

THE POWER OF OUR TECHNOLOGY



THE POWER OF OUR **VISION**

ENSCO's vision is to be a recognized technology leader that provides the highest quality products and services to our customers, rewarding and ongoing employment for our staff and a steady return on investment for our shareholders.



TO OUR CUSTOMERS, EMPLOYEES AND SHAREHOLDERS:

In 1969, we began looking at signals and the information to be gleaned from them: the sources that emit them, the environment in which they propagate, the sensors that detect them, the extraction of their information, and the interpretation of their meaning. Today in 2010, more than 40 years later, we examine some of these same signals and many more. As a company, we have evolved and expanded to provide a comprehensive range of science and engineering solutions. We design, build and integrate systems that collect, process, analyze and interpret. We work in the intelligence, national defense, avionics, rail engineering, and aerospace industries. Our areas of expertise include data and information management, weather forecasting, atmospheric modeling, geophysics, chemistry, hardware and software simulation, modeling and testing, product development, real-time systems, and state-of-the-art hardware and software engineering. We employ ingenious, entrepreneurial people and bring some of the most creative ideas, capabilities and experience to our customers. In short, we have grown and developed into a technology powerhouse.

Ours is a company where the customer can bring his or her most challenging and sensitive problems and find

the critical resources to solve them. From incubating a new technology to bringing a mature capability to a worldwide audience, ENSCO is meeting the needs of hundreds of customers through thousands of projects.

Whether we are developing state-of-the-art technology or increasing the value of the solutions we bring to our customers, we are always focused on improving and moving forward. We continue to ensure effective systems development, systems integration and quality in everything we do. This year, we further institutionalized our quality processes with certifications under AS9100, ISO 9001, ISO 17025, DO-178B, Capability Maturity Model Integration (CMMI) and project management, either in place or under way.

In addition to our focus on quality, we continue to expand our creative solutions development. Creativity isn't just something you are born with; it is enhanced, expanded and inspired by the environment you work in. ENSCO continues to embody the kind of environment that attracts and retains the brightest and most creative minds. From investing in Internal Research & Development (IR&D), in excess of \$1 million per year to encouraging technology brainstorming, internal technology forums, and interaction with the recently formed Technology Committee of our Board of Directors, ENSCO continues its long heritage of innovation and building a population of creative engineers and scientists who develop the most ingenious solutions. This past year, we branded

THE POWER OF

“We employ ingenious, entrepreneurial people and bring some of the most creative ideas, capabilities and experience to our customers. In short, we have grown and developed into a technology powerhouse.”

Ingenious Works™, which collectively identifies our most inventive efforts for our national security programs. The ENSCO technologists at Ingenious Works bring unique capabilities to these special customers and are developing systems and capabilities for some of our nation’s most sensitive and critical programs. Customer service has always been the cornerstone in our business relationships and partnerships. We have continually built on this foundation of responsiveness, open and direct communication, trust, honesty, strong ethical standards, and commitment to deliver what we promise. Customer service goes beyond our one-on-one engagements between each customer and ENSCO’s engineers, scientists and program managers. It extends across the company, from those working our back-office processes all the way through the top ranks of management. We continue to work hard to be the most responsive and dedicated partner to each and every customer.

Customer service is meaningless without responsive delivery, and ENSCO remains committed to broadening and reinforcing the most effective, purposeful, two-way communication with our customers. This coming year, our customers will see and hear more from all levels of our company to bring added value, solve problems, identify solutions, align our investments with theirs, and enhance our worth to each one.

As we move into this decade, ENSCO continues to build our technology powerhouse, not in a prideful way, but to help meet the needs of our diverse customer base in a way that demonstrates best value, quality work, customer service, innovation and ingenuity, and rock-solid delivery and performance.

Thank you for your continued commitment and dedication as a customer, an employee or a shareholder.

