

ENSCO
PUBLIC REPORT ON RESPONSIBLE INVESTMENT IN MYANMAR



July 1, 2016

Via Email

U.S. Department of State
2201 C St., NW
Washington, DC 20520
BurmaPublicReport@state.gov

RE: Report on Responsible Investment in Myanmar

To Whom It May Concern:

Enesco plc (“Enesco”), on behalf of its wholly-owned subsidiaries, Dupont Maritime LLC, Enesco (Myanmar) Limited, and ENSCO Oceanics International Company, hereby submits the enclosed Report on Responsible Investment in Myanmar.

On April 30, 2014, Enesco entered into an agreement to provide drilling services to a consortium comprising PTTEP International Limited and the Myanma Oil and Gas Enterprise (“MOGE”) (collectively, the “Consortium”). On July 25, 2014, Enesco entered into an agreement to provide drilling services to PetroVietnam Overseas Exploration Production Operating Company Ltd (“PVEP”). Because Enesco was a vendor to both the Consortium and PVEP, and was not directly engaged in the economic development of any resources located in Myanmar as defined by the Burmese Sanction Regulations, 31 CFR Part 537, Enesco does not believe its contracts with the Consortium or PVEP constituted “new investment.” Out of an abundance of caution, however, Enesco submitted its U.S. Government and Public Report on December 23, 2014. This is the third report (and second annual update) since the December 2014 submission.

Because Enesco’s activities involved MOGE, Enesco submitted on May 27, 2014, a notification to the U.S. Department of State pursuant to the Burmese Sanctions Regulations and the U.S. Department of State’s “Reporting Requirements on Responsible Investment in Burma.”

Enesco’s Myanmar operations were wound down as of August 2015 and the Company expects this to be its final report unless or until it engages in additional activities in Myanmar.

If you have any questions regarding this matter, please contact me at 713-917-2406, or kbaiden@enscoplc.com.

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Sincerely,

A handwritten signature in black ink, appearing to read 'Kwesi A. Baiden', written in a cursive style.

Kwesi A. Baiden
Chief Compliance Officer

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1. SUBMITTER

EnSCO plc (“EnSCO” or “Company”)

2. ACKNOWLEDGEMENT

The Company understands that this report will be made public, and that the Company has redacted before submission any information it considers in good faith to be exempt from public disclosure under FOIA Exemption 4.



Kwesi A. Baiden, on behalf
of EnSCO plc

Date

3. PUBLIC POINT OF CONTACT

Kwesi A. Baiden, Chief Compliance Officer
EnSCO plc
5847 San Felipe, Suite 3300
Houston, TX 77057
Phone: +1-713-917-2406
Fax: +1-713-268-4583
Email: kbaiden@enscoplc.com

4. OVERVIEW OF OPERATIONS IN MYANMAR

a. Name(s) of companies, including all subsidiaries, previously operating in Myanmar covered by this report

- EnSCO plc;
- Dupont Maritime LLC;
- EnSCO (Myanmar) Limited; and
- ENSCO Oceanics International Company.

*Nb. EnSCO does not currently have any operations in Myanmar.
EnSCO’s Myanmar operations were wound down as of August 2015.*

b. Nature of business in Myanmar

EnSCO currently has no active operations in Myanmar, although it continues to explore opportunities in the region. A summary of EnSCO’s business to date follows below.

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EnSCO is one of the largest drilling companies in the world. Headquartered in the United Kingdom, it employs over 5,000 people worldwide and has a footprint on all six continents.

After a careful, deliberate, and rigorous due diligence process, the Company entered into a service agreement with PTTEP International Limited (“PTTEP”), the national oil company of Thailand, to provide a semisubmersible drilling rig and drilling services offshore Myanmar. In conducting its due diligence, the Company was mindful of Myanmar’s human rights record as well as its record on workplace rights, environmental issues, and anti-corruption risks.

EnSCO’s services in Myanmar supported PTTEP’s exploration for and development of hydrocarbons, and were provided for the benefit of a consortium comprising PTTEP and the Myanma Oil and Gas Enterprise (“MOGE”) (collectively, the “Consortium”). The bulk of EnSCO’s operations in Myanmar pursuant to this agreement were offshore, and drilling crew rotated on and off drilling rigs every 28 days in accordance with industry standard. The Company also had a small onshore administrative and operations office staffed by nine persons. The service agreement with PTTEP was for a 10-well drilling program. Operations commenced pursuant to this agreement in August 2014 and were completed in May 2015.

