



Barclays CEO Energy- Power Conference

September 2019

Forward-Looking Statements

Statements contained in this investor presentation that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements include words or phrases such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “plan,” “project,” “could,” “may,” “might,” “should,” “will” and similar words and specifically include statements involving expected financial performance, effective tax rate, expected expense savings, day rates and backlog, estimated rig availability; rig commitments and contracts; contract duration, status, terms and other contract commitments; estimated capital expenditures; letters of intent or letters of award; scheduled delivery dates for rigs; the timing of delivery, mobilization, contract commencement, relocation or other movement of rigs; our intent to sell or scrap rigs; and general market, business and industry conditions, trends and outlook. In addition, statements included in this investor presentation regarding the anticipated benefits, opportunities, synergies and effects of the merger between Ensco and Rowan are forward-looking statements. Such statements are subject to numerous risks, uncertainties and assumptions that may cause actual results to vary materially from those indicated, including actions by rating agencies or other third parties; actions by our security holders; costs and difficulties related to the integration of Ensco and Rowan and the related impact on our financial results and performance; our ability to repay debt and the timing thereof; availability and terms of any financing; commodity price fluctuations, customer demand, new rig supply, downtime and other risks associated with offshore rig operations, relocations, severe weather or hurricanes; changes in worldwide rig supply and demand, competition and technology; future levels of offshore drilling activity; governmental action, civil unrest and political and economic uncertainties; terrorism, piracy and military action; risks inherent to shipyard rig construction, repair, maintenance or enhancement; possible cancellation, suspension or termination of drilling contracts as a result of mechanical difficulties, performance, customer finances, the decline or the perceived risk of a further decline in oil and/or natural gas prices, or other reasons, including terminations for convenience (without cause); the cancellation of letters of intent or letters of award or any failure to execute definitive contracts following announcements of letters of intent, letters of award or other expected work commitments; the outcome of litigation, legal proceedings, investigations or other claims or contract disputes; governmental regulatory, legislative and permitting requirements affecting drilling operations; our ability to attract and retain skilled personnel on commercially reasonable terms; environmental or other liabilities, risks or losses; debt restrictions that may limit our liquidity and flexibility; tax matters including our effective tax rate; and cybersecurity risks and threats. In addition to the numerous factors described above, you should also carefully read and consider “Item 1A. Risk Factors” in Part I and “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part II of our most recent annual report on Form 10-K, as updated in our subsequent quarterly reports on Form 10-Q, which are available on the SEC’s website at www.sec.gov or on the Investors section of our website at www.valaris.com. Each forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to publicly update or revise any forward-looking statements, except as required by law.

Outline

1. Company Highlights
2. Market Dynamics
3. Valaris Fleet
4. ARO Drilling
5. Financial Management
6. Integration, Synergies & Operational Highlights

Valaris Overview (NYSE: VAL)

Fleet

- Largest and amongst the highest-quality offshore drilling fleets in the world
 - 🚢 16 drillships
 - 🚢 12 semisubmersibles
 - 🚢 54 jackups
- ~\$11 billion of gross asset value from rig fleet according to third party estimates
- ARO Drilling 50/50 joint venture with Saudi Aramco, the largest jackup customer worldwide

Financial



- \$2.7 billion of liquidity
 - \$0.4 billion of cash and short-term investments¹
 - \$2.3 billion unsecured revolving credit facility²
- \$2.4 billion of contracted revenue backlog³
- \$1.1 billion of debt maturities prior to 2024¹
 - Ability to add guaranteed and/or secured debt to capital structure

Operational



- Presence in nearly all major offshore markets and on six continents
- Large & diverse customer base including major, national and independent E&P companies
- Strong track record of safety, innovation and operational excellence

¹As of June 30, 2019 pro forma for debt tender offers completed in July that reduced cash and equivalents by \$741M

²Borrowing capacity under revolving credit facility is approximately \$2.3B through September 2019 and approximately \$1.6B from October 2019 through September 2022. As of August 1, 2019, the Company had drawn \$125M on its revolver to partially fund repayment of the 2019 senior note maturity. ³As of most recent 10-Q filing

