Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
THE ROWAN PENSION PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1952

2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

ROWAN COMPANIES, INC.

2800 POST OAK BLVD., SUITE 5450
HOUSTON, TX 77056

2b Employer Identification Number (EIN) 75-0759420

2c Sponsor's telephone number 713-621-7800

2d Business code (see instructions) 211110

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2012	GARY L. MARSH
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2012	JOHN KEVIN BARTOL
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
ADMINISTRATOR, ROWAN PENSION PLAN

2800 POST OAK BLVD STE 5450
HOUSTON, TX 77056

3b Administrator's EIN
74-1981236

3c Administrator's telephone number
713-621-7800

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	4239
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	1131
b	Retired or separated participants receiving benefits	**6b**	1187
c	Other retired or separated participants entitled to future benefits	**6c**	1815
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	4133
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	146
f	Total. Add lines **6d** and **6e**	**6f**	4279
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	20
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 1G 3H 1C

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	X	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X		**H** (Financial Information)
(2)			**I** (Financial Information – Small Plan)
(3)		0	**A** (Insurance Information)
(4)	X		**C** (Service Provider Information)
(5)	X		**D** (DFE/Participating Plan Information)
(6)			**G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
THE ROWAN PENSION PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
ROWAN COMPANIES, INC.

D Employer Identification Number (EIN)
75-0759420

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2011

2 Assets:

a	Market value	**2a**	411463781
b	Actuarial value	**2b**	383898294

3 Funding target/participant count breakdown:

			(1) Number of participants	**(2)** Funding Target
a	For retired participants and beneficiaries receiving payment	**3a**	1286	228430431
b	For terminated vested participants	**3b**	1220	80142693
c	For active participants:			
	(1) Non-vested benefits	**3c(1)**		542840
	(2) Vested benefits	**3c(2)**		145926050
	(3) Total active	**3c(3)**	1753	146468890
d	Total	**3d**	4259	455042014

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

a	Funding target disregarding prescribed at-risk assumptions	**4a**	
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	

5	Effective interest rate	**5**	6.34 %
6	Target normal cost	**6**	11624220

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

	10/08/2012
Signature of actuary	Date
KEVIN BILLS	11-07029
Type or print name of actuary	Most recent enrollment number
MERCER	713-276-2100
Firm name	Telephone number (including area code)
1000 MAIN STREET, SUITE 2900 HOUSTON, TX 77002-6336	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 14.09%		
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		32138435
b	Interest on (a) using prior year's effective rate of 6.71% except as otherwise provided (see instructions)		2156489
c	Total available at beginning of current plan year to add to prefunding balance		34294924
d	Portion of (c) to be added to prefunding balance		26545084
12	Other reductions in balances due to elections or deemed elections	0	6827976
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	19717108

Part III Funding percentages

14	Funding target attainment percentage	14	80.03 %
15	Adjusted funding target attainment percentage	15	80.01 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	81.69 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01/13/2012	6792000	0			
03/30/2012	13420000	0			
04/13/2012	8462000	0			
07/13/2012	8481000	0			
			Totals ► 18(b)	37155000	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a	Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b	Contributions made to avoid restrictions adjusted to valuation date	19b	0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	34347569

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
3.78%	6.31%	6.57 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	52

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	**30**	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	11624220
b Excess assets, if applicable, but not greater than 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	90860828	20103371
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	31727591

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	19717108	19717108

36 Additional cash requirement (line 34 minus line 35)	**36**	12010483
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	34347569

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	**38a**	22337086
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	19717108
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2011** **This Form is Open to Public Inspection.**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
THE ROWAN PENSION PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
ROWAN COMPANIES, INC.

D Employer Identification Number (EIN)
75-0759420

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

MERCER

13-2834414

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE	211171	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

MCCONNELL & JONES LLP

76-0488832

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	20086	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name: KEVIN MINOR (TOWERS WATSON)

b EIN: 53-0181291

c Position: ENROLLED ACTUARY

d Address: 1221 MCKINNEY
SUITE 2600
HOUSTON, TX 77010-1006

e Telephone: 713-754-5453

Explanation: THERE WAS A REASSIGNMENT OF ACTUARY WITHIN THE FIRM PROVIDING ACTUARIAL SERVICES FOR THE PLAN WHEN THE FORMER ACTUARY CEASED TO BE AN EMPLOYEE OF THAT FIRM.

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
THE ROWAN PENSION PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
ROWAN COMPANIES, INC.

D Employer Identification Number (EIN)
75-0759420

Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)

(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: MASTER TRUST UNDER VARIOUS EMPLOYEE

b Name of sponsor of entity listed in (a): ROWAN COMPANIES, INC.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103 12 IE at end of year (see instructions)
75-0759420-005	M	389709942

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
THE ROWAN PENSION PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
ROWAN COMPANIES, INC.

D Employer Identification Number (EIN)
75-0759420

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	46210000	37155000
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	366292168	389709942
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	412502168	426864942
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	412502168	426864942

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	37155000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		37155000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		-494055
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		36660945
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	21528909	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		21528909
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	231257	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	538005	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		769262
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		22298171
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		14362774
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MCCONNELL & JONES, L.L.P. (2) EIN: 76-0488832

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		2500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X	
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If "Yes," enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
THE ROWAN PENSION PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
ROWAN COMPANIES, INC.

D Employer Identification Number (EIN)
75-0759420

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 13-3795042

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3** 17

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☒ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: 68.0% Investment-Grade Debt: 23.0% High-Yield Debt: 2.0% Real Estate: 5.0% Other: 2.0%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☒ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

ROWAN PENSION PLAN

Financial Statements
And Independent Auditors' Report

December 31, 2011 and 2010

ROWAN PENSION PLAN
DECEMBER 31, 2011 AND 2010

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS:	
Statements of Net Assets Available for Benefits	2
Statements of Changes in Net Assets Available for Benefits	3
Notes to Financial Statements	4

Note: Schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for reporting and disclosure under ERISA have been omitted because they are not applicable.

