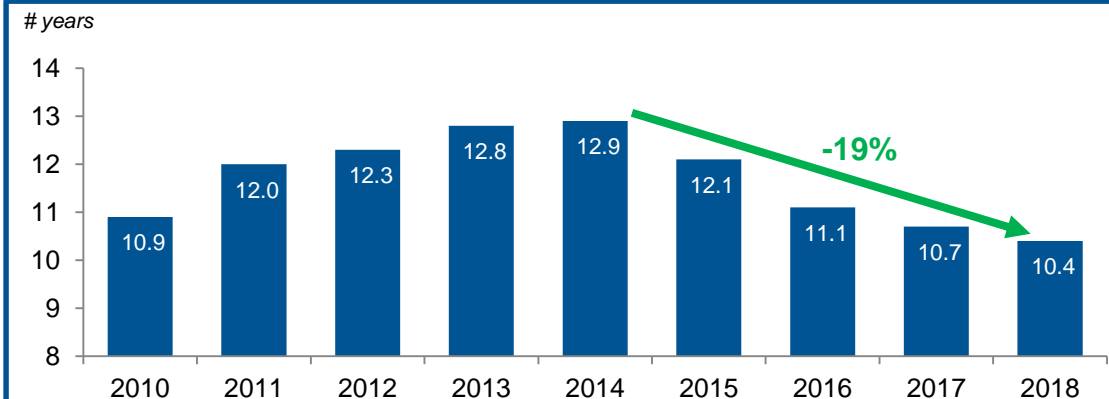
Several Years of Underinvestment by Major E&Ps Has Impacted Reserves

Capital Expenditures by Major E&Ps¹



- Major E&Ps reduced capital expenditures by 56% from 2014 highs in response to lower commodity prices

Average Reserve Life for Major E&Ps

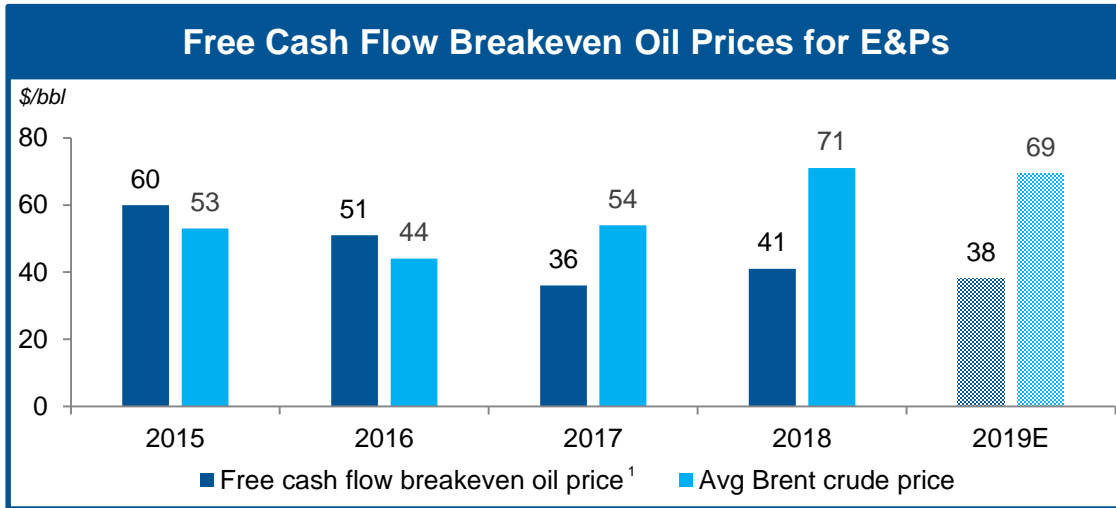


- After four years of significantly lower levels of investment, the average reserve life for the Major E&Ps gradually declined to its lowest point in the past several years

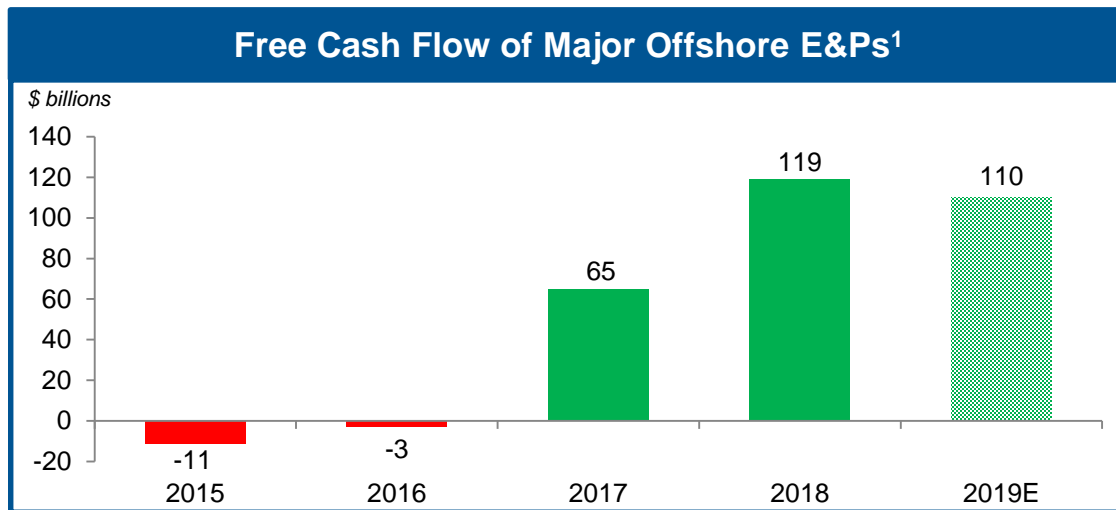
Source: Rystad Energy SupplyDemandCube and FactSet as of April 2019

¹ Major E&P customers defined as BP, Chevron, ConocoPhillips, Eni, Equinor, ExxonMobil, Repsol, Shell and Total

Improving Market Conditions Have Led to Higher Customer Cash Flows



- More recently, lower free cash flow breakeven oil prices for E&Ps, coupled with higher oil prices, have created a more conducive environment for new project investments



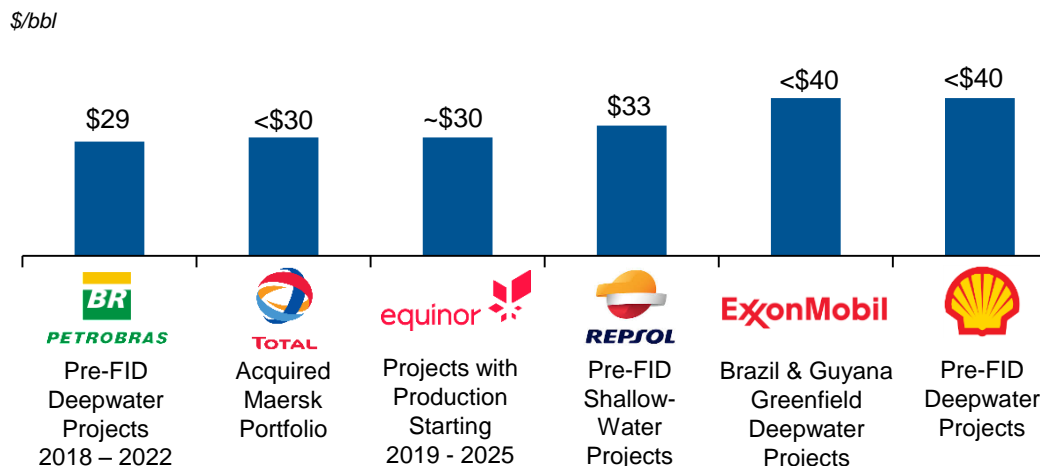
- Expectations are that major E&Ps continue to generate significant free cash flow in 2019, giving large offshore customers greater flexibility to invest in future production