Valaris is Focused on Four Key Priorities in 2019



Fleet Strategy & Contracting Assets



Driving Value at ARO Drilling



Proactive Financial Management



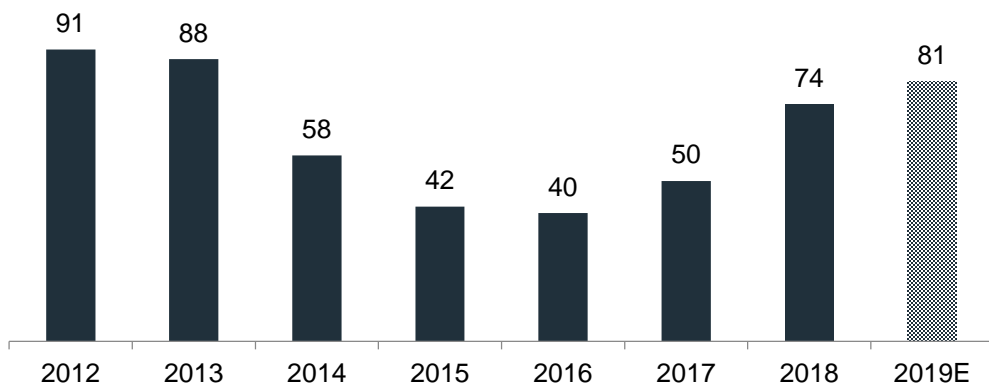
**Delivering on Integration & Synergy Capture
and Operational Excellence**

Market Dynamics

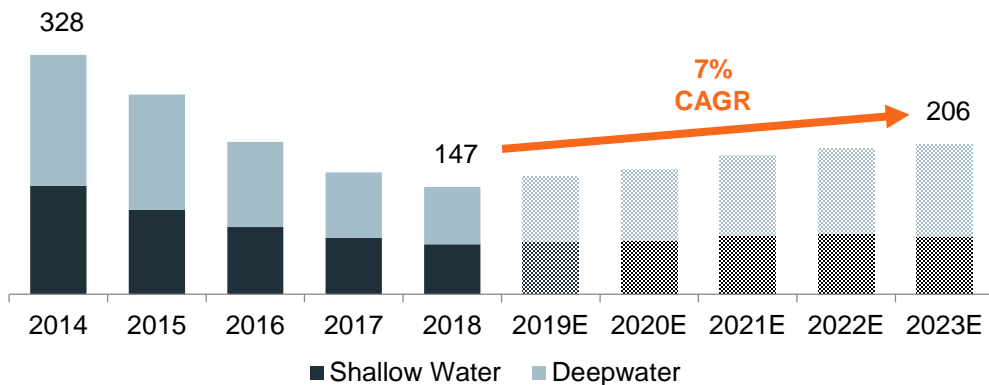


Offshore Project Approvals Expected to Lead to Higher Levels of Capital Expenditures

Number of New Major Offshore Project Approvals



E&P Offshore Capital Expenditures



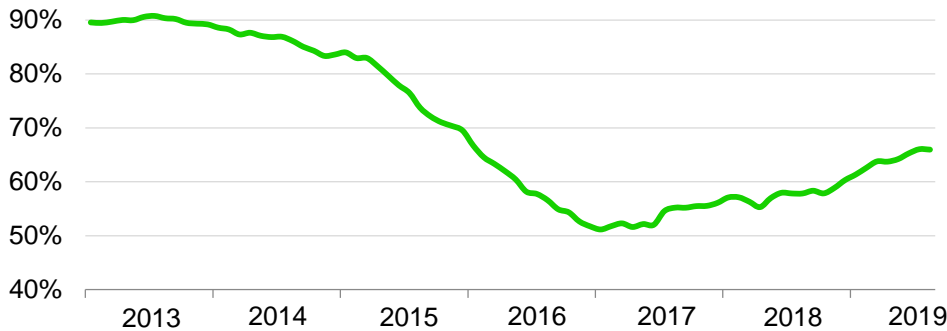
- With lower project costs relative to prior years and increasing cash flows from higher commodity prices, the number of final investment decision approvals for large offshore projects has increased recently

– Drilling rigs required between approval and first production, which averages ~4 years for deepwater projects and ~1.5 years for shallow-water projects, and for periodic maintenance over the life of an offshore well

- As a result, capital expenditures are expected to increase at a gradual rate over the next several years, with the majority of this growth coming from projects in deepwater