MJ
McCONNELL & JONES LLP
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

Rowan Pension Plan:

We were engaged to audit the accompanying statements of net assets available for benefits of the Rowan Pension Plan (the Plan) as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 3, which was certified by JPMorgan Chase Bank, N.A., the trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2011 and 2010, and for the years then ended, that the information provided to the plan administrator by the trustees is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements. The form and content of the information included in the financial statements, other than that derived from the investment information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the DOL Rules and Regulations for Reporting and Disclosure under ERISA.

McConnell & Jones LLP

Houston, Texas
October 10, 2012

3040 Post Oak Blvd., Suite 1600
Houston, TX 77056
Phone: 713.968.1600
Fax: 713.968.1601

WWW.MCCONNELLJONES.COM

ROWAN PENSION PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS:		
Investments, at fair value:		
Plan interest in Master Trust	$ 389,709,942	$ 366,292,168
Receivables:		
Employer contributions	37,155,000	46,210,000
NET ASSETS AVAILABLE FOR BENEFITS	$ 426,864,942	$ 412,502,168

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

ROWAN PENSION PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
ADDITIONS:		
Plan interest in net (loss) income of Master Trust	$ (494,055)	$ 44,380,880
Employer contributions	37,155,000	63,781,000
TOTAL ADDITIONS	36,660,945	108,161,880
DEDUCTIONS:		
Benefit payments	21,528,909	18,977,191
Administrative expenses	769,262	1,154,227
TOTAL DEDUCTIONS	22,298,171	20,131,418
INCREASE IN NET ASSETS	14,362,774	88,030,462
NET ASSETS AVAILABLE FOR BENEFITS BEGINNING OF YEAR	412,502,168	324,471,706
NET ASSETS AVAILABLE FOR BENEFITS END OF YEAR	$426,864,942	$412,502,168

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

ROWAN PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

1. DESCRIPTION OF THE PLAN

The following brief description of the Rowan Pension Plan (the "Plan") is provided for general informational purposes only. Participants should refer to the Plan's Summary Plan Description for more complete information.

General – The Plan is a defined benefit pension plan covering eligible employees of Rowan Companies, Inc. ("Rowan") and its drilling company subsidiaries. The Plan Administrative Committee of Rowan and the plan administrator control and manage the operation and administration of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Pension Benefits – Employees are entitled to pension benefits upon retirement after three years of service, as defined by the Plan. There is no partial vesting of benefits. The Plan provides for normal retirement benefits upon reaching the age of 60 and for early retirement benefits between the ages of 40-59. The Plan also has provisions for death benefits and for benefits payable upon meeting certain other conditions.

Upon retirement, the amount of annual benefits under the Plan for participants hired before January 1, 2008, is determined under a traditional defined benefit formula as 1.75% of the compensation base, as defined in the Plan, multiplied by the number of years of service. The Plan provides for an annual cost-of-living adjustment to benefits of up to 2%. Employees hired on or after January 1, 2008, are subject to a cash balance benefit formula. Such employees are credited with an amount every year equal to 5% of their cash compensation paid during the year. The account balance is also credited with interest each quarter based on the 10-year Treasury rate.

On June 30, 2009, the traditional defined benefit formula under the Plan was frozen. Effective with the amendment and restatement of the Plan on July 1, 2009, the Plan transitioned to the new cash balance formula for future benefits as described above. A participant's total benefit is calculated as the sum of (i) the value of traditional defined benefit at June 30, 2009 ("Frozen Benefit") plus (ii) the cash balance benefit which increases annually. In addition, employees whose age plus years of vesting service on June 30, 2009 was equal to 50 or greater will receive annual transition pay credits as defined in the plan document. Future benefits under the new cash balance formula accrue at a lower amount than the traditional defined benefit formula.

Plan Termination – Rowan expects to continue the Plan indefinitely but reserves the right to terminate it by duly adopted written resolutions of its Board of Directors.

In the event the Plan terminates, the assets of the Plan will be allocated, as prescribed by Section 4044 of ERISA and its related regulations, generally to provide the following benefits in the order indicated:

(1) Vested benefits insured by the Pension Benefit Guaranty Corporation (the "PBGC") up to the applicable limitations (discussed below).
(2) All other vested benefits (those not insured by the PBGC).
(3) All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested, normal retirement age benefits and certain disability and survivors' pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations.

Whether all participants receive their benefit should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the level of benefits guaranteed by the PBGC.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Use of Estimates – The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and the actuarial present value of accumulated plan benefits and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition – Assets of the Plan are held by JPMorgan Chase Bank, N.A. (the "Trustee") under a trust agreement adopted by Rowan within the Master Trust Under Various Employee Benefits Plans of Rowan Companies, Inc. and its Related Companies (the "Master Trust"). The terms of the trust agreement provide "investment managers" and the Trustee with full discretionary authority for the purchase and sale of investments.

The investments are stated at fair value as determined by the Trustee based on the latest quoted market values of the underlying securities. The Trustee determines the Plan's interest in the market value of the Master Trust's net assets and related investment income in accordance with a computational method agreed upon by the Plan administrator and the Trustee. See *Note 3 – Investment in Master Trust* for the Master Trust's investments by level within the fair value hierarchy as of December 31, 2011.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned and dividends are recorded on the ex-dividend date. The net increase in fair value of investments consists of the net change in unrealized gains (losses) in fair values and realized gains (losses) upon the sale of investment securities. The net change in

unrealized gains (losses) and realized gains (losses) upon sale are determined using the fair values as of the beginning of the year or the purchase price if acquired during the year.

As defined in Financial Accounting Standards Board ("FASB") Accounting Standards Codification 820 *Fair Value Measurements and Disclosures* ("FASB ASC 820"), fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Plan considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance.

FASB ASC 820 also establishes a fair value hierarchy that requires the Plan to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. FASB ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used to measure fair value as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities;

- Level 2: inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

- Level 3: unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Money market fund: This fund is valued using unadjusted quoted market prices for identical assets.

Mutual funds: Valued at the net asset value ("NAV") of shares held by the plan at year end.

Common collective trusts and 103-12 investment entities: The Master Trust's interest in the common collective trusts and 103-12 investment entities is stated at NAV provided by the administrator of the funds. The NAV is based on the value of the underlying assets owned by the funds, minus its liabilities, and divided by the number of units outstanding. The funds are

classified within level 2 of the valuation hierarchy because the underlying investments are traded in an active market.