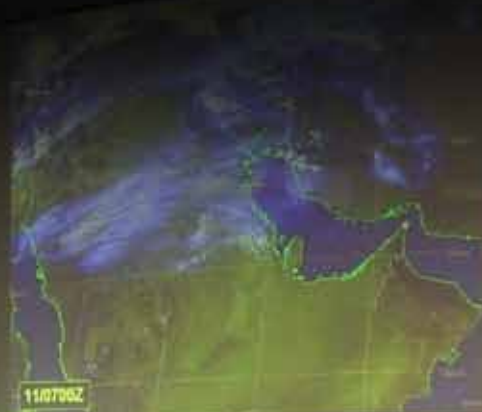
Sincerely,



PAUL W. BROOME
Executive Chairman of the Board



GREGORY B. YOUNG
President and Chief Executive Officer



THE POWER OF OUR TECHNOLOGY, OUR SOLUTIONS AND OUR PEOPLE

NATIONAL SECURITY

THE POWER TO PROTECT

Protecting people, assets and information is at the heart of national security. Since inception, ENSCO has delivered cutting-edge technology into the hands of the military and intelligence personnel who need it most. A rich history—including operational experience in small, medium and large national security programs, coupled with great strength in research and development, engineering, rapid prototyping, as well as data collection and analysis—ensures that ENSCO understands and meets our customers' changing operational needs. ENSCO has kept ahead of the power curve as national security threats have rapidly evolved by investing in new technologies and developing solutions that protect against threats well before these threats become reality. Our Ingenious Works™ programs, illustrated here as hidden behind the black door, represent some of our most exciting, clever, original and inventive activities for our national security customers.



HIGHLIGHTS

- Answering the call for a better, more accurate heartbeat-based, human presence detection system, ENSCO's MicroSearch® G3 capably meets the requirements of customers who work in challenging operating environments.
- This year, ENSCO strengthened its geonavigation business with the application for two key patents: a high-precision RF ranging system and a real-time location system.
- Our balanced survivability assessments for U.S. government customers and critical national infrastructure reduce the risk of security attacks and mitigate vulnerabilities in their security programs and systems.
- Our computational chemistry expertise comprises the experience of both users and developers of systems. With complementary skill sets in chemical engineering and meteorology, we offer a complete systems approach.
- ENSCO continues its focus on effective systems development, systems integration and quality program development with certifications under AS9100, ISO 9001, ISO 17025, DO-178B, CMMI and project management, either in place or under way.

NATIONAL SECURITY

METIS—Case Study

Immediate and comprehensive access to accurate information is critical for national security. However, commercial off-the-shelf applications alone lack the security mechanisms and query tools required to operate effectively in a classified environment. ENSCO's solution is Metis, a knowledge-application system that integrates leading-edge technologies into an intuitive research and analysis tool. Metis allows rapid ingestion, processing, analysis and knowledge exploitation of geographical, textual, visual and temporal information from an extensive variety of sources, whether classified or open source. This combination of tools gives end users the ability to more effectively research a wide range of data using a single application, providing national security analysts with innovative methods to facilitate timely and effective retrieval, analysis and reporting of information.

INGENIOUS WORKS™—Case Study

A desire to deliver our classified customers the most innovative capabilities and solutions is the drive that powers Ingenious Works, the collective name for ENSCO's state-of-the-art research, development and technical engineering capabilities that serve this unique customer set. The center of some of our most complex and creative work, Ingenious Works includes custom offerings in sensor technology, survivability assessments, applied chemistry, and knowledge applications that meet the highly complex challenges of these customers. ENSCO's Ingenious Works offers concept of operations-driven capabilities that meet unique mission planning, covert collection, communications and challenges to the timely data analysis of national security missions.



FROM RESEARCH TO OPERATIONS

Technology is only as valuable as the need it meets. For that reason, ENSCO is deliberate in our efforts to transition research and development initiatives to operational capabilities. We also partner with companies that possess existing operational platforms in order to deliver technology to the field as quickly as possible. Our strong knowledge and experience in collection, processing, analysis, modeling and simulation systems, and their effective integration into other platforms are differentiators in our markets.