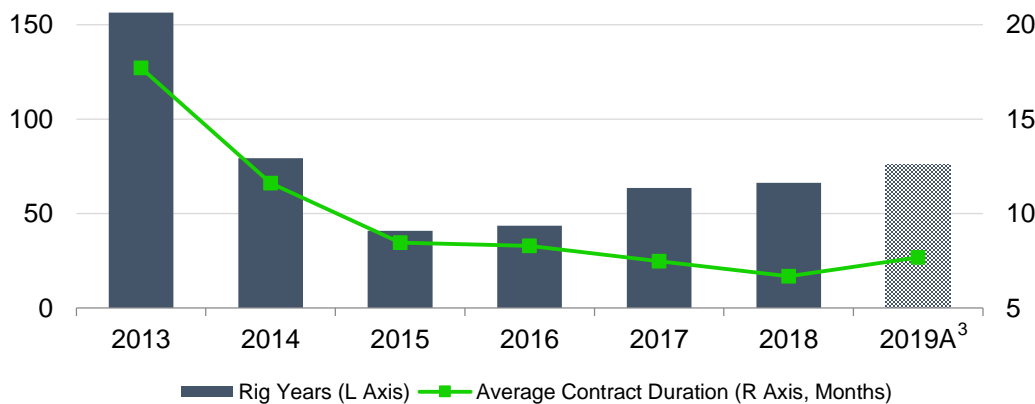
The Global Floater Market is Recovering

Total Utilization¹



- Utilization for the global floater fleet has gradually increased since early 2017 due to a higher number of rig years awarded for new contracts, leading to slight improvement in average spot day rates

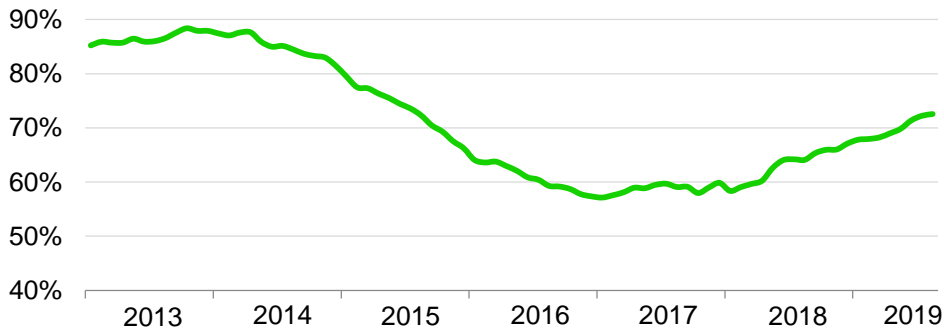
New Contracts²



- With contract durations remaining relatively flat during this time period, the increase in rig years is driven by an increasing number of new contracts