Limited partnership: The fund's valuation of real estate and mortgage loans and bonds payable use significant unobservable inputs.

Contributions – Contributions to the Plan from the Company are recorded in the period that the Plan's actuary determines they relate to except that a contribution receivable is recorded to the extent that amounts due are pursuant to formal commitments as well as legal or contractual requirements in existence at the end of the Plan year.

Payment of Benefits – Benefits are recorded when paid.

Expenses of the Plan – Most expenses incurred in the administration of the Plan and the Master Trust are paid by the Master Trust and allocated to the participating plans. These expenses include fees and expenses of the Trustees, fund managers and consultants. Any other expenses incurred in the operation of the Plan are paid by Rowan.

Actuarial Present Value of Accumulated Plan Benefits – Accumulated plan benefits are those future periodic payments that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died and (c) present employees or their beneficiaries. The accumulated plan benefits for active employees are based on eligible earnings and credited service on the date on which the benefit information is presented (the "valuation date"). Benefits payable under all circumstances (retirement, death, and termination of employment) are included to the extent they are deemed attributable to employee service rendered to the valuation date.

Management's Review of Subsequent Events – In preparing the accompanying financial statements, Plan management has reviewed all known events that have occurred after December 31, 2011, and through October 10, 2012, for inclusion in the financial statements and footnotes.

New Accounting Pronouncements – In January 2010, FASB issued Accounting Standards Update ("ASU") No. 2010-06, *Fair Value Measurements and Disclosures – Improving Disclosures about Fair Value Measurements* ("ASU No. 2010-06"), which amends Accounting Standards Codification ("ASC") Subtopic No. 820-10, relating to fair value measurements, adding new disclosure requirements for Levels 1 and 2, separate disclosures of purchases, sales, issuances, and settlements relating to Level 3 measurements and clarification of existing fair value disclosures. A portion of ASU No. 2010-06 requiring expanded disclosure of activity for Level 3 assets and liabilities will be effective for fiscal years beginning after December 15, 2010. The adoption of this standard did not impact the Plan's financial statements.

In May 2011, the FASB issued Accounting Standards Update 2011-04, *Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs*, (ASU 2011-04). ASU 2011-04 amended ASC 820, *Fair Value Measurements and Disclosures*, to converge the fair value measurement guidance in US generally accepted accounting principles (GAAP) and International Financial Reporting Standards (IFRSs). Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC 820. In addition, ASU 2011-04 requires additional fair value disclosures. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. Plan management is currently evaluating the effect that the provisions of ASU 2011-04 will have on the Plan's financial statements.

3. INVESTMENT IN MASTER TRUST

The Master Trust Under Various Employee Benefits Plans of Rowan Companies, Inc. and its Related Companies commingles, for investment and administrative purposes, Plan assets with those of another plan sponsored by a Rowan subsidiary. The Plan's interest in the Master Trust represents 5% or more of net assets available for benefits

The net assets of the Master Trust at December 31, 2011 and 2010, were as follows:

	2011		2010	
	Amount	%	Amount	%
Investments – at fair value:				
Common stocks – U.S. equities	$ 42,949,205	10%	$ 44,525,865	11%
Money market fund	11,285,077	2%	9,391,779	2%
Mutual funds:				
Large value	-		38,564,994	9%
Large blend	168,910,164	38%	83,992,776	20%
Intermediate-term bond	61,243,268	13%	51,467,976	12%
Common / Collective Trust	141,972,672	32%	134,543,343	32%
103-12 investment entities	-		39,039,303	9%
Limited partnership	21,950,635	5%	20,205,788	5%
Other assets	157,084	0%	234,016	0%
Total investments	448,468,105	100%	421,965,840	100%
Receivables	29,632		22,990	
Payables	(91,928)		(49,129)	
Net assets	$448,405,809		$421,939,701	

The changes in net assets for the Master Trust for the years ended December 31, 2011 and 2010 was as follows:

	2011	2010
Investment income:		
Net appreciation (depreciation) in fair value of investments:		
Common stocks	$ (1,457,600)	$ 7,877,768
Mutual funds	132,196	19,251,567
Common collective trusts	(8,689,573)	5,852,860
103-12 investment entities	1,862,305	11,594,426
Limited partnership	1,744,847	2,205,788
Interest and dividends	6,627,333	5,549,950
Other income	255,080	59,343
Net investment income	474,588	52,391,702
Administrative expenses	(1,077,445)	(1,332,501)
Net income (loss) before tranfers	(602,857)	51,059,201
Transfers in	52,494,000	56,375,000
Transfers out	(25,425,035)	(22,776,184)
Net income	26,466,108	84,658,017
Net Assets at beginning of year	421,939,701	337,281,684
Net Assets at end of year	$448,405,809	$ 421,939,701

The Plan's interest in the Master Trust's total investment units was approximately 87% as of December 31, 2011 and 2010, with the balance attributed to the other Rowan-sponsored plan.

The following table presents the Master Trust investments that represent 5% or more of Master Trust's net assets available for benefits as of December 31, 2011 and 2010:

	2011	2010
Vanguard Instl. Equity Index Fund	$ 168,910,164	$ 83,992,776
Western Asset Fund Inc. Core Plus	61,243,268	51,467,976
SSGA Bond Market Index Fund	64,702,662	54,392,593
Blackrock MSCI ACWI Ex-US Fund	77,210,010	80,150,750
Intech/Janus Risk Managed Large Cap Growth Fund	-	39,039,303

In accordance with FASB ASC 820, the following table presents the Master Trust's investments as of December 31, 2011 and 2010:

	2011	2010
Level 1:		
Common stocks – U.S. equities	$ 42,949,205	$ 44,525,865
Money market fund	11,285,077	9,391,779
Mutual funds:		
Large value	-	38,564,994
Large blend	168,910,164	83,992,776
Intermediate-term bond	61,243,268	51,467,976
	284,387,714	227,943,390
Level 2:		
Common / Collective trust	141,972,672	134,543,343
103-12 investment entities	-	39,039,303
Other assets	157,084	234,016
	142,129,756	173,816,662
Level 3:		
Limited partnership	21,950,635	20,205,788
Total investments at fair value	$ 448,468,105	$ 421,965,840

The following table includes a summary of changes in the fair value of the Master Trust's Level 3 investments for the years ended December 31, 2011 and 2010:

	2011	2010
Limited partnership:		
Balance, beginning of year	$ 20,205,788	$ -
Unrealized gains/(losses) relating to assets still held at the reporting date	1,744,847	2,205,788
Issuances	-	18,000,000
Balance, end of year	$ 21,950,635	$ 20,205,788

4. FUNDING POLICY

Contributions to the Plan are made solely by Rowan in amounts not less than that required by ERISA. Annual contributions are computed by the Plan's actuary, which used the traditional unit credit actuarial cost method for the plan years ended December 31, 2011 and 2010.