BUILDING OUR NATION'S CHEMICAL/BIOLOGICAL DEFENSE CAPABILITY

Chemical and biological attacks are a significant threat to both military personnel and civilians. This year, ENSCO opened an office in Maryland near the Edgewood Chemical Biological Center (ECBC), the leading technology center for chem/bio detection, protection and decontamination. Our innovative research in quantum, surface and atmospheric chemistry, and expertise in agent fate, detection and dispersion play a key role in ECBC's efforts to build a strong chem/bio defense capability. We are improving the ways that sensors operate by building smarter systems to enhance performance and reduce false alarms. We have developed a unique and effective proprietary system that optimizes sensor placement to maximize threat detection and minimize threat effectiveness. ENSCO's approach integrates multiple sensor data and provides sophisticated algorithms for more accurate chemical and biological hazard prediction. The system is easy for soldiers in the field to use, going beyond "user-friendly" to "user-effective."

ENSCO has subject matter experts in geophysical sensing, signal processing, RF ranging, physical security and surveillance operations. We continue expanding on our strengths in sophisticated and effective modeling and simulation capabilities.

BEYOND GPS

The dramatic proliferation of Global Positioning System (GPS) technology has simplified navigation and movement for millions of people every day. However, GPS is not without its limitations and vulnerabilities. For more than a decade, ENSCO has been developing and refining navigation technologies that function in environments where GPS is denied or performs poorly, if at all. Recognizing our customers' need for smaller, lightweight systems that do not depend on GPS, ENSCO has pushed the theoretical limits of precision radio frequency (RF) ranging and locating capabilities to develop a patent-pending system that not only significantly reduces size, weight and power requirements, but also offers improved precision and accuracy.

TECHNICAL EVOLUTION

ENSCO's evolving expertise in theoretical computational chemistry continually addresses the changing needs of customers. Originating from our work in atmospheric chemistry, our capabilities have expanded to include surface chemistry and the chemistry within an ion mobility spectrometer, leading to an improved understanding of the transport, deposition and detection of chemical agents. This in-depth knowledge of theoretical chemistry enables us to efficiently support customers through various stages of sensor validation, reducing the prohibitive cost and time of this process and avoiding unnecessary expense and time-consuming experimentation. Our computational chemistry capability applies to the critical area of individual and collective force protection where our effective implementation of science meets the warfighter's need.



THE POWER OF OUR TECHNOLOGY, OUR SOLUTIONS AND OUR PEOPLE

RAIL TRANSPORTATION

THE POWER TO DELIVER

ENSCO is a leader in the rail industry, universally recognized as the number one provider of railroad safety inspection, and analysis systems and services in the United States, and a top provider abroad. Having developed an extraordinary reputation with U.S. and international governments as well as major railroads throughout the world over the past 35 years, ENSCO continues to innovate and bring new, more efficient and reliable rail inspection systems and services to this vital industry. When it comes to inspection of track infrastructure and vehicle-track interaction consulting services, there is no one better to deliver the latest in automation and technology to promote the safety and efficiency of the world's railroads.



HIGHLIGHTS

- Completed upgrades to Amtrak's high-speed inspection car serving the Northeast Corridor.
- Received a patent in 2010 for an ENSCO video system that inspects a wide variety of rail components.
- Inspected more than 77,000 miles of track throughout the U.S., including 18,300 miles of passenger routes.
- Awarded the FRA's prestigious Operations, Maintenance, Instrumentation and Analysis Support contract (\$25 million/5 years) from the Office of Research and Development, delivering engineering and operations services to support the development and application of advanced research and technologies for enhanced rail safety. ENSCO has partnered with the FRA since the 1970s.
- Delivered a track inspection system to Metro Shanghai in time for the 2010 World Expo.
- Modified our existing track inspection systems for use in high-speed rail applications at speeds up to 400 kph.