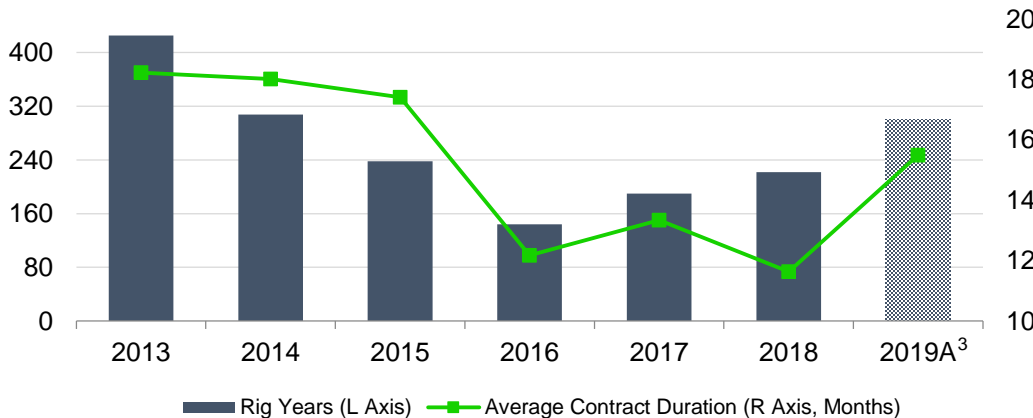
The Global Jackup Market is Recovering

Total Utilization¹



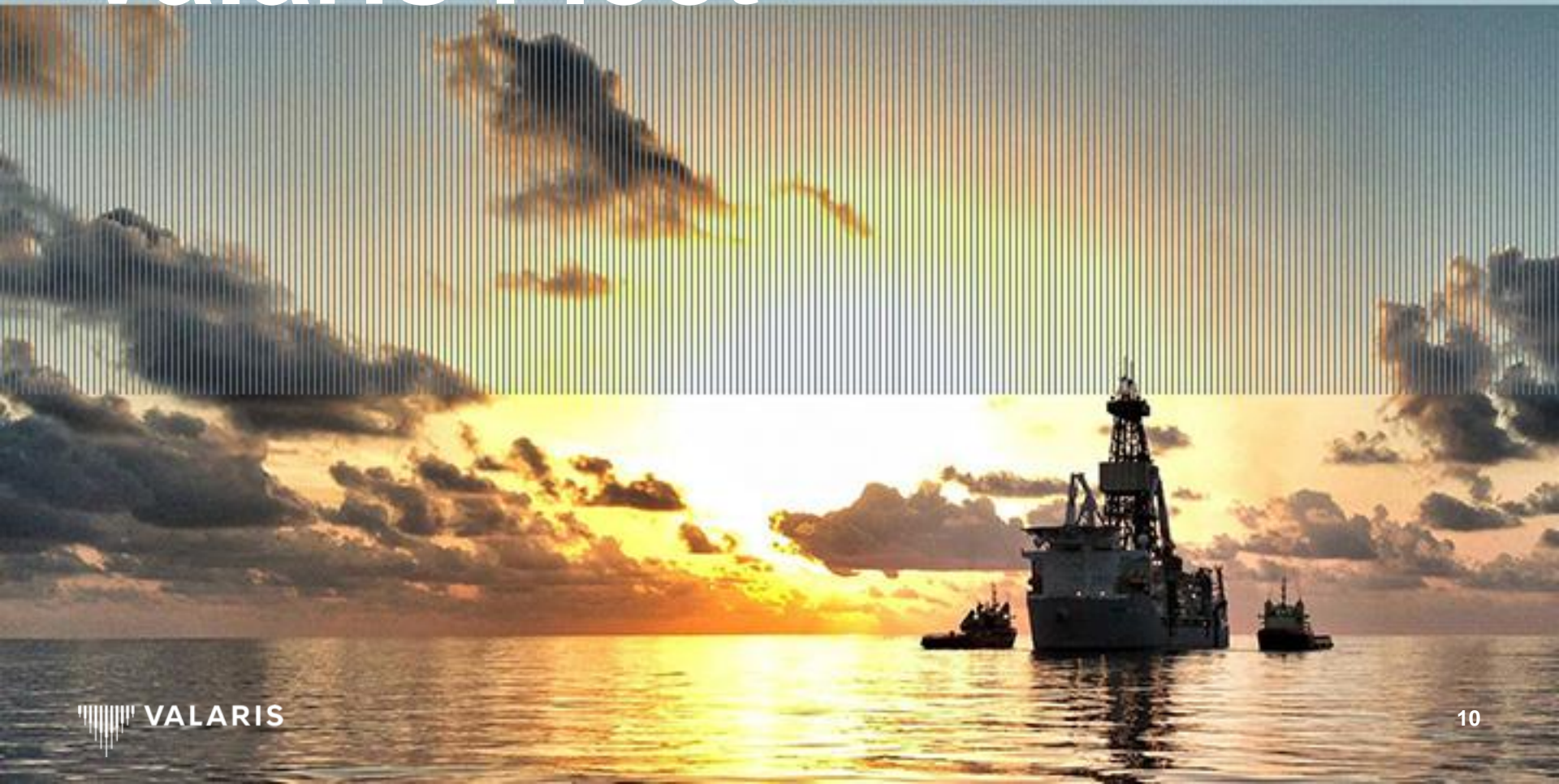
- Utilization for the global jackup fleet has also moved higher since early 2017, as a steady increase in rig years awarded for new contracts has led to a modest improvement in average spot day rates

New Contracts²



- In contrast to floaters, average contract durations for jackups have increased meaningfully in 2019, contributing to the increase in rig years awarded for new contracts

Valaris Fleet



Fleet Overview

Diverse Fleet Capable of Meeting a Broad Spectrum of Customers' Well Program Requirements

Drillships



16 Total

- Average age of 6 years
- 11 assets equipped with dual 2.5 million lbs. hookload derricks and two blowout preventers

Semisubmersibles



12 Total

- 9 modern assets with sixth generation drilling equipment
- 3 rigs capable of working in both moored and dynamically-positioned mode

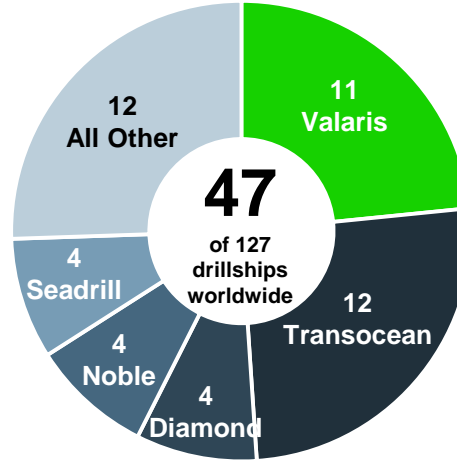
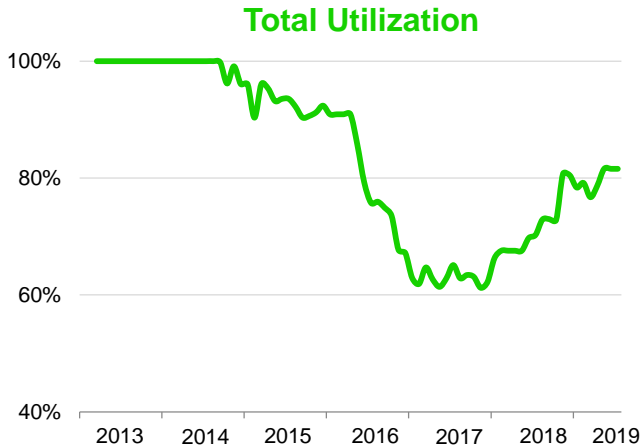
Jackups