The Internal Revenue Code ("IRC") generally requires that estimated annual employer contributions be made through quarterly installments, with final amounts paid by September 15 of the following year. Rowan elected to contribute $37,155,000 to the Plan for 2011, which meets the funding requirement for 2011.

5. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

6. INCOME TAX STATUS

The Internal Revenue Service ("IRS") has determined and informed Rowan by a letter dated January 30, 2012, that the Plan and related trust are designed in accordance with applicable sections of the IRC.

US GAAP requires plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

7. PARTY-IN-INTEREST TRANSACTIONS

Certain plan investments are managed by JPMorgan Chase Bank, N.A., the trustee of the Plan. Therefore, these transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transactions rules under ERISA.

8. ACCUMULATED PLAN BENEFITS

The actuarial present value of accumulated plan benefits is determined by the Plan's actuary, Mercer, and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The

significant actuarial assumptions used in the valuation as of January 1, 2011 and 2010 were as follows:

i. Life expectancy of active participants and nondisabled pensioners (RP-2000 Combined Healthy Mortality Table for males and females with a blue collar adjustment projected to 2010 with Scale AA) – unchanged from prior year.

ii. Retirement age assumptions (ages 50-59 – 2%, age 60 – 40%, age 61 – 5%, age 62 – 40%, ages 63-64 – 5%, age 65 – 40%, ages 66-69 – 5% and age 70 – 100%) – unchanged from prior year.

iii. Disability assumptions (age 20 – 0.09%, age 25 – 0.1%, age 30 – 0.11%, age 35 – 0.12%, age 40 – 0.15%, age 45 – 0.215%, age 50 – 0.33%, age 55 – 0.58% and age 60 – 1.18%) – unchanged from prior year.

iv. Cost of living increase of up to 1.75% per annum, compounded annually (unchanged from prior year).

v. Discount rate of 8% per annum (unchanged from prior year).

Lump sums are valued using the 417(e) PPA mortality table and no phase-in PPA lump sum rates. These rates used in the current year were updated from 2010 to 2011.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The accumulated plan benefits information at January 1, 2011 and 2010 is as follows:

	2011	2010
Actuarial present value of accumulated plan benefits:		
Vested benefits:		
Participants currently receiving benefits	$ 189,762,916	$ 183,255,264
Active participants	109,558,143	101,347,729
Inactive participants with deferred benefits	63,970,245	60,223,131
	363,291,304	344,826,124
Non-vested benefits	467,085	800,666
Total actuarial present value of accumulated plan benefits	$ 363,758,389	$ 345,626,790

The change in the actuarial present value of accumulated plan benefits from January 1, 2010, to January 1, 2011, is attributed to the following:

Actuarial present value of accumulated plan benefits at January 1, 2011	$ 345,626,790
Increase (decrease) during the year attributable to:	
Benefits accumulated	10,159,528
Increase for interest due to the decrease in the discount period	26,891,056
Benefits paid	(18,977,191)
Change in actuarial assumptions	58,206
Net increase	18,131,599
Actuarial present value of accumulated plan benefits at January 1, 2011	$ 363,758,389

9. NAV PER SHARE

In accordance with FASB ASU No. 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, the Plan expanded its disclosure to include the category, fair value, redemption frequency, and redemption notice period for those assets whose fair value is estimated using the net asset value per share or its equivalent for which the fair value is not readily determinable as of December 31, 2011 and 2010. For the Plan, such assets include investments in common collective trust funds and 103-12 investments.

The following tables for December 31, 2011 and 2010, sets forth a summary of the Master Trust's investments with a reported NAV.

	Fair Value Estimated Using NAV per Share December 31, 2011 and 2010					
	Fair Value at NAV as of 12/31/2011 *	**Fair Value at NAV as of 12/31/2010 ***	**Unfunded Commitment**	**Redemption Frequency**	**Other Redemption Restrictions**	**Redemption Notice Period**
SSGA Bond Market Index SL (a)	$ 64,702,662	$ 54,392,593	None	Immediate	None	2 days
Blackrock MSCI ACWI EX-US Fund (b)	77,270,010	80,150,750	None	Immediate	None	3 days
Intech/Janus Risk Managed Large Cap Growth Fund (c)	-	39,039,303	None	Immediate	None	1 day

(a) The fund invests in a well-diversified portfolio that is representative of the broad domestic bond market consisting primarily of government, corporate, mortgage-backed and asset-backed securities with maturities of greater than one year.

(b) The fund seeks investment results that correspond generally to the price and yield performance of the MSCI All Country World Index ex USA.

(c) The underlying premise of the strategy for the fund is to build portfolios of companies whose price variability is designed to produce returns in excess of the benchmark.

Schedule SB, Line 26 — Schedule of Active Participant Data

Distribution of active participants as of January 1, 2011- average compensation

Attained age	Years of credited service									
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up
Under 25		114 62,606	16							
25-29		166 64,596	152 81,452	9						
30-34		99 74,172	155 89,785	99 103,132	4					
35-39		63 71,760	106 87,857	94 104,289	35 123,363	5				
40-44		33 86,840	53 83,338	53 101,519	41 122,992	29 121,217	3			
45-49		14	22 96,648	37 103,237	30 126,805	21 134,794	43 123,237	7		
50-54		7	6	7	11	16	41 134,102	32 163,966	2	
55-59		6	2	5	5	11	28 114,744	32 132,379	11	
60-64		5	4	2	2	1	3	6	4	1
65-69										
70 & Up										

In each cell, the top number is the count of active participants for each age/service combination and the bottom number is average pay for 2010 limited to $245,000. Average pay is not shown for cells with fewer than 20 participants.

