

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [See Attachment](#)

18 Can any resulting loss be recognized? ▶ [See Attachment](#)

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See Attachment](#)

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶  Date ▶ _____

Print your name ▶ **JONATHAN H. BAKSHT** Title ▶ **EXECUTIVE VICE PRESIDENT AND CFO**

Paid Preparer Use Only	Print/Type preparer's name ANNIE HUNG	Preparer's signature 	Date 6/10/2021	Check <input type="checkbox"/> if self-employed	PTIN P00407323
	Firm's name ▶ DELOITTE TAX, LLP			Firm's EIN ▶ 86-1065772	
	Firm's address ▶ 1111 BAGBY, STE 4500, HOUSTON, TX, 77002			Phone no. 713-982-2000	

Valaris plc (by Valaris Limited)
EIN: 98-0635229 (98-1589854)
Attachment to Form 8937

The information contained in Form 8937 and this attachment does not constitute tax advice and does not purport to take into account any shareholder's or note holder's specific circumstances (including holders that may be subject to special tax rules or that held the relevant claims or equity interests as other than a capital asset). Shareholders and note holders are urged to consult their own tax advisors regarding U.S. tax consequences of the transaction described herein and the impact to tax basis resulting from the transaction.

Form 8937, Line 8

Emergence Transaction: April 30, 2021.

Form 8937, Line 9-13

Classification and Description (Line 9)	CUSIP Number (Line 10)	Ticker Symbol (Line 12)
Common Stock	29358Q109	"ESV"
ENSCO 6.875% Senior Notes due 8/15/2020	74153QAH5	
ENSCO 4.700% Senior Notes due 3/15/2021	91889DAA4	
Rowan 4.875% Senior Notes due 6/1/2022	G9420RAA4	
Rowan 4.750% Senior Notes due 1/15/2024	G9420RAB2	
ENSCO 3.000% Exchangeable Senior Notes due 1/31/2024	29359WAB1	
ENSCO 8.000% Senior Notes due 1/31/2024	91889DAC0	
ENSCO 4.500% Senior Notes due 10/1/2024	91889DAB2	
ENSCO 5.200% Senior Notes due 3/15/2025	91889DAD8	

Rowan 7.375% Senior Notes due 6/15/2025	G9420RAC0	
ENSCO 7.750% Senior Notes Due 2/1/2026	91889DAE6	
ENSCO 7.200% Debentures due 11/15/2027	26874QAB6	
ENSCO 7.875% Senior Notes due 8/15/2040	74153QAJ1	
Rowan 5.400% Senior Notes due 12/1/2042	G9420RAD8	
Rowan 5.850% Senior Notes due 1/15/2044	G9420RAE6	
ENSCO 5.750% Senior Notes due 10/1/2044	91889DAF3	

Form 8937, Line 14

On August 19, 2020, Valaris plc (“Valaris”) and its affiliates (the “Debtors”) filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (“Bankruptcy Court”). On March 3, 2021, the Bankruptcy Court approved and confirmed the Debtors’ Fourth Amended Joint Chapter 11 Plan, as amended and supplemented (the “Plan”). The Plan became effective on April 30, 2021 (the “Effective Date”), and the Debtors emerged from their Chapter 11 cases.¹

Prior to the Effective Date, a special purpose Bermuda trust formed a new company under Bermuda law (“Holdco”), Holdco formed a new Bermuda company as a direct subsidiary of Holdco (“Intermediate Holdco”), and Intermediate Holdco formed a new Bermuda company as a direct subsidiary of Intermediate Holdco (“Newco”) (collectively, the “Newco Structure”).

On the Effective Date, Holdco issued common shares to Intermediate Holdco (the “Holdco Shares”). On the Effective Date, immediately following the prior step, Intermediate Holdco transferred the Holdco Shares to Newco.

On the Effective Date, immediately following the transfer by Valaris plc of substantially all of its assets to ENSCO Global Limited, an entity not regarded for U.S. federal income tax purposes as separate from its sole regarded owner under Treas. Reg. § 301.7701-3,

¹ Unless specified otherwise, capitalized terms used and not defined in this attachment have the meanings ascribed to them in the Plan.

Valaris plc transferred 100% of its equity in ENSCO Global Limited to Newco in exchange for the receipt by Valaris plc of the Holdco Shares.