54 Total

- 7 heavy duty ultra-harsh & 7 heavy duty harsh environment rigs
- 14 heavy duty & 11 standard duty modern benign environment rigs
- 15 standard duty legacy rigs

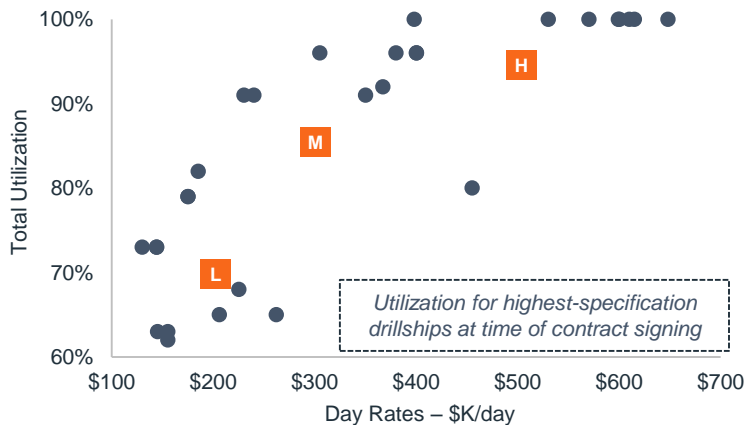
Highest-Specification Drillships¹



Valaris Asset Value² (\$B)



Day Rates for New Contracts (2013 – Current)



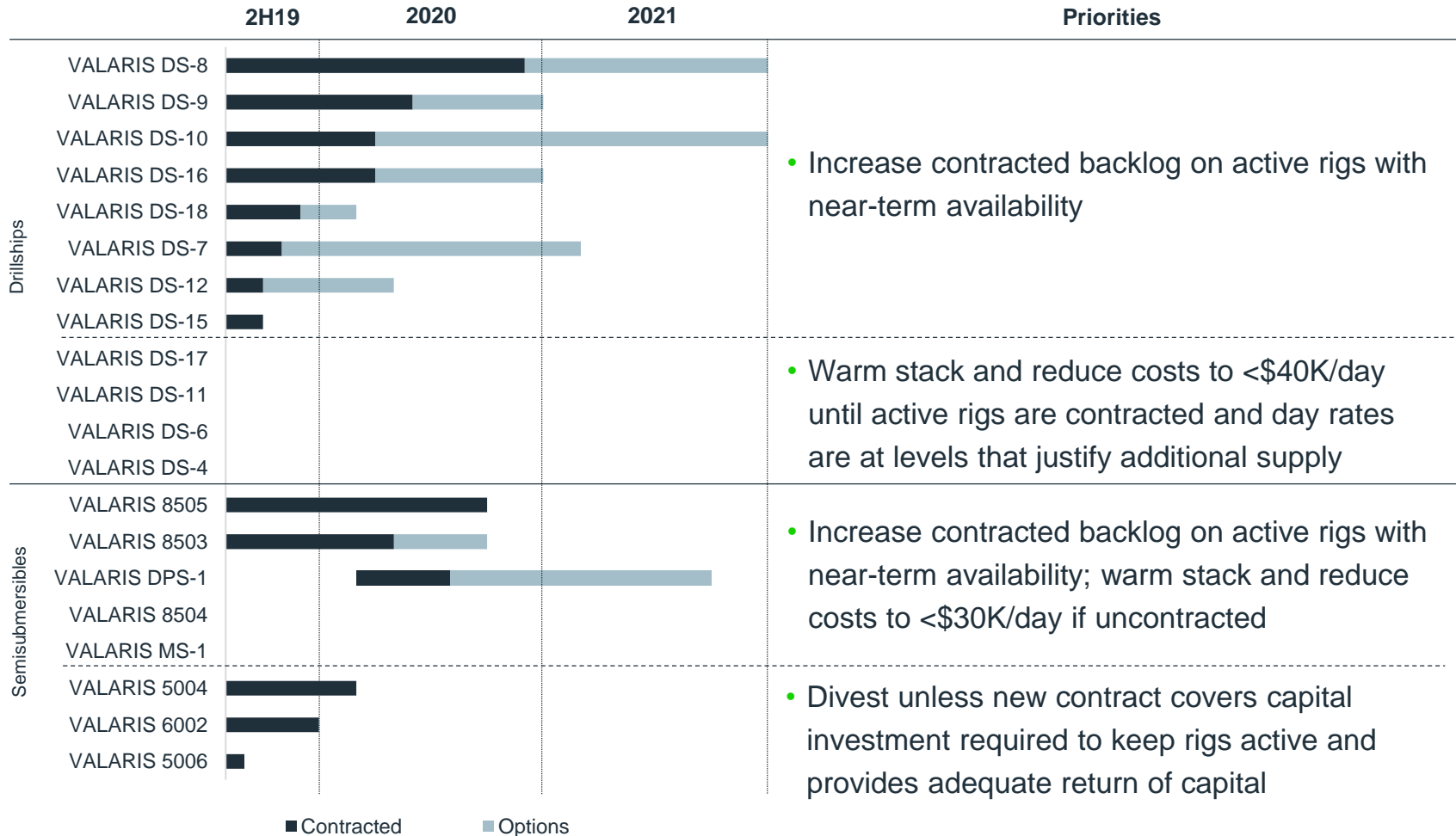
Illustrative Rig-Level EBITDA Scenarios³ (\$M)