RAIL TRANSPORTATION

WMATA—Case Study

As the demands on the rail transit industry grow, effective track inspection has continued to be a priority to ensure safe and reliable commuting. In March 2010, the Washington Metropolitan Area Transit Authority (WMATA) selected ENSCO and its partner Plasser American Corporation to deliver a self-propelled track inspection vehicle to enhance the safety of the Metrorail system. The vehicle will inspect for track anomalies and provide personnel with access to instantaneous information regarding the state of the track, giving WMATA one of the most advanced track inspection vehicle systems in the world.

STEEL BEAM MACHINE VISION—Case Study

The strength of a technology can often be judged by the breadth of its application through technology transfer. ENSCO pioneered machine vision technology to find hairline defects in railway joint bars, thus reducing the likelihood of dangerous derailments. However, one of the nation's top producers of carbon steel products saw in it the opportunity to make its beams safer. Working with the company, ENSCO created a prototype inspection program for the beam assembly line to collect high-resolution images of the beams as they were manufactured. The resultant system will be capable of providing a 360-degree perspective of the beam that allows for a more accurate inspection than do current procedures. The program demonstrated that a technology designed to reduce the likelihood of derailments was nimble enough also to find defects in steel beams and decrease the potential for structural failure in buildings.



HIGH-SPEED AND INTERCITY RAIL

In 2009, President Obama announced his vision for high-speed and intercity passenger rail service in America, one that would connect communities and economic centers across the country. We are well-positioned to assume the leadership role in the fulfillment of safety and automated maintenance-of-way planning as this federal mandate for high-speed rail becomes a reality.

ENSCO has played a significant technical role in the implementation of safety standards for U.S. high-speed operations and has supported the evaluation and assessment of safety and intercity service speeds for systems throughout the country. We provide critical analysis to rail safety and equipment standards development through our association with the Federal Railroad Administration (FRA) and industry groups. This depth of expertise continues to help customers enhance their rail operations as the nation and others around the globe seek more efficient ways to connect commuters to the workplace and transport goods, using the most energy efficient form of transportation available.

GLOBAL REACH

ENSCO maintains key relationships with the FRA, Class I railroads, transits and commercial partners in the U.S. rail market. We also continue to expand our global footprint through enhanced strategic partnerships and customers worldwide. The breadth and depth of our engagement

with key government and rail industry partnerships provide us the unique ability to bring the broadest base of rail safety knowledge, experience and best practices to our clients.

INNOVATIVE INSPECTION TECHNOLOGY

ENSCO's standing as a leader in the rail industry stems from innovations in inspection technologies that identify accident-causing track anomalies and routine maintenance issues. We have particular expertise in the delivery of advanced autonomous inspection and machine vision systems as a result of both internal and external research and development.

For example, ENSCO's machine vision-based Joint Bar Inspection System has identified more than 12,000 defective joint bars to date. Another key example is our Autonomous Track Geometry Measurement System, which provides reports on geometry conditions

without the need for a dedicated inspection vehicle and onboard crew. These technologies—developed in partnership with the FRA's Office of Research and Development as well as railroads, coupled with our own independent research and development—represent the future of track inspection. Technologies such as these are central to our customers' ability to meet critical quality and maintenance standards, achieve improvements in efficiency, reduce cost and provide for improved performance.

ENSCO rail systems are certified under ISO 17025 quality standards. ENSCO continues to implement ISO 9001 quality standards as well as Capability Maturity Model Integration (CMMI) software/systems engineering quality standards throughout its organization.