Source: SpareBank 1 Markets, FactSet as of April 2019

¹ Free cash flow is calculated as analyst consensus estimates of operating cash flow less capital expenditures; major offshore E&P customers defined as Anadarko, BP, Chevron, ConocoPhillips, Eni, Equinor, ExxonMobil, Petrobras, Repsol, Shell and Total

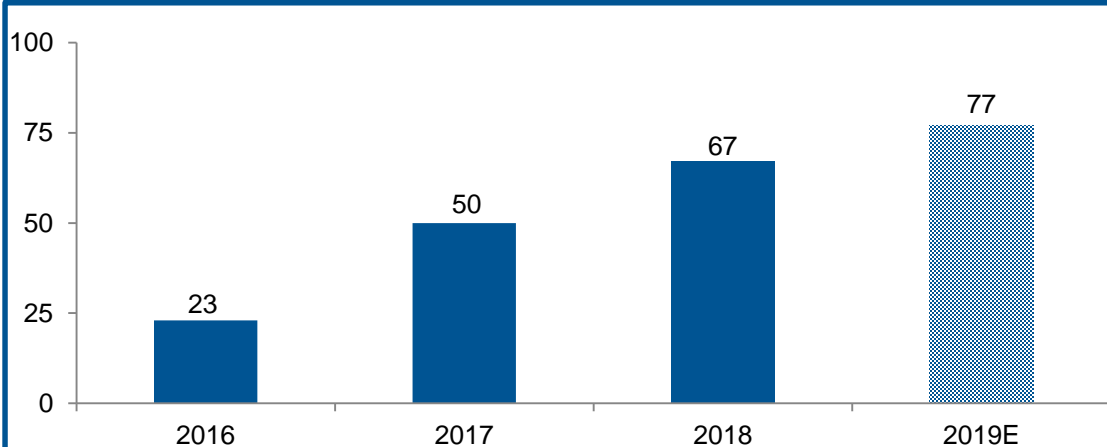
Offshore Projects Economic at Current Oil Prices With More Approvals Expected

Average Offshore Breakeven Oil Prices



- Based on commentary from major customers, many offshore projects are economic at breakeven oil prices well below current levels

Number of New Major Offshore Project Approvals

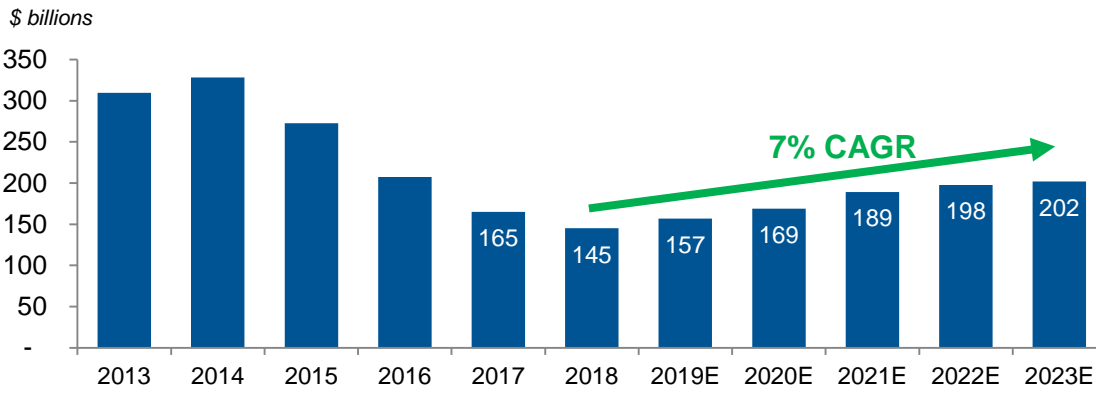


- New major offshore project approvals in 2018 were more than 2.5x 2016 cyclical lows, with expectations of further increases in sanctioning activity during 2019
 - New project approvals are a leading indicator of future capital expenditures

Source: Petrobras September 14, 2018 investor day presentation; Total February 7, 2019 results and outlook presentation; Equinor February 6, 2019 capital markets update presentation; Repsol February 23, 2017 earnings conference call; ExxonMobil March 6, 2019 investor day, in reference to Stabroek and Carcara projects; Shell July 26, 2018 earnings conference call; Rystad Energy ServiceDemandCube as of February 2019, major projects defined as projects with >\$250 million of associated capital expenditures

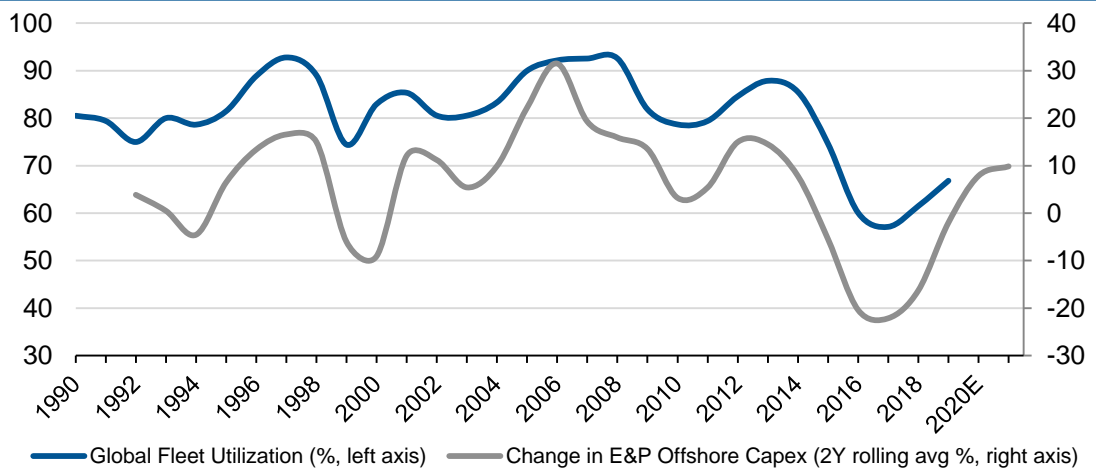
Offshore Rig Utilization Expected to Benefit From Increased E&P Investments

E&P Offshore Capital Expenditures



- Given increased cash flow and attractive new project economics, E&P offshore capital expenditures are expected to increase modestly in 2019 and continue growing steadily over the next several years