		Day Rate		
		L \$200K	M \$300K	H \$500K
Utilization	L 70%	(40)	241	803
	M 85%	80	422	1,104
	H 95%	161	542	1,305



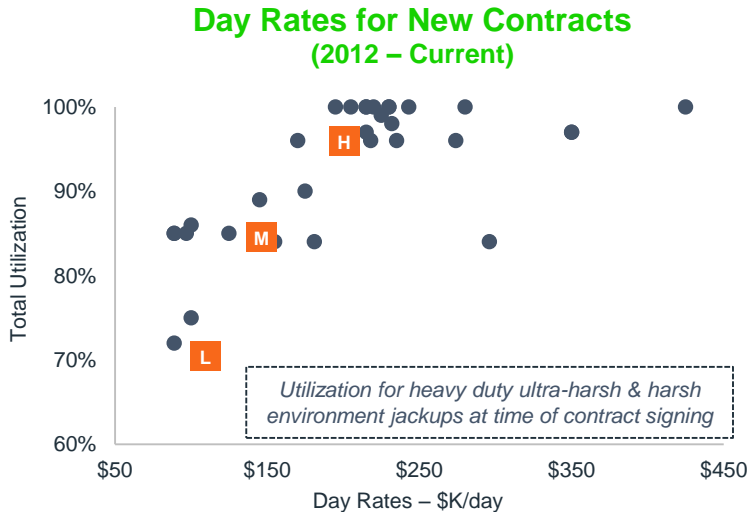
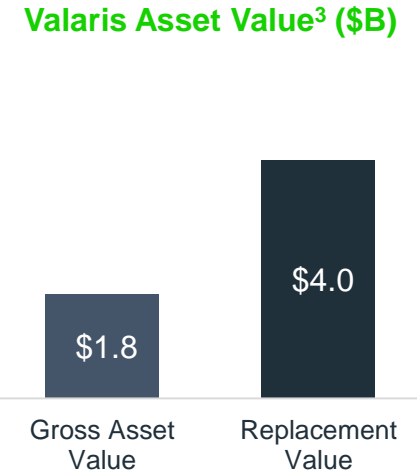
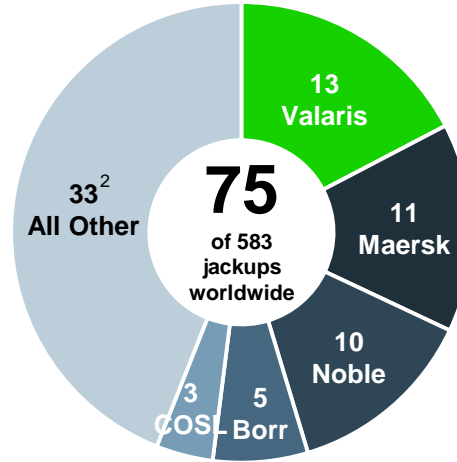
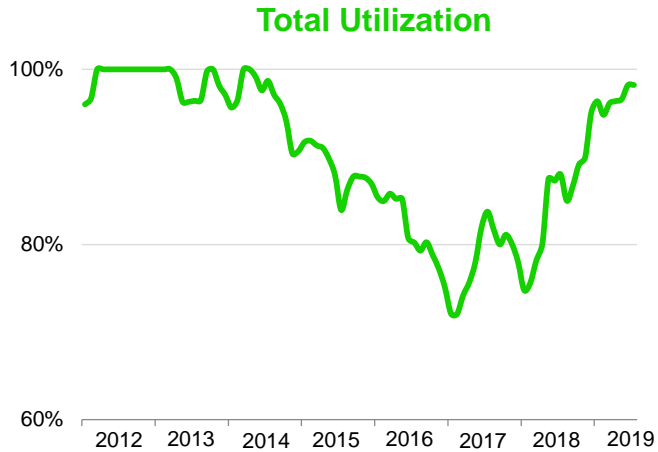
Source: IHS Markit RigPoint as of August 2019; Wells Fargo Securities as of August 2019
¹Drillships delivered in 2013 or later, equipped with dual BOP and 2.5mm lbs. hookload derricks. Includes 7 rigs that are under construction;
²Based on Wells Fargo Securities estimates; ³Assumes average operating expense of \$150K/day, unadjusted for changes in utilization