STATUS
CHECKLIST
NAV
COMM
SYSTEMS

ALT 10000 FT
SPEED 250 KTS
FUEL 1000 LBS

NAV
COMM
SYSTEMS

1 2 3 4

WASHER

1 1

THE POWER OF OUR TECHNOLOGY, OUR SOLUTIONS AND OUR PEOPLE

AEROSPACE AND AVIATION

THE POWER TO PERFORM

Some of the nation's largest commercial passenger airlines, avionics system manufacturers, and NASA rely on ENSCO for operational weather, safety- and mission-critical systems engineering, as well as software and hardware engineering solutions. For more than two decades, we have been a prominent avionics industry partner enabling the development of today's sophisticated airborne systems. We deliver real value, performance and success on the most sensitive programs of the space industry and launch ranges around the world.



HIGHLIGHTS

- Awarded a MiDAESS (Missile Defense Agency Engineering and Support Services) contract position, providing safety engineering across the Missile Defense Agency's programs at several sites, thus expanding an existing capability in range safety to a new customer segment.
- Leveraging aerospace experience into the emerging, domestic unmanned aerial systems (UAS) market, seeking to assist the FAA in its evaluation of UASs in the U.S. airspace for activities such as border patrol and other border security programs.
- Won a three-year, multi-million dollar extension to provide systems support to a prime avionics integrator, marking the continuation of a contract that began in 1988.
- Developing a suite of enhanced vision systems that revolutionize the way military and civilian pilots navigate their environments by processing information from multiple simulated and real-time sensor data sources, and synthesizing it into a single, dynamic 3-D display. This results in reduced operator workload, enhanced situational awareness, and improved decision making.

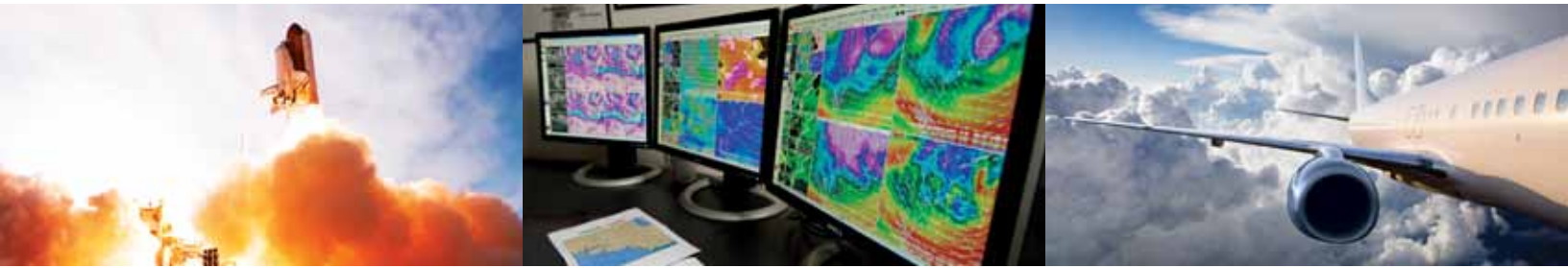
AEROSPACE AND AVIATION

CLEAR AIR TURBULENCE—Case Study

Clear Air Turbulence (CAT) and convective turbulence are leading causes of nonfatal injuries to air passengers and flight attendants. The result of rapidly changing weather conditions, these dangerous meteorological events are extremely difficult to predict or detect. The weather aviation community has a critical need for new technology to forecast and communicate turbulence warnings faster and more accurately. Our weather turbulence prediction tool is exactly that. As an innovator of weather forecasting tools, ENSCO has engineered a graphic-enhanced web site that can forecast CAT out to 36 hours for up to 10 different flight levels around the world. We are currently building on the success of this prediction model by developing a portable, accessible and convenient handheld application for pilots.