Schedule SB, Line 26 — Schedule of Active Participant Data

Distribution of active participants as of January 1, 2011- average cash balance amount

Attained age	Years of credited service									
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up
Under 25		114 5,047	16							
25-29		166 5,357	152 6,200	9						
30-34		99 6,289	155 6,747	99 7,592	4					
35-39		63 5,820	106 6,614	94 7,908	35 13,099	5				
40-44		33 7,616	53 6,839	53 10,813	41 14,640	29 17,657	3			
45-49		14	22 10,921	37 12,519	30 18,817	21 22,293	43 24,806	7		
50-54		7	6	7	11	16	41 28,401	32 38,087	2	
55-59		6	2	5	5	11	28 27,198	32 32,421	11	
60-64		5	4	2	2	1	3	6	4	1
65-69										
70 & Up										

In each cell, the top number is the count of active participants for each age/service combination and the bottom number is average cash balance amount as of January 1, 2011. Average cash balance is not shown for cells with fewer than 20 participants.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Actuarial assumptions

Discount rate sponsor elections	
▪ Segment rates or full yield curve	Segment
▪ Look-back months	4
▪ First 5 years	3.78%
▪ Next 15 years	6.31%
▪ Over 20 years	6.57%
Mortality sponsor elections	
▪ Healthy participants	Section 430(h)(3) prescribed separate static combined static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA.
▪ Pre-1995 disabilities	Revenue Ruling 96-7 table for participants who became disabled before 1995.
▪ Post-1994 disabilities	Revenue Ruling 96-7 table for participants who became disabled after 1994 and are eligible for Social Security disability benefits. All other and future disabilities valued using healthy mortality.
417(e) lump sums	
▪ Annuity substitution	Yes
▪ Generational mortality option	No
▪ Phase-in option	No
Cash balance plans	
▪ Interest accumulation rate	5.00%
▪ Whipsaw calculations	No
▪ Annuity conversion	
– Mortality table	Not applicable
– Interest rate basis	Not applicable

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Other economic assumptions		
▪ Salary increases	See table of sample rates.	
▪ Inflation	2.50% per year	
▪ Cost-of-living increase on benefit	1.75% per year compounded annually	
▪ Expected investment return	8.00% per year for years 2009 through 2011	
▪ Expenses	Administrative expenses paid from the trust during 2010 plus an estimate of the PBGC premiums paid in current year. $969,034 added to current year normal cost.	
Demographic assumptions		
Withdrawal	See table of sample rates	
Disability incidence	See table of sample rates	
Retirement age	See table of sample rates	
Benefit commencement age for		
▪ Future vested deferred	50	
▪ Current vested deferred	50	
Spouse assumptions	**Male participants**	**Female participants**
▪ Percentage married	85%	60%
▪ Spouse age difference	0 years younger	0 years older

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Form of payment - traditional	**Lump sum (under $10,000)**	**5 year certain & life**	**Single life based on 50% J&S**	**75% J&S**
▪ Active retirements	100%	40%	0%	60%
▪ Future vested deferred	100%	40%	0%	60%
▪ Future disabilities	100%	40%	0%	60%
▪ Future deaths	0%	0%	100%	0%
▪ Current vested deferred	100%	40%	0%	60%
Form of payment – cash balance	**Lump sum**			
▪ Active retirements	100%			
▪ Future vested deferred	100%			
▪ Future disabilities	100%			
▪ Future deaths	100%			
▪ Current vested deferred	100%			
Unpredictable contingent event assumptions	Not applicable			

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Table of sample rates

Salary Increases

Attained age	Percentage increase at attained age	Ratio of salary at age 65 to salary at attained age
20	7.25%	715.5%
25	6.60	510.4
30	5.95	375.3
35	5.30	284.6
40	4.65	222.6
45	4.00	179.6
50	3.35	149.4
55	2.70	128.3
60	2.50	113.1

	Percentage
Attained age	Disability incidence
20	0.090%
25	0.100
30	0.110
35	0.120
40	0.150
45	0.215
50	0.330
55	0.580
60	1.180

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Attained age	Percentage Withdrawal*
20	25.70%
25	20.32
30	15.44
35	11.32
40	7.82
45	5.12
50	3.30
55	2.16
60	1.62

Ultimate rates for participants with at least 4 years of service. For other participants, the rates are 40% higher with service of 0 to 1 year, 30% higher with service of 1 to 2 years, 20% higher with service of 2 to 3 years and 10% higher with service of 3 to 4 years.

Attained age	Percentage Retirement
50 – 59	2.00%
60	40.00
61	5.00
62	40.00
63 – 64	5.00
65	40.00
66 – 69	5.00
70	100.00

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Actuarial methods

Asset methods

The asset valuation method is an average of the adjusted market value for each month during the last 24 months preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Participant methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.

Minimum funding methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.

- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan

Maximum deductible contribution method

Calculations of maximum deductible contributions include the excess of the funding target computed using the projected unit credit method over the minimum funding target. The objective of the projected unit credit method is to fund each participant's benefits under the plan as they accrue, taking into consideration expected future compensation increases. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- An individual's **projected funding target** is the present value of benefits based on credited service as of the beginning of the plan year and projected compensation that would be used in the calculation of the benefit on each expected separation date. If multiple decrements are used, the projected funding target for an individual is the sum of the component projected funding targets associated with the various anticipated separation dates.
- The plan's **projected funding target** is the sum of the projected funding targets for all participants under the plan. The excess of the plan's projected funding target over the plan's funding target is included in the "cushion amount."