Contract Status & Priorities For Marketed Floaters¹



¹ Excludes 2 drillships that are under construction as well as 2 drillships and 4 semisubmersibles that are preservation stacked

Heavy Duty Ultra-Harsh & Harsh Environment Jackups¹



Illustrative Rig-Level EBITDA Scenarios⁴ (\$M)

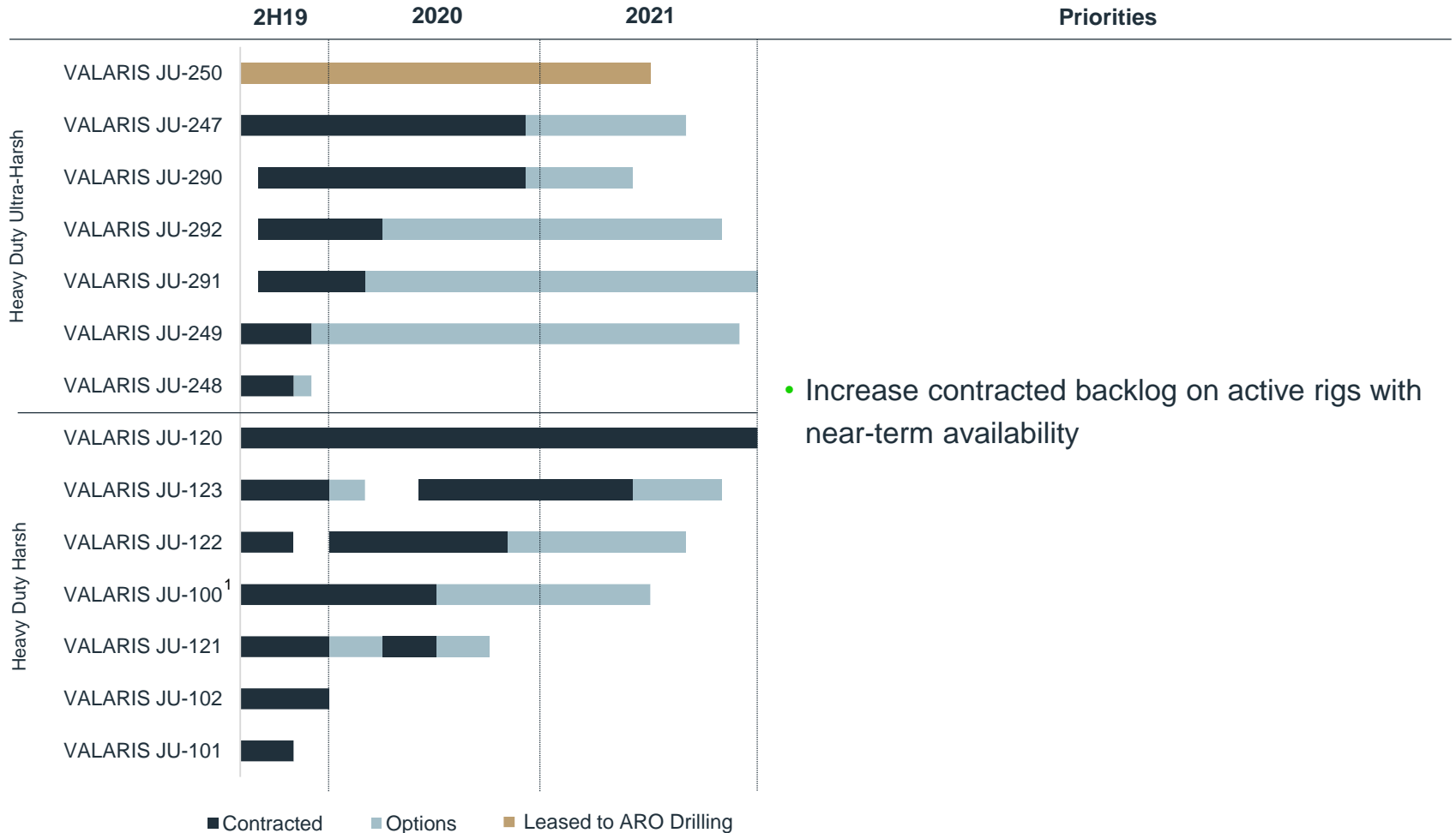
		Day Rate		
		L \$100K	M \$150K	H \$200K
Utilization	L 70%	-	166	332
	M 85%	71	273	475
	H 95%	119	344	569