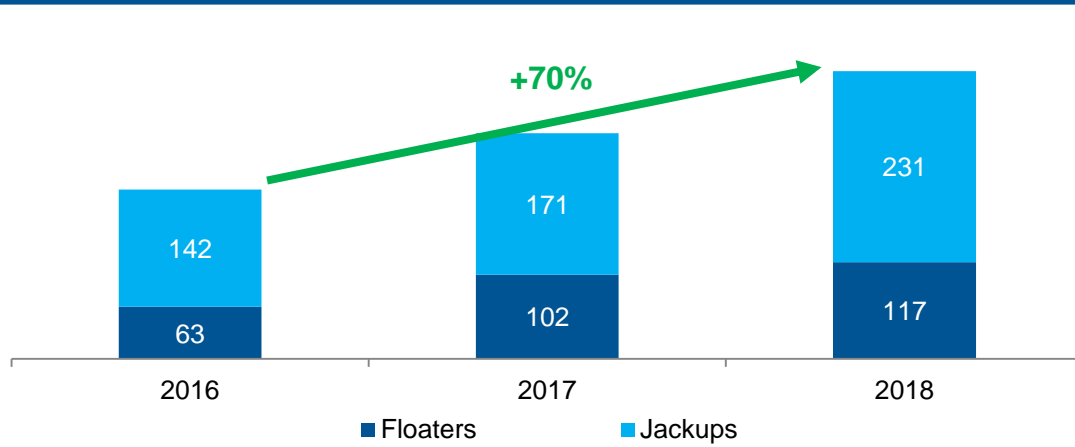
Offshore Drilling Rig Utilization and E&P Capital Expenditures



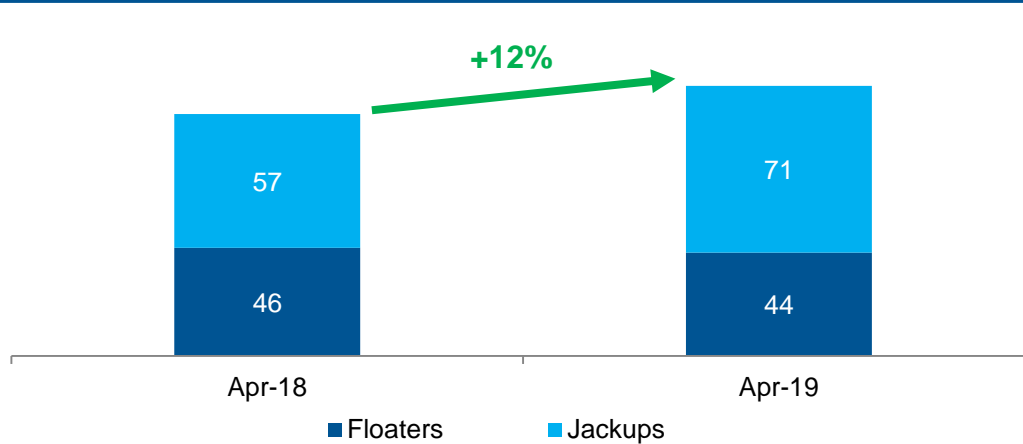
- Over the past three decades, offshore drilling rig utilization has moved in line with the rate of change in customer spending, suggesting further utilization increases in 2019 and 2020 from higher customer demand

Source: Rystad Energy ServiceDemandCube as of April 2019, IHS Markit RigPoint as of May 2019

Number of New Contracts¹ Awarded



Number of Open Offshore Rig Tenders



- New contract awards have increased for the past two consecutive years and were 70% higher in 2018 as compared to 2016; the number of new contract awards increased 40% year-over-year in first quarter 2019
- The number of open tenders for offshore rigs has increased 12% as compared to a year ago, demonstrating the improvement in offshore project economics and cash flows

Source: IHS Markit RigPoint as of April 2019

¹Classified as new mutual fixtures in IHS Markit RigPoint

Substantial Number of Rigs in Current Global Supply are Retirement Candidates

Global Rig Fleet

	<u>Floaters</u>	<u>Jackups</u>
<u>Delivered Rigs</u>		
Under Contract	127	321
Future Contract	29	38
Idle / Stacked	41	92
Marketed Fleet	197	451
Non-Marketed	44	66
Total Fleet	241	517
<i>Marketed Utilization</i>	<i>79%</i>	<i>80%</i>
<i>Total Utilization</i>	<i>65%</i>	<i>69%</i>
<u>Newbuild Rigs</u>		
Contracted	3	1
Uncontracted	20	20
Build in China	8	49
Total Newbuilds	31	70

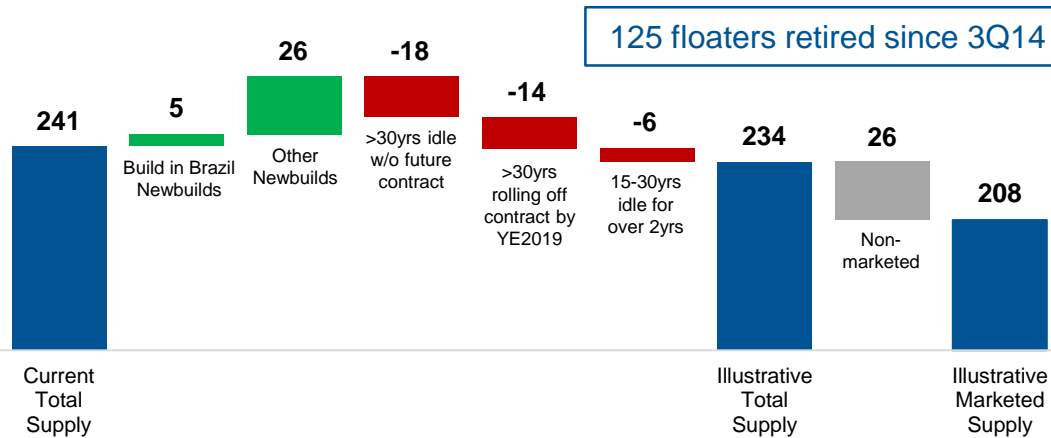
- ~40 floaters¹ could be candidates for retirement based on age and contract expirations
- ~160 jackups¹ could be retired as expiring contracts and survey costs lead to the removal of older rigs from drilling supply
- Uncontracted newbuilds expected to be delayed further, while several newbuild jackups in China are unlikely to join the global fleet

Source: IHS Markit RigPoint as of May 2019

¹ Includes rigs >30 years of age that are idle without follow-on work or have contracts expiring before year-end 2019 without follow-on work and rigs 15 to 30 years of age that have been idle for more than two years and without follow-on work

Retirements Expected to Lead to Future Supply Contraction

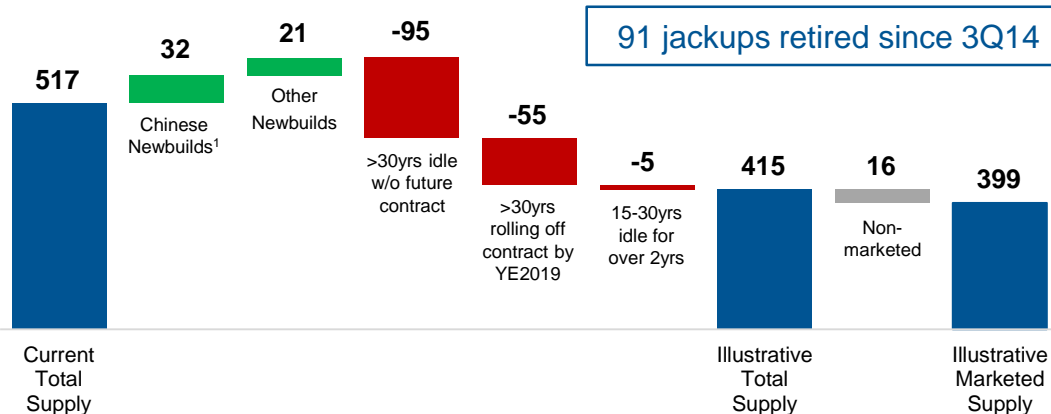
Illustrative Floater Supply



- The global floater count could decline by 7 rigs, or ~3%, if adjusted for likely retirements and newbuild deliveries