EnSCO also entered into a service agreement with PVEP on July 25, 2014, to provide a jackup drilling rig and drilling services offshore Myanmar. EnSCO’s service agreement with PVEP was for a two-well drilling program with an estimated term of 60 days per well. Operations commenced pursuant to this agreement in December 2014 and wound down in March 2015. The Company relied on the same infrastructure, support, compliance, and risk mitigation measures that it established for its service agreement with PTTEP as previously disclosed and further updated below.

After EnSCO removed its rigs in March and May, EnSCO maintained some administrative operations onshore, which wound down in August 2015.

c. Location(s) of operations in Myanmar

- The Company’s ENSCO 5005 drilling unit (the “5005 Rig”) (which services the PTTEP agreement) was located in Block M-9 offshore Myanmar, but has since been moved out of Myanmar and is currently cold-stacked in Singapore.

Nb. The 5005 Rig was not located offshore Rakhine State.

- The Company’s ENSCO 104 drilling unit (the “104 Rig”) (which serviced the PVEP agreement) was located in Block M-2 offshore Myanmar, but has since been moved out of Myanmar to a new project outside and unrelated to Myanmar.

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Nb. The 104 Rig was not located offshore Rakhine State.

- Enesco’s onshore office was located at:
339 Bogyoke Aung San Road
Kyauktada Township
Yangon

Nb. Enesco closed its onshore office in August 2015.

d. Approximate maximum number of employees in Myanmar during the reporting periods (broken down by Burmese and non-Burmese employees)

- PTTEP Operations
 - The 5005 Rig crew was comprised of 137 individuals, who worked on a rotational basis offshore Myanmar. Of the 137 crew members, 60 were Burmese and 77 were non-Burmese.
 - Pursuant to its service agreement with PTTEP, Enesco was required to employ a certain number of MOGE employees as rig crew. Therefore, out of the 60 Burmese crew members, the Company engaged 38 MOGE employees as drilling crew on the 5005 Rig.
 - Enesco employed six people in its onshore office. Of those six employees, two were Burmese and four were non-Burmese.

- PVEP Operations
 - The 104 Rig crew was comprised of 113 individuals, who worked on a rotational basis offshore Myanmar. Of the 113 crew members, two were Burmese and 111 were non-Burmese.
 - Enesco employed three people in its onshore office, none of whom was Burmese.
 - Unlike the PTTEP service agreement, there was no contractual requirement in the PVEP service agreement to employ any MOGE crew.

5. HUMAN RIGHTS, WORKER RIGHTS, ANTI-CORRUPTION, AND ENVIRONMENTAL POLICIES AND PROCEDURES

The Company has not entered into any new contracts in Myanmar since filing its December 2014 report and July 2015 annual update (see attached Appendix I). The agreement between the Company and Myint & Associates Co., Ltd. (“Myint”), its general services provider for certain support services (e.g., staffing, immigration, freight forwarding and customs clearance, and custodial services) remains valid. However, there has been no payment activity since October 2015, when the Company paid Myint for services rendered in August 2015.

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6. ARRANGEMENTS WITH SECURITY SERVICE PROVIDERS

The Company did not engage any Security Service Providers, military or non-military in Myanmar.

7. PROPERTY ACQUISITION

As previously reported in its July 2015 annual update, the Company entered into a limited number of onshore leases for office and residential space. One residential agreement expired in February 2015, and the three remaining residential agreements expired in July of 2015.

The original term of the Company's lease agreement for its onshore office with EXE Sakura (Myanmar) Co., Ltd. was one year, but the Company extended it for an additional three months. That lease expired on August 14, 2015.

For more information regarding the Company's real estate transactions, please see Appendix I.

8. TRANSPARENCY

The Company did not make any payments over \$10,000 to the Government of Myanmar, any sub-national or administrative government entity, or non-state group that possesses or claims to possess government authority over the Company's activities in Myanmar.

9. MILITARY COMMUNICATIONS

The Company's due diligence team went to great lengths to understand and document all anticipated interactions with government authorities in order to put in place appropriate safeguards to mitigate any risks, including interaction with the military. As a result, the Myanmar SOP was designed to track and report any communications or meetings with the armed forces of Myanmar and/or other armed groups related to the Company's operations in Myanmar. As of the date of this filing, the Company has not received any reports of such communications or meetings.

10. RISK PREVENTION AND MITIGATION

As described throughout this and its December 2014 report and July 2015 annual update, in entering the Myanmar market the Company identified potential risk areas and installed safeguards to mitigate those risks. The Company has no incidents, and corresponding mitigation measures, to report.