SCHEDULE SB (Form 5500)	Single-Employer Defined Benefit Plan Actuarial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▪ File as an attachment to Form 5500 or 5500-SF.	2011 This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▪ **Round off amounts to nearest dollar.**

▪ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan	B Three-digit plan number (PN) ▪	
THE ROWAN PENSION PLAN		001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF	**D** Employer Identification Number (EIN)	
ROWAN COMPANIES, INC.	75-0759420	

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 1 Day 1 Year 2011

2	Assets:			
	a Market value		**2a**	411,463,781
	b Actuarial value		**2b**	383,898,294
3	Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment	**3a**	1,286	228,430,431
	b For terminated vested participants	**3b**	1,220	80,142,693
	c For active participants:			
	(1) Non-vested benefits	**3c(1)**		542,840
	(2) Vested benefits	**3c(2)**		145,926,050
	(3) Total active	**3c(3)**	1,753	146,468,890
	d Total	**3d**	4,259	455,042,014
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]			
	a Funding target disregarding prescribed at-risk assumptions		**4a**	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor		**4b**	
5	Effective interest rate		**5**	6.34 %
6	Target normal cost		**6**	11,624,220

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	KB	10/8/2012
	Signature of actuary	Date
KEVIN BILLS		11-07029
Type or print name of actuary		Most recent enrollment number
MERCER		(713) 276-2100
Firm name		Telephone number (including area code)
1000 MAIN STREET, SUITE 2900		
HOUSTON	TX 77002-6336	
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 14.09%		
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38 from prior year)		32,138,435
	b Interest on (a) using prior year's effective rate of 6.71% except as otherwise provided (see instructions)		2,156,489
	c Total available at beginning of current plan year to add to prefunding balance		34,294,924
	d Portion of (c) to be added to prefunding balance		26,545,084
12	Other reductions in balances due to elections or deemed elections	0	6,827,976
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	19,717,108

Part III Funding percentages

14	Funding target attainment percentage	14	80.03 %
15	Adjusted funding target attainment percentage	15	80.01 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	81.69 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01/13/2012	6,792,000				
03/30/2012	13,420,000				
04/13/2012	8,462,000				
07/13/2012	8,481,000				
			Totals • 18(b)	37,155,000	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	34,347,569

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	☐ N/A, full yield curve used
3.78 %	6.31 %	6.57 %	

b Applicable month (enter code)	21b	4
22 Weighted average retirement age	22	52

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	27	

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years	28	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	31a	11,624,220
b Excess assets, if applicable, but not greater than 31a	31b	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	90,860,828	20,103,371
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	31,727,591

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	19,717,108	19,717,108

36 Additional cash requirement (line 34 minus line 35)	36	12,010,483
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	34,347,569

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	38a	22,337,086
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	19,717,108
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0
40 Unpaid minimum required contributions for all years	40	0

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	42	
43 Excess installment acceleration amount to be carried over to future plan years	43	

Schedule SB, Line 15 — Reconciliation of Differences between Valuation Results and Amounts Used to Calculate AFTAP

The following schedule shows each AFTAP that was certified or recertified for the 2011 plan year, the date made, and a description of the AFTAP change:

Certification Date	AFTAP	Update Description
9/29/2011	80.01%	N/A

The following chart shows a comparison of the final 2011 AFTAP and the FTAP shown on the 2011 Schedule SB, line 14.

	Final certified AFTAP	Schedule SB Line 14 FTAP	Difference (explained below)
1. Adjusted plan assets			
a. Actuarial value of plan assets	$ 383,898,294	$ 383,898,294	$ 0
b. Credit balances subtracted	19,717,108	19,717,108	0
c. Annuity purchases for non-HCEs in prior two plan years	0	N/A	0
d. Earmarked contributions during plan year	0	N/A	0
e. Adjusted plan assets: *(a.) – (b.) + (c.) + (d.)*	$ 364,181,186	$ 364,181,186	$ 0
2. Adjusted funding target			
a. Funding target[1]	$ 455,130,137	$ 455,042,014	$ (88,123)
b. Funding target increases not already reflected in (a.) due to amendments, UCEBs, etc.	0	N/A	0
c. Annuity purchases for non-HCEs in prior two plan years	0	N/A	0
d. Adjusted funding target: (a.) + (b.) + (c.)	$ 455,130,137	$ 455,042,014	$ (88,123)
3. 2011 AFTAP/FTAP: (1.e.) ÷ (2.d.)	80.01%	80.03%	0.02%

[1] The certified funding target used for the AFTAP includes an increase in liability due to a mid-year plan amendment which vested the land-based group.

Schedule SB, Line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 52.

Age	Age at retirement	Rates of withdrawal	Rates of retirement	Total rate	LX	Calculations # Ret or With	# Ret or With x age
30	50	0.1544	0.0000	0.1544	10,000	1,544	77,200
31	50	0.1452	0.0000	0.1452	8,456	1,228	61,391
32	50	0.1360	0.0000	0.1360	7,228	983	49,152
33	50	0.1284	0.0000	0.1284	6,245	802	40,094
34	50	0.1208	0.0000	0.1208	5,443	658	32,877
35	50	0.1132	0.0000	0.1132	4,786	542	27,087
36	50	0.1056	0.0000	0.1056	4,244	448	22,408
37	50	0.0980	0.0000	0.0980	3,796	372	18,600
38	50	0.0914	0.0000	0.0914	3,424	313	15,647
39	50	0.0848	0.0000	0.0848	3,111	264	13,190
40	50	0.0782	0.0000	0.0782	2,847	223	11,132
41	50	0.0716	0.0000	0.0716	2,624	188	9,396
42	50	0.0650	0.0000	0.0650	2,437	158	7,919
43	50	0.0604	0.0000	0.0604	2,278	138	6,880
44	50	0.0558	0.0000	0.0558	2,141	119	5,972
45	50	0.0512	0.0000	0.0512	2,021	103	5,174
46	50	0.0466	0.0000	0.0466	1,918	89	4,468
47	50	0.0420	0.0000	0.0420	1,828	77	3,839
48	50	0.0390	0.0000	0.0390	1,751	68	3,415
49	50	0.0360	0.0000	0.0360	1,683	61	3,030
50	50	0.0000	0.0200	0.0200	1,623	32	1,623
51	51	0.0000	0.0200	0.0200	1,590	32	1,622
52	52	0.0000	0.0200	0.0200	1,558	31	1,621
53	53	0.0000	0.0200	0.0200	1,527	31	1,619
54	54	0.0000	0.0200	0.0200	1,497	30	1,616
55	55	0.0000	0.0200	0.0200	1,467	29	1,613
56	56	0.0000	0.0200	0.0200	1,437	29	1,610
57	57	0.0000	0.0200	0.0200	1,409	28	1,606
58	58	0.0000	0.0200	0.0200	1,380	28	1,601
59	59	0.0000	0.0200	0.0200	1,353	27	1,596
60	60	0.0000	0.4000	0.4000	1,326	530	31,818
61	61	0.0000	0.0500	0.0500	795	40	2,426
62	62	0.0000	0.4000	0.4000	756	302	18,741
63	63	0.0000	0.0500	0.0500	453	23	1,428
64	64	0.0000	0.0500	0.0500	431	22	1,378
65	65	0.0000	0.4000	0.4000	409	164	10,639
66	66	0.0000	0.0500	0.0500	246	12	810
67	67	0.0000	0.0500	0.0500	233	12	781