– Excluding another 26 floaters that are not currently marketed, illustrative marketed supply of 208 compares to contracted floater count of 156

Illustrative Jackup Supply



- When adjusting for likely retirements and newbuilds, the jackup count could decline by 102 rigs or ~20%

– Excluding another 16 jackups that are not currently marketed, illustrative marketed supply of 399 compares to contracted jackup count of 359

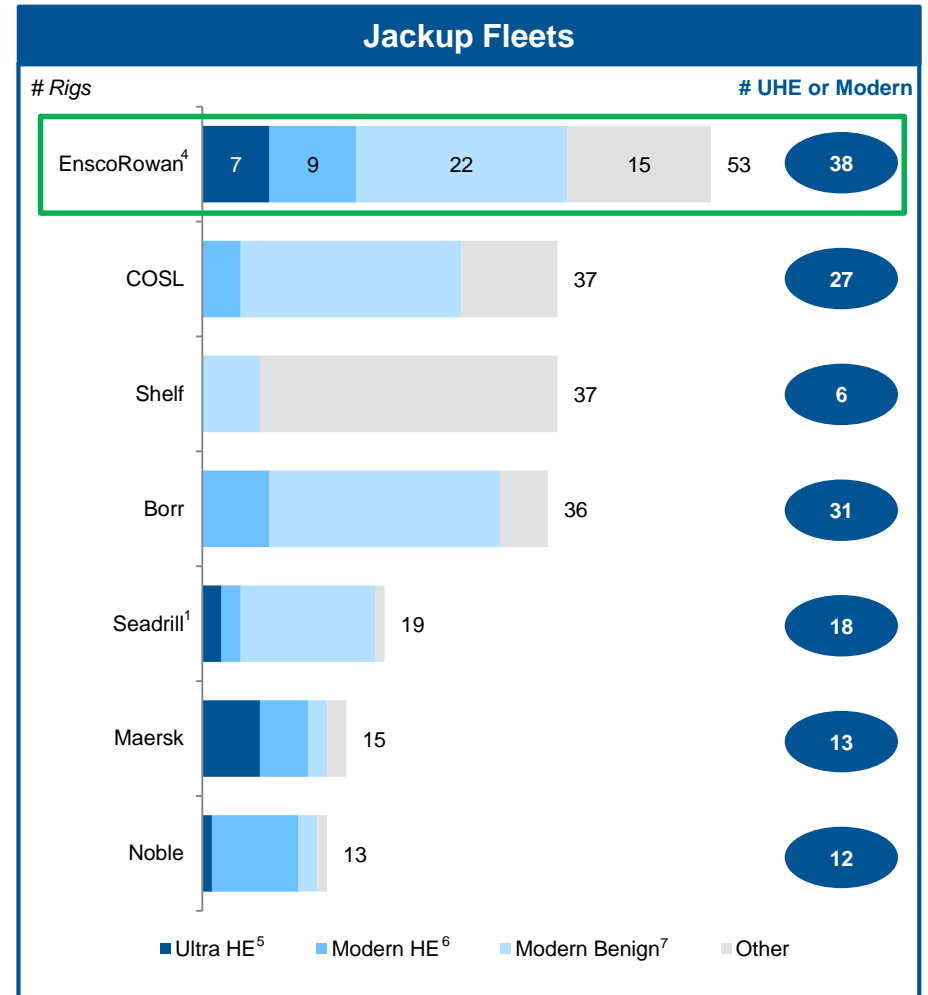
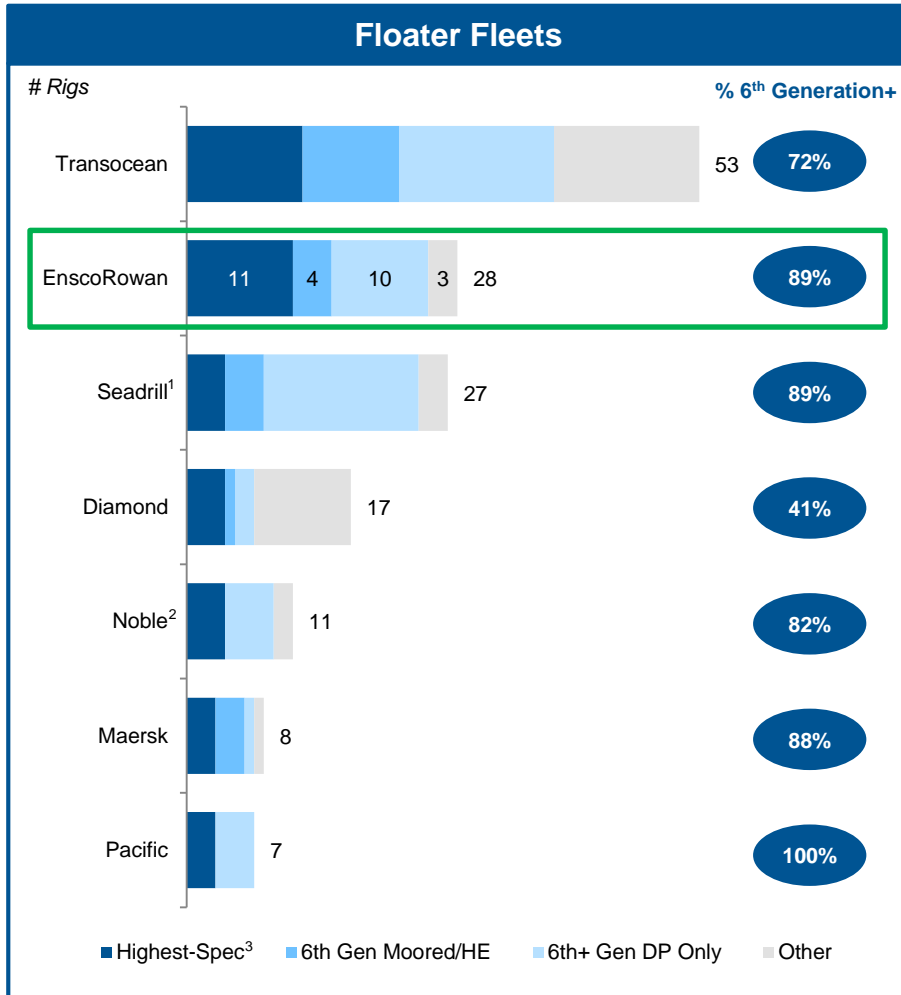
Source: IHS Markit RigPoint as of May 2019

¹Assumes 65% of uncontracted Chinese newbuild jackups enter the global supply

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Global Leader in
Offshore Drilling



Source: IHS Markit RigPoint as of May 2019

¹ Seadrill includes Sevan Drilling and NADL; excludes newbuilds with no recourse to parent company; reflects 50% ownership of SeaMex