On the Effective Date, immediately following the prior step, Valaris plc, pursuant to and in accordance with the Plan, transferred certain Holdco Shares (the “Debt Cancellation Holdco Shares”) to holders of certain claims against the Debtors (the “Holders of Claims”) in satisfaction of their claims as described in relevant part as follows²:

- Holders of Allowed Credit Facility Claims received their pro rata share of the Debt Cancellation Holdco Shares.
- Holders of Allowed Senior Notes Claims received their pro rata share of the Debt Cancellation Holdco Shares as well as subscription rights (the “Subscription Rights”) to subscribe for the New Secured Notes (the “Rights Offering”).

In addition, on the Effective Date, following the prior steps, Holdco transferred (i) shares of New Valaris Equity to each holder of Subscription Rights that participated in the Rights Offering, including certain parties that provided certain commitments to subscribe for the New Secured Notes (the “Backstop Parties”) in exchange for cash (altogether, the “Rights Offering Participants”), and (ii) New Warrants to the existing Valaris plc shareholders.

The Valaris plc shareholders’ (the “Valaris Equity Holders”) existing interest in Valaris plc was cancelled and Valaris plc will dissolve out of administration in accordance with the laws of England and Wales.

Form 9937, Line 15

Holders of Allowed Credit Facility Claims

Valaris plc expects that the distribution by Valaris plc of the Debt Cancellation Holdco Shares in satisfaction of each Allowed Credit Facility Claim will be treated as a taxable disposition pursuant to section 1001 of the Internal Revenue Code of 1986, as amended (the “Code”). A holder of an Allowed Credit Facility Claim should take an aggregate tax basis in its *pro rata* share of the Debt Cancellation Holdco Shares received equal to the fair market value of such shares. *See* line 16.

Holders of Allowed Senior Notes Claims

Valaris plc expects that the distribution by Valaris plc of the Debt Cancellation Holdco Shares in satisfaction of each Allowed Senior Notes Claim will be treated as a taxable disposition pursuant to section 1001 of the Code. A holder of an Allowed Senior Notes Claim should take an aggregate tax basis in its pro rata share of the Debt Cancellation

² We note that as a legal matter, Valaris plc transferred the Debt Cancellation Holdco Shares in exchange for the release of Valaris plc from its principal and guarantee liabilities under the Senior Notes and the Credit Facility (the “Released Liabilities”) by each relevant Holder of a Senior Notes Claim and each relevant Holder of a Credit Facility Claim, with the release of any liabilities on account of the Senior Notes and the Credit Facility (other than the Released Liabilities) occurring immediately following the release of the Released Liabilities for no additional consideration.

Holdco Shares and Subscription Rights received equal to the fair market value of such shares and Subscription Rights.³ See line 16.

Valaris Equity Holders

Valaris plc expects that the cancellation of the Valaris Equity Holders' existing interest in Valaris plc and the receipt of New Warrants by such Valaris Equity Holders will be treated as a taxable transaction. Valaris Equity Holders should take an aggregate tax basis in its pro rata share of New Warrants received equal to the fair market value of such New Warrants.

Rights Offering Participants and Backstop Parties

Pursuant to the Plan, Rights Offering Participants and Backstop Parties that subscribed for the New Secured Notes for cash should take a tax basis in such New Secured Notes acquired equal to the sum of the amount of cash paid for such New Secured Notes and their tax basis in their Subscription Rights (if applicable). See line 16.

Form 8937, Line 16

A holder of an Allowed Credit Facility Claim and/or an Allowed Senior Notes Claim should take an aggregate tax basis in its *pro rata* share of New Valaris Equity received equal to its fair market value. Valaris Equity Holders should take an aggregate tax basis in its *pro rata* share of New Warrants received equal to its fair market value.

U.S. federal income tax laws do not define fair market value. Holders of New Valaris Equity and New Warrants should consult their own tax advisors as to the proper calculation of fair market value for U.S. federal income tax purposes.

Form 8937, Line 17

Sections 1001 and 1012.

Form 8937, Line 18

Loss generally may be allowed to the extent that the Holders of Claims' adjusted basis in their claims exceeds the fair market value of the total consideration received pursuant to the Plan. Loss generally may be allowed to the extent that the Valaris Equity Holders adjusted basis in their shares of Valaris plc exceeds the fair market value of the total consideration received pursuant to the Plan.

Form 8937, Line 19

The Emergence Transaction occurred on April 30, 2021. The reportable tax year is 2021 for calendar year taxpayers.

³ Holders of an Allowed Senior Notes Claim who did not exercise the Subscription Rights should consult their own tax advisors as to the U.S. federal income consequences from the lapse of such Subscription Rights.