Schedule SB, Line 22 — Description of Weighted Average Retirement Age

Age	Age at retirement	Rates of withdrawal	Rates of retirement	Total rate	LX	Calculations # Ret or With	# Ret or With x age
68	68	0.0000	0.0500	0.0500	222	11	753
69	69	0.0000	0.0500	0.0500	211	11	726
70	70	0.0000	1.0000	1.0000	200	200	13,999
Total						10,000	518,499
Weighted average retirement age							52

Schedule SB, Part V — Summary of Plan Provisions

Benefits included or excluded

Unless noted below, all benefits provided by the plan, as restated and amended through July 1, 2009, are included in this valuation.

- **Most recent plan amendments included:** There have been no amendments since the restatement.
- **Plan amendments excluded:** None
- **IRC Section 436 benefit restrictions:**
  - *Unpredictable contingent event benefits:* None
  - *Plan amendments:* See above.
  - *Prohibited payments:* None
  - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- **Late retirement increases:**
  - *Active participants:* The plan provides benefit suspension notices to participants who work beyond normal retirement; therefore, late retirement actuarial increases only apply to participants who defer retirement beyond age 70½.
  - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.
- **IRC Section 415(b) benefit limitations:** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60 percent of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Schedule SB, Part V — Summary of Plan Provisions

Traditional Formula

Effective date	The plan was amended and restated in its entirety effective July 1, 2009. The most recent amendment was signed on August 26, 2011. See the significant events below for details.
Plan year	Calendar year.
Status of the plan	The plan service accrual and benefit accrual is stopped as of July 1, 2009 due to the plan change from the traditional formula described below to a cash balance benefit described in the next section (see "Summary of major plan provisions – cash balance formula"). New employees are eligible to participate in the plan once they satisfy the participation requirements.
Significant events that occurred during the year	The land-based drilling group was sold during the year and the plan was amended to vest all non-vested participants whose employment was terminated as a result of the sale.
Definitions	
▪ Employers participating	The employers participating in the plan include: Rowan Companies, Inc. Rowan Drilling Company, Inc. Rowan International, Inc. RDC Marine, Inc. Rowandrill, Inc. Atlantic Maritime Services, Inc. Terminator, Inc. Rowan Petroleum, Inc.
▪ Eligibility	All employees who have been credited with at least 1,000 Hours of Service during the twelve calendar months following date of employment.
▪ Benefit service	A year of Benefit Service is credited for each year an employee works 2000 or more hours. Pro-rata credit is given for years an employee works less than 2000 hours.

Schedule SB, Part V — Summary of Plan Provisions

▪ Vesting service	A year of Vesting Service is credited for each year an employee works 1000 hours or more. Both Benefit and Vesting Service prior to the Effective Date are determined under the terms of the Plan in effect prior to the Effective Date. Benefit and Vesting Service Commencement may also be affected by the Employer's adoption agreement.
▪ Considered compensation	Total compensation, excluding discretionary bonuses. In no event shall considered compensation exceed the §401(a)(17) limit.
▪ Pension compensation base	Average of the annual considered compensation of the five consecutive calendar years of the last ten completed calendar years of service which yields the highest average.
Normal and late retirement	
▪ Eligibility	Age 60 with 3 years of vesting service.
▪ Benefit	A monthly amount payable for life with 60 payments certain equal to 1/12 of 1.75% of the Pension Compensation Base (disregarding any compensation by the employee after June 30, 2009) multiplied by the number of years of Benefit Service (disregarding any service completed after June 30, 2009).
Early retirement	
▪ Eligibility	Age 40 with 3 years of vesting service.
▪ Benefit	A monthly amount, deferred to age 60, calculated as for Normal Retirement considering compensation and service to the earlier of June 30, 2009 and the date of retirement. At the request of the employee, a reduced benefit may be paid at actual retirement, the reduction being 5% for each of the first 10 years of which payment precedes age 60 and actuarially reduced thereafter.
Disability retirement	
▪ Eligibility	Totally and permanently disabled at any time.
▪ Benefit	A monthly amount deferred to age 60, calculated as for Normal Retirement considering compensation and service to the earlier of June 30, 2009 and the date of the inception of his date of disability. If the total and permanent disability ceases prior to age 60, a reduced benefit may be paid starting at age 40. The reduction is the same as for Early Retirement.