² Noble reflects 50% ownership in Shell JV rigs (Bully I and Bully II);

³ Drillships delivered in 2013 or later, equipped with dual BOP and 2.5mm lbs. hookload derricks

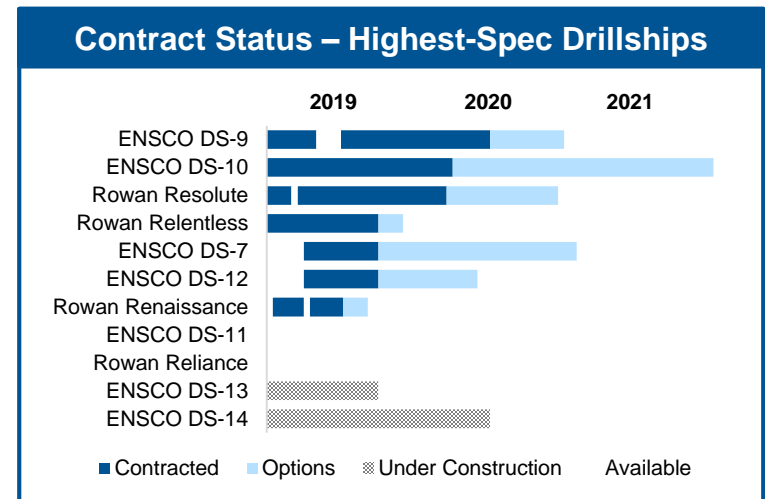
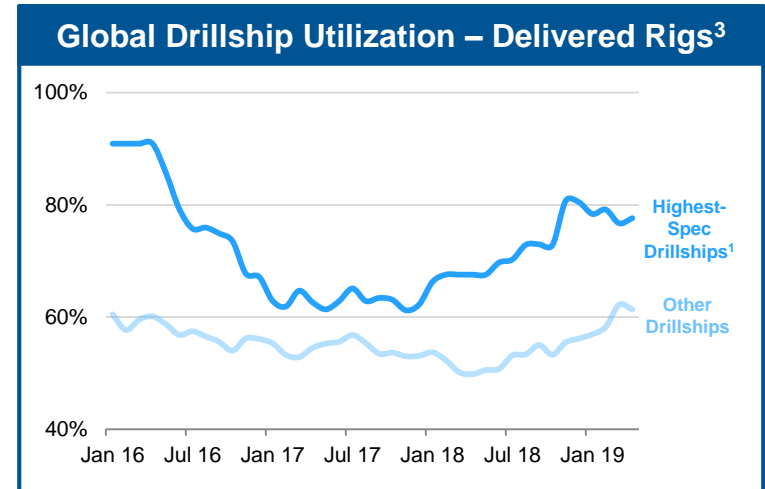
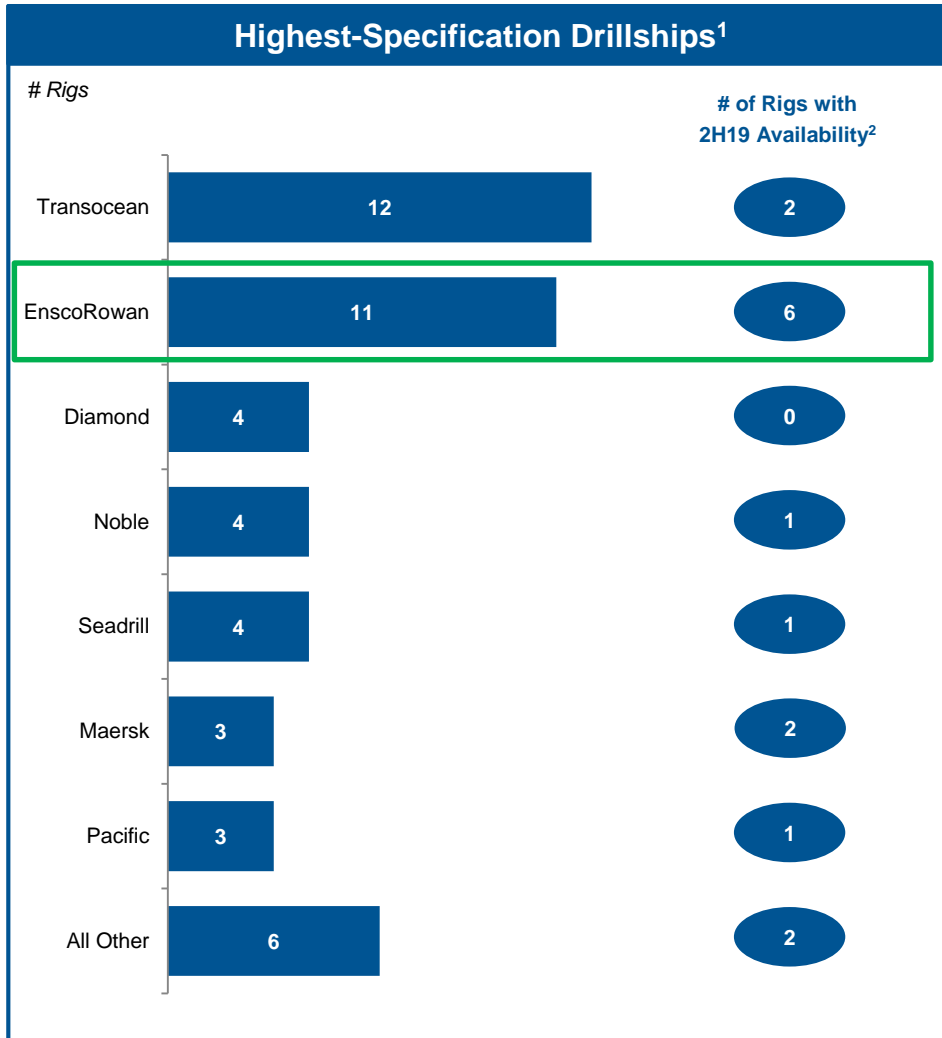
⁴ Excludes 7 rigs contributed to ARO Drilling and 2 rigs expected to be retired

⁵ Includes jackups with the following rig designs: GustoMSC CJ70, Le Tourneau Super Gorilla Class and KFELS N Class

⁶ Other jackups classified as harsh environment and North Sea capable < 20 years of age

⁷ Jackups not classified as harsh environment and North Sea capable < 20 years of age

Strong Portfolio of Highest-Specification Drillships that are Preferred by Customers