GEOSTATIONARY OPERATIONAL ENVIRONMENTAL SATELLITE—Case Study

Imagine sampling the Earth's magnetic field four times faster and using that capability to impact everything from agribusiness to transportation to construction. The GOES-R magnetometer, part of the new Geostationary Operational Environmental Satellite-R Series (GOES-R) weather satellites of the National Oceanic and Atmospheric Administration (NOAA), will do just that. GOES-R, with its highly advanced instruments and sensors, will provide about 50 times more weather and climate data than is available with NOAA's current fleet of geostationary satellites. ENSCO was selected to assist in the hardware design, and to design and implement the firmware for the GOES-R magnetometer through its strong partnership with MEDA. Technologically advanced beyond its predecessors, the magnetometer will sample the Earth's magnetic field to provide critical information on geomagnetic activity, including the build-up of geomagnetic storms. GOES-R will improve the accuracy and timeliness of forecasts, impacting countless industries. While the effort requires stringent adherence to NASA's rigorous software quality assurance procedures, it is strategically aligned with ENSCO's focus on quality assurance best practices and experience relevant to our ISO 9001, AS9100, DO-178B, CMMI quality initiatives and certifications.



AIRBORNE SYSTEMS STANDARDS

ENSCO is an industry leader in JSF SEAL, DO-178B and DO-254 development standards. As technical experts, we maintain critical proficiencies and a thorough knowledge in control systems software and aircraft engine control software. ENSCO's institutionalized execution of DO-178B and other standards-based services ensures the operational safety of flight-critical systems. Our depth of knowledge and extensive experience in the design, development and test phases of avionic systems, and the critical role that standards play in ensuring their proper and successful implementation are second to none.

SPECIALIZED FORECASTING

ENSCO delivers safety and efficiency in airline operations by providing accurate and timely weather information to our aerospace customers. Our featured capability in specialized weather forecasting goes beyond the norm of reporting severe weather disturbances and includes core strengths in specialties such as polar weather, which encompasses forecasting severe cold temperatures aloft and solar radiation alerts. ENSCO also provides volcanic ash monitoring, which supplies airlines navigating in these dangerous zones with fast alerts and accurate plume location. Our contributions to major aerospace partners in weather forecasting have resulted in tangible savings far in excess of the cost of these services to our customers.

LAUNCH AND TEST RANGE SAFETY AND SIMULATION

When complex command and control and mission-critical systems are in use, understanding system

performance and personnel responsiveness *before* the system is activated is paramount. ENSCO's Simulation, Test and Recording System (STARS) was developed to provide a wide range of real-time and full-fidelity simulations across many mission-critical systems. Colloquially referred to as "A Range in a Box," STARS unpacks powerful technology that reduces risk by providing essential training for those working in highly sensitive operational environments and ensuring system integrity, while saving the expense of full-scale dry runs many times the cost of STARS.

Two additional STARS systems have been sold this year, bringing the total to six.

SAFETY IN THE SKIES

America's skies are getting crowded. The growing density of air traffic is increasing the strain on existing air traffic control systems. Responding to the problem, the Federal Aviation Administration (FAA) has initiated NextGen, a movement to replace and augment ground-based air traffic control systems with those based on satellites. This year, ENSCO joined the Boeing-led team to gain a position on the 10-year FAA Systems Engineering 2020 (SE2020)

contract. The effort builds on our early NextGen involvement as part of the Integrated Airport Initiative Consortium. This contract accelerates the implementation and benefits of NextGen to the American public and secures ENSCO a strategic position for one of the most important safety overhauls in the country's aviation history. Our contribution to SE2020 will be realized from our long-established position as an industry leader in aviation weather science and forecasting, and effectively integrating weather into the National Airspace System.



THE POWER OF OUR PEOPLE

Solving real-world problems by applying innovative technologies and
creative solutions every day

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THE POWER OF OUR TECHNOLOGY, OUR SOLUTIONS AND OUR PEOPLE



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THE POWER OF OUR REACH

- Delivering customer value, building partnerships and providing technical excellence around the world

THE POWER OF OUR TECHNOLOGY, OUR SOLUTIONS AND OUR PEOPLE

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Representatives and partners worldwide

THE POWER OF OUR **SUCCESS**



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