Schedule SB, Part V — Summary of Plan Provisions

Vested termination	
▪ Eligibility	3 years of vesting service.
▪ Benefit	A monthly amount deferred to age 60, calculated as for Normal Retirement considering compensation and service to the earlier of June 30, 2009 and the date of termination. At the employee's request, a reduced benefit may be paid starting at age 40. The reduction is the same as for early retirement.
Minimum severance benefit	Sum of an employee's total contributions prior to January 1, 1966, plus contributions made by the Company in the employee's name through January 1, 1976 plus interest at 2 1/2% through January 1, 1972, 4% through 1975, and at the rate required by IRS regulations thereafter.
Death benefit	
▪ Eligibility	Death after 3 years of vesting service.
▪ Benefit	The surviving spouse shall receive half of a 50% Joint & Survivor annuity payable monthly and calculated as for Normal Retirement considering compensation and service to the earlier of June 30, 2009 and the date of death. If the date of death is prior to age 60, a reduced benefit may be paid. The reduction is the same as for Early Retirement. If the participant has no surviving spouse, a monthly annuity shall be paid to his beneficiary for 60 months calculated as for Normal Retirement considering compensation and service to the earlier of June 30, 2009 and the date of death. If the date of death is prior to age 60, a reduced benefit may be paid. The reduction is the same as for Early Retirement.
Form of benefits	
▪ Automatic form for unmarried participants	Life annuity with five years certain.
▪ Automatic form for married participants	Qualified Joint and 50% Survivor Annuity. Under this option, a reduced amount, actuarially equivalent to the single participant form of payment, is paid to the married participant for his lifetime. Upon his death, his surviving spouse receives monthly payments equal to 50% of the original amount for life.
▪ Optional forms	• Benefits payable for the life of the participant. • Benefits payable for life with 25%, 75%, or 100% of the

Schedule SB, Part V — Summary of Plan Provisions

	benefit continuing to the join annuitant following the death of the participant. • Benefits payable for the life of the participant with 5, 10 or 15 years certain. • Level income option: benefits are adjusted to enable the participant to receive from the Plan and the Social Security Act a level amount for life.
▪ Actuarial equivalence	Level income option and lump sum option: The mortality table prescribed in Section 430(h)(3) and in effect at the time of payment with segment rates pursuant to Section 417(3)(c) with a 2 month look-back. All other forms of payment: The UP-1984 Mortality Table set forward one year using an 8.50% interest rate.
▪ Cost-of-living adjustment	On January 1 of each year, all pensions being paid will be adjusted to reflect the change in the Consumer Price Index. The adjustment for any year will be limited to 2% per annum and will not be effective until the recipient reaches age 50.
▪ Expenses	Paid by the trust if not by the employer.
Miscellaneous	
▪ Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2011, the limit is $245,000.
▪ Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2011, the limit is $195,000.

Changes in plan provisions

Maximum compensation and maximum benefits were updated from 2010 to 2011.

Schedule SB, Part V — Summary of Plan Provisions

Cash balance formula

Effective date	The plan was amended and restated in its entirety effective July 1, 2009.
Plan year	Calendar year.
Status of the plan	The plan has ongoing benefit accruals and new employees are eligible to participate in the plan once they satisfy the participation requirements.
Significant events that occurred during the year	The land-based drilling group was sold during the year and the plan was amended to vest all non-vested participants whose employment was terminated as a result of the sale.
Definitions	
▪ Eligibility	All employees who have been credited with at least 1,000 hours of service during the twelve calendar months following date of employment provided any participant in The Rowan Pension Plan as of June 30, 2009 shall become a participant on the effective date.
▪ Compensation	W-2 compensation, excluding stock options or other fringe benefits. In no event shall compensation exceed the §401(a)(17) limit.
▪ Vesting service	Same as traditional plan.
▪ Transition participants	Participants of The Rowan Pension Plan on June 30, 2009 who were accruing benefits under the traditional formula.
▪ Pay credits	5% compensation plus transition pay credits for Transition participants based on the following schedule:

Points	Percentage
Under 50	0%
50 – 59	3%
60 – 69	6%
70 – 79	9%
80 or more	12%

One point is credited for each year of a Transition participant's attained age at June 30, 2009, plus one point is credited for each full year of a Transition participant's Vesting Service at June 30, 2009.

Pay credits are added to the Cash Balance Account annually.

Schedule SB, Part V — Summary of Plan Provisions

▪ Interest credit	Interest credit Interest on the Cash Balance Account as of the end of each prior calendar quarter is added to the Cash Balance Account each calendar quarter. The rate credited is based on the 10-year U.S. Treasury notes in November of the preceding plan year.
The following is a summary of the major plan provisions used to determine the plan's financial position for the cash balance formula. It should not be used in determining plan benefits.	
▪ Cash balance account	The sum of pay credits and interest credits credited to date of determination.
▪ Participant contributions	None allowed.
▪ Actuarial equivalence	All forms payment: The mortality table prescribed in Section 430(h)(3) and in effect at the time of payment with segment rates pursuant to Section 417(3)(c) with a 2 month look-back.
▪ Cost of living supplements	None
Normal retirement benefits	
▪ Eligibility	Age 60 with 3 years of Vesting Service.
▪ Benefit	Lump sum equal to Cash Balance Account at time of payment or monthly amount actuarially equivalent to such balance.
Severance benefit	
▪ Eligibility	3 years of Vesting Service
▪ Benefit	Same as retirement at Normal Retirement Date, based on Cash Balance Account at commencement date.
Death with survivor benefit	The beneficiary of a deceased member of the plan may choose to receive the member's entire Cash Balance Account as a lump sum or as a monthly single life annuity.
Forms of benefit	
▪ Automatic form for unmarried participants	Life annuity
▪ Automatic form for married participants	50% Joint and Survivor Annuity
▪ Optional forms	Optional forms of payment are lump sum, single life annuity and joint and survivor (50% and 75%).

Schedule SB, Part V — Summary of Plan Provisions

Miscellaneous	
▪ Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2011, the limit is $245,000.
▪ Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2011, the limit is $195,000.

Changes in plan provisions

- Maximum compensation and maximum benefits were updated from 2010 to 2011.

Schedule SB, Line 32 — Schedule of Amortization Bases

The shortfall amortization charge is the sum of the shortfall base amortization for each plan year covered under PPA. Although a shortfall base can be negative, the combined shortfall amortization charge cannot be negative.

Shortfall bases

Year established		Outstanding balance	Years remaining		Installment
2008	$	49,813,113	4	$	13,154,686
2009		(3,795,025)	5		(816,345)
2010		18,290,142	6		3,396,353
2011		26,552,598	7		4,368,677
Total	$	90,860,828		$	20,103,371

Schedule SB, Line 24 — Change in Actuarial Assumptions

- Expense normal cost decreased from $1,685,053 to $969,034 to reflect our expectations for the current plan year.
- Interest discounts and mortality rates were updated from 2010 to 2011 in accordance with PPA.