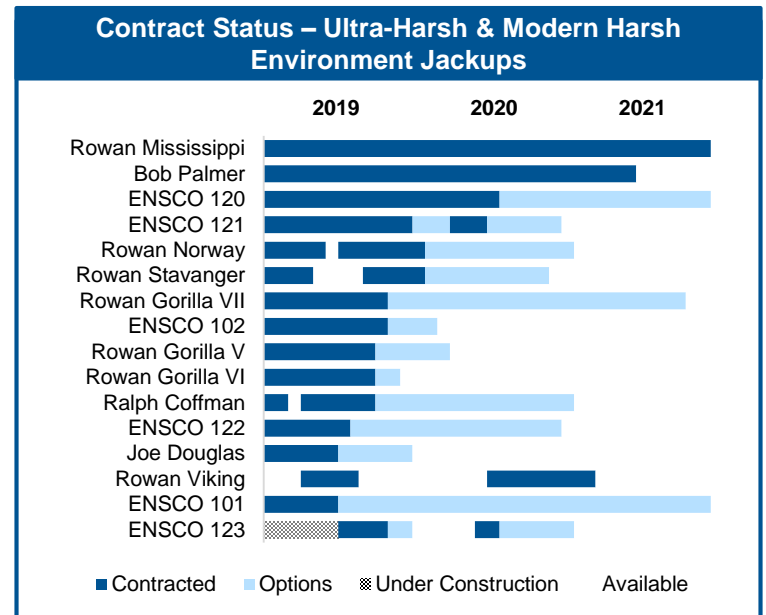
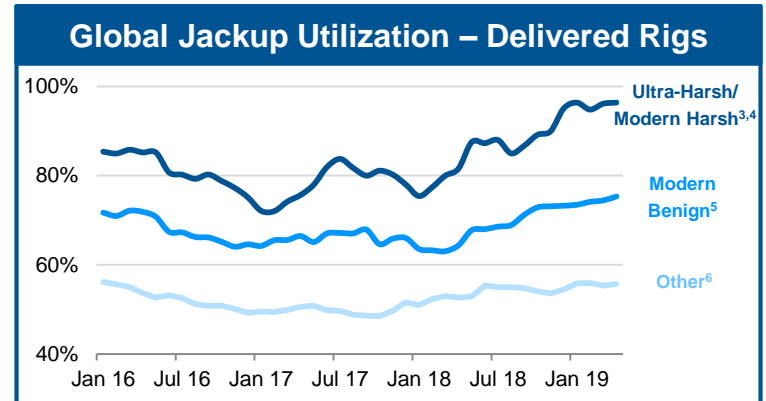
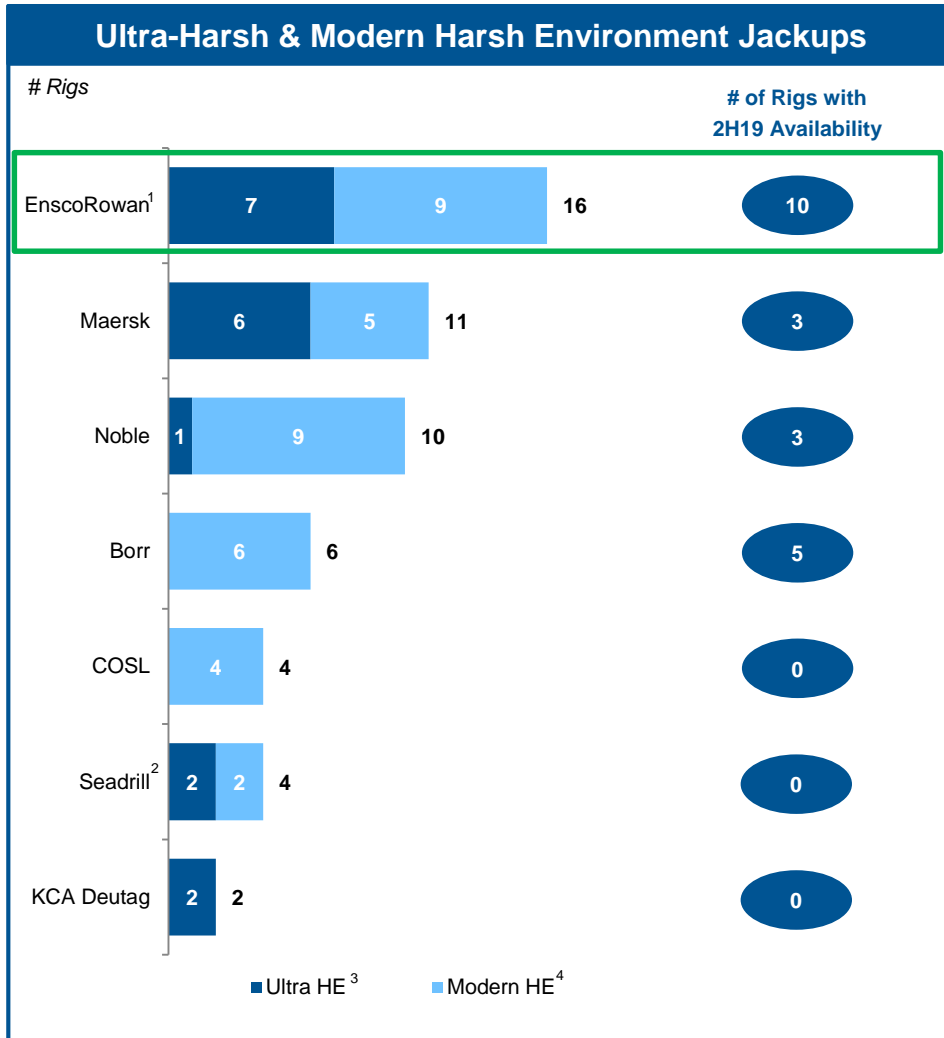


Source: IHS Markit RigPoint as of May 2019

¹ Drillships delivered in 2013 or later, equipped with dual BOP and 2.5mm lbs. hookload derricks

² Assumes no newbuilds delivered before year-end 2019

³ Utilization excludes 20 newbuild drillships including 9 classified as highest-spec



Source: IHS Markit RigPoint as of May 2019

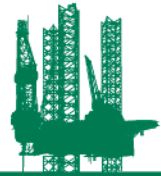
¹ EnescoRowan jackup count excludes 7 rigs contributed to ARO Drilling and 2 rigs expected to be retired
² Seadrill includes NADL and reflects 50% ownership of SeaMex, excludes newbuilds with no recourse to parent company
³ Includes jackups with the following rig designs: GustoMSC CJ70, Le Tourneau Super Gorilla Class and KFELS N Class

⁴ Other jackups classified as harsh environment and North Sea capable < 20 years of age
⁵ Jackups not classified as harsh environment and North Sea capable < 20 years of age
⁶ All jackups > 20 years of age

Partnering with Saudi Aramco, the **largest customer** for jack-ups in the world, in the **largest region** for jack-ups in the world.

CONTRIBUTED

High utilization for seven contributed assets for the **remainder of their useful lives**.



7

LEASED / BAREBOAT CHARTER

Opportunity to **contract additional assets** to ARO Drilling through agreed leasing structure. Contracted nine rigs to Saudi Aramco through bare boat charter.



9

NEW BUILD

Strong visible organic growth – expect twenty newbuilds against long-term contracts. Expected returns are commensurate to target for similar risk profile opportunities. Newbuild program projected to be **self-funding** at the ARO Drilling level.



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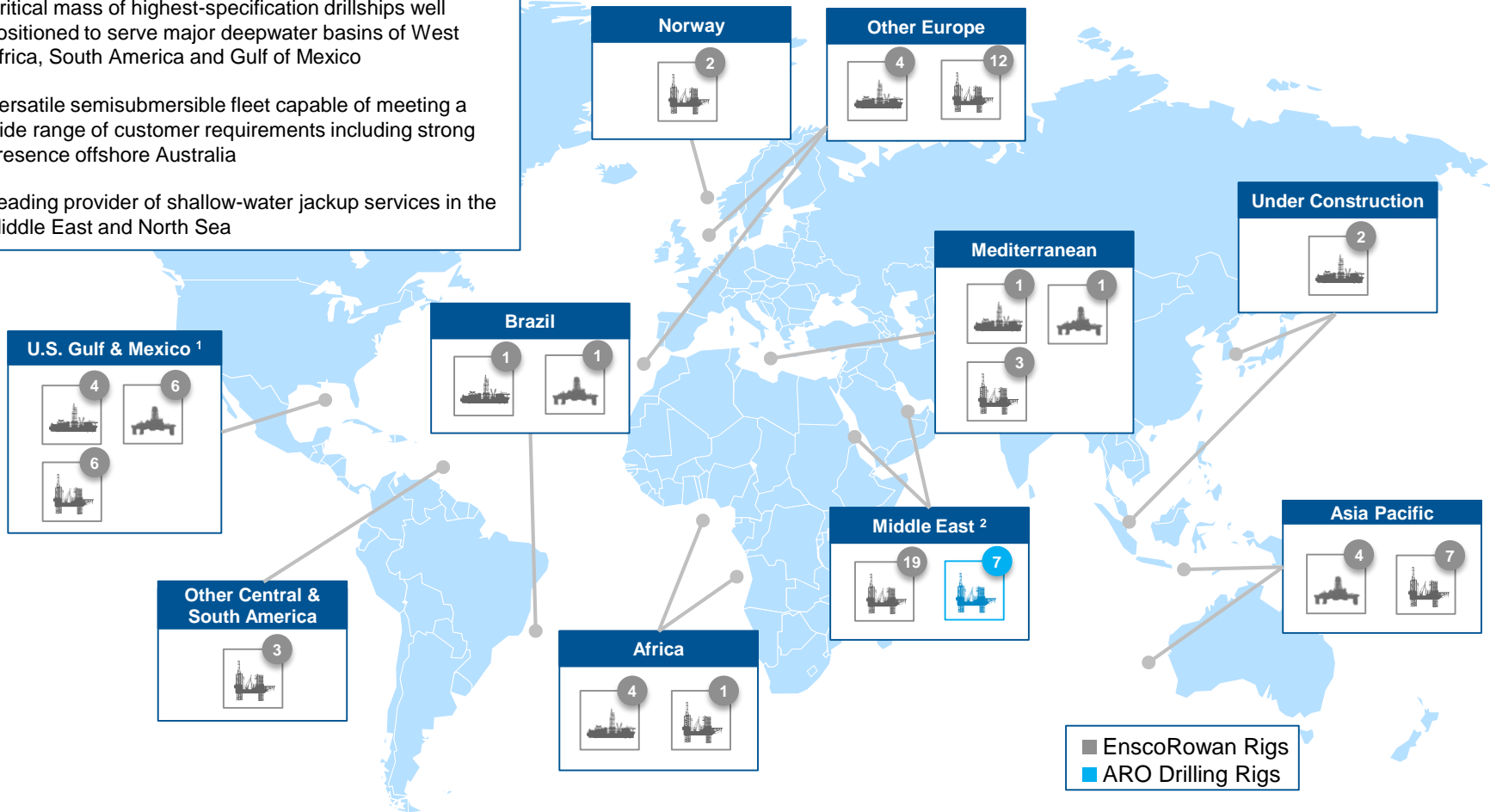
ARO Drilling expected to generate substantial **long term cash flow**.



Leading Offshore Driller by Fleet Size and Geographic Presence

Geographic & Asset Diversification

- Presence in virtually all major offshore regions
- Critical mass of highest-specification drillships well positioned to serve major deepwater basins of West Africa, South America and Gulf of Mexico
- Versatile semisubmersible fleet capable of meeting a wide range of customer requirements including strong presence offshore Australia
- Leading provider of shallow-water jackup services in the Middle East and North Sea



¹ Excludes one jackup that is expected to be retired and two rigs managed on behalf of a customer

² Includes nine jackup rigs leased to ARO Drilling and seven rigs owned by ARO Drilling; excludes one jackup that is expected to be retired

ENSCOROWAN

Diversified Customer Base with Exposure to Largest Offshore Reserves Holders



Note: Includes certain customers that may not currently have backlog

Clear Leader in Customer Satisfaction

**Ranked #1 in Total Satisfaction
Among Offshore Drillers for
9 Consecutive Years**



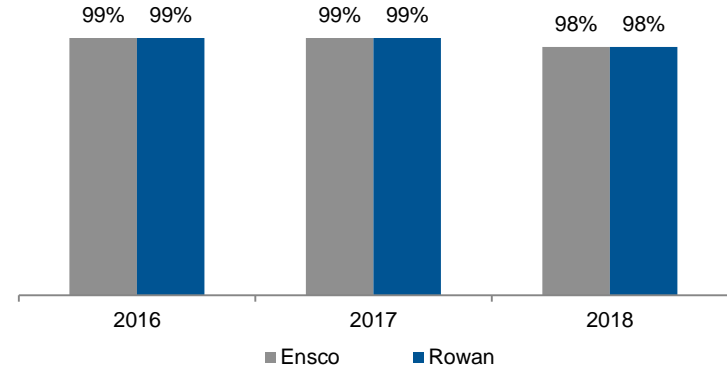
Won 10 of 17 Categories in 2018¹

- Total Satisfaction
- Health, Safety & Environment
- Performance & Reliability
- Job Quality
- Ultra-Deepwater Wells
- Shelf Wells
- Deepwater Wells
- HPHT Wells
- Horizontal & Directional Wells
- Technology
- Special Applications
- North Sea
- Middle East & North Africa
- Sub-Saharan Africa

¹2018 Oilfield Products & Services Customer Satisfaction Survey; Conducted by EnergyPoint Research, the annual survey is the industry benchmark for customer satisfaction in the global oilfield.

Consistent Operational Results

Fleet-Wide Operational Effectiveness²



- Achieved nearly 100% operational effectiveness for the past three years
- Focus on optimizing customers' well delivery through well planning, drilling performance and performance contracts

²Enesco metrics show reported "Operational Utilization," Rowan metrics reflect "Billed Uptime"

- Focused investments in innovation that differentiate our assets from the competition through better performance and reliability
- This includes developing proprietary systems, processes and technology that improve the drilling process and productivity of our operations
- Ability to economically develop and deploy new technologies across a wide asset base

Drilling Process Efficiency



- Continuous Tripping Technology™ is a patented system that fully automates the pipe tripping process without stopping to make or break connections, enabling 3x faster tripping speeds and delivering expected cost savings along with safer, more reliable operations

Equipment Maintenance



- Management systems increase operational uptime and decrease lifecycle costs by optimizing asset selection and maintenance activities



Placing Jackups on Location



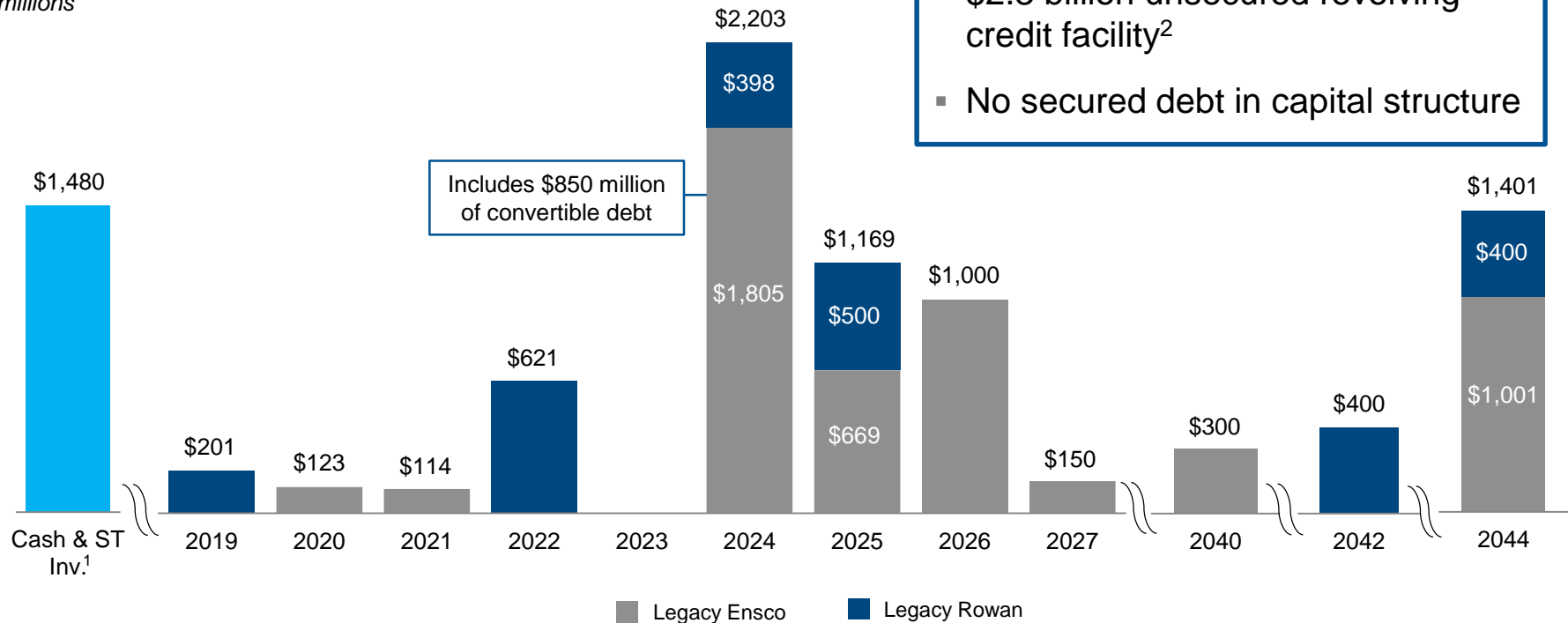
- Proprietary technologies create significant cost savings for customers by optimizing jackup moves and reducing downtime spent waiting on weather

Pro Forma Balance Sheet Highlights

- \$2.6 billion of contracted revenue backlog¹
- \$1.5 billion of cash and short-term investments¹
- \$2.3 billion unsecured revolving credit facility²
- No secured debt in capital structure

~\$1.1 billion of maturities to 2024

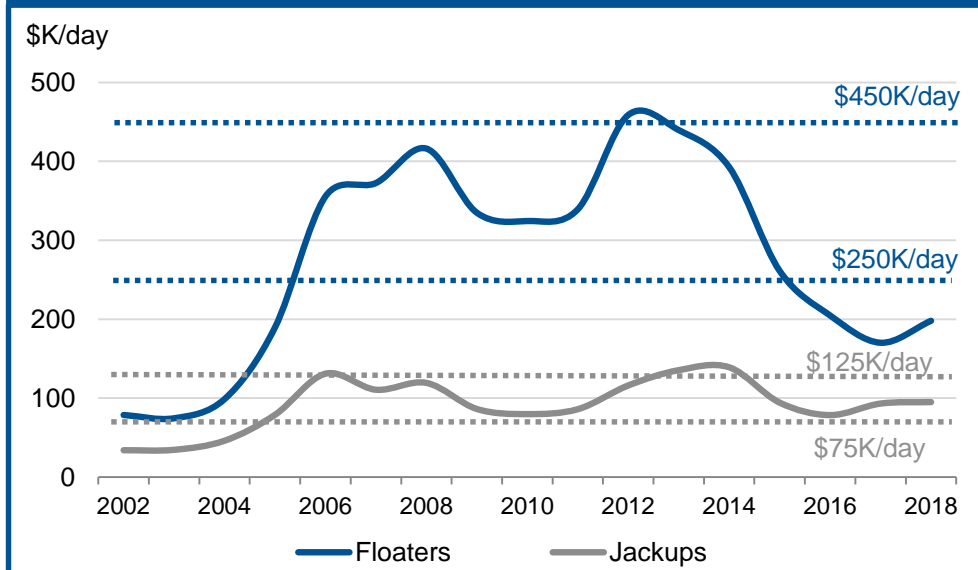
\$ millions



¹Enscorowan pro forma as of March 31, 2019

²Borrowing capacity under revolving credit facility is approximately \$2.3B through September 2019 and approximately \$1.7B from October 2019 through September 2022

Historical Average Day Rates



- Based on historical build costs, an average day rate of ~\$490K for floaters and ~\$160K for jackups would be needed to meet a 15% unlevered internal rate of return²
 - Since 2000, the average build costs for floaters was ~\$665 million, while jackups averaged ~\$200 million

Illustrative Annual EBITDA¹ Contribution from UHE or Modern High-Specification Assets Only

EBITDA in \$ millions		Floater Dayrates		
		\$250K	\$350K	\$450K
Jackup Dayrates	\$75K	927	1,748	2,570
	\$100K	1,239	2,060	2,882
	\$125K	1,551	2,373	3,194

- Company's modern high-specification assets can generate meaningful cash flow for debt service and capital commitments in normalized day rate environment

Source: IHS Markit RigPoint

¹ Fleet includes 25 6G+ floaters and 38 jackups < 20 years of age or ultra-harsh environment capable; excludes assets owned by ARO Drilling. EBITDA calculated using illustrative dayrates and a 90% utilization assumption less average opex of \$150K/day for a floater and \$50K/day for a jackup over 365 days.

²Simplified discounted cash-flow analysis assumes 35-year useful life, average opex of \$150K/day, \$5 million of annual maintenance costs, \$10 million of survey costs every five years for floaters; and 30-year useful life, average opex of \$50K/day, \$2.5 million of annual maintenance costs, \$7 million of survey costs every five years for jackups; and 90% operational utilization. Analysis excludes debt service costs, shore-based support costs, taxes, and assumes no residual value at the end of the asset life.

**Well-positioned
to capitalize on
recovering
offshore drilling
market**

Offshore Market Recovery

- Offshore production critical to meeting growing energy demand
- Underinvestment has impacted reserve lives for E&P companies
- E&P companies have greater cash flow to consider investments in future production including offshore projects
- Offshore project sanctioning is increasing, leading to new contracts and tenders for future work

Global Leader in Offshore Drilling

- High-quality rig fleet includes strong portfolio of highest-specification drillships and leading fleet of modern harsh environment jackups
- Large and diverse customer base includes most of the leading national and international oil companies, plus many independents
- ARO Drilling provides a unique partnership with the world's largest customer for jackup rigs
- Track record of safety and operational excellence with focused investments in innovation and technology to provide best-in-class drilling services
- Solid financial position bolstered by strong liquidity and manageable debt maturities

ENSCOROWAN