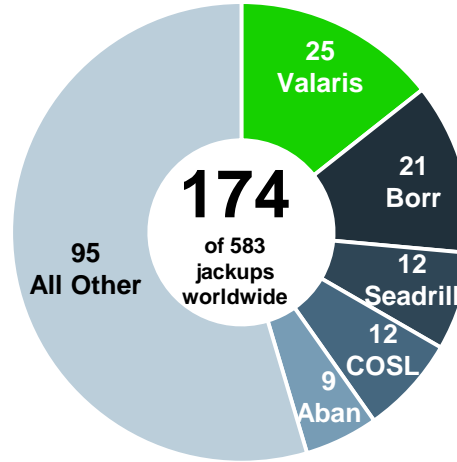
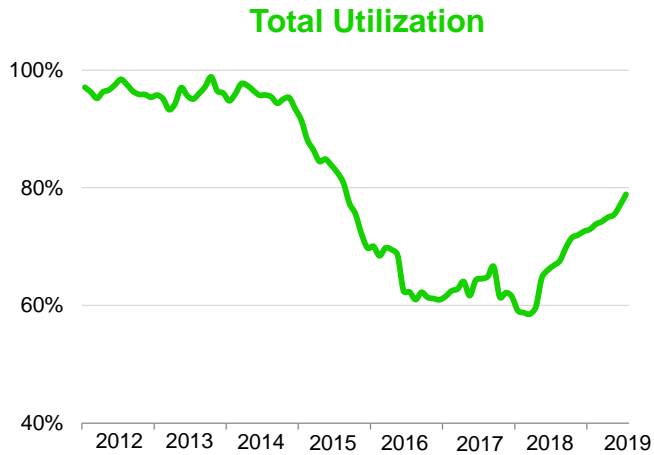
Source: IHS Markit RigPoint as of August 2019; Wells Fargo Securities as of August 2019

¹Includes jackups with the following rig designs: GustoMSC CJ70, Le Tourneau Super Gorilla Class and KFELS N Class, and other jackup designs classified as harsh environment and North Sea capable < 20 years of age; ²Includes 22 rigs that are under construction; ³Based on Wells Fargo Securities estimates; ⁴Assumes average operating expense of \$70K/day, unadjusted for changes in utilization

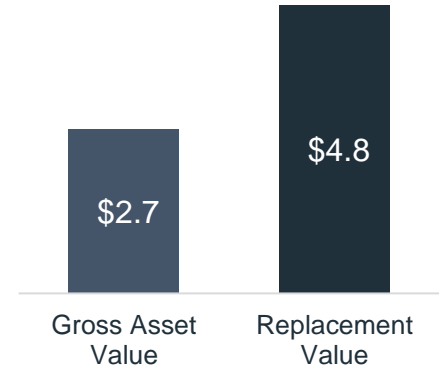
Contract Status & Priorities For Heavy Duty Ultra-Harsh & Harsh Environment Jackups



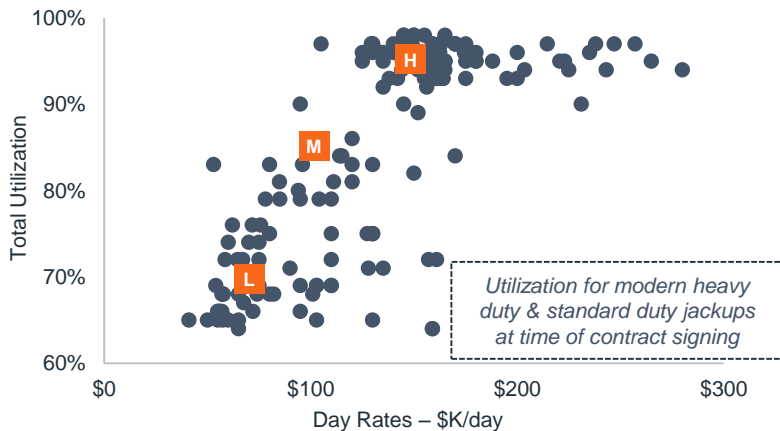
Modern Heavy Duty & Standard Duty Jackups¹



Valaris Asset Value² (\$B)



Day Rates for New Contracts (2012 – Current)



Illustrative Rig-Level EBITDA Scenarios³ (\$M)

		Day Rate		
		L \$75K	M \$100K	H \$150K
Utilization	L 70%	(23)	137	456
	M 85%	80	274	662
	H 95%	148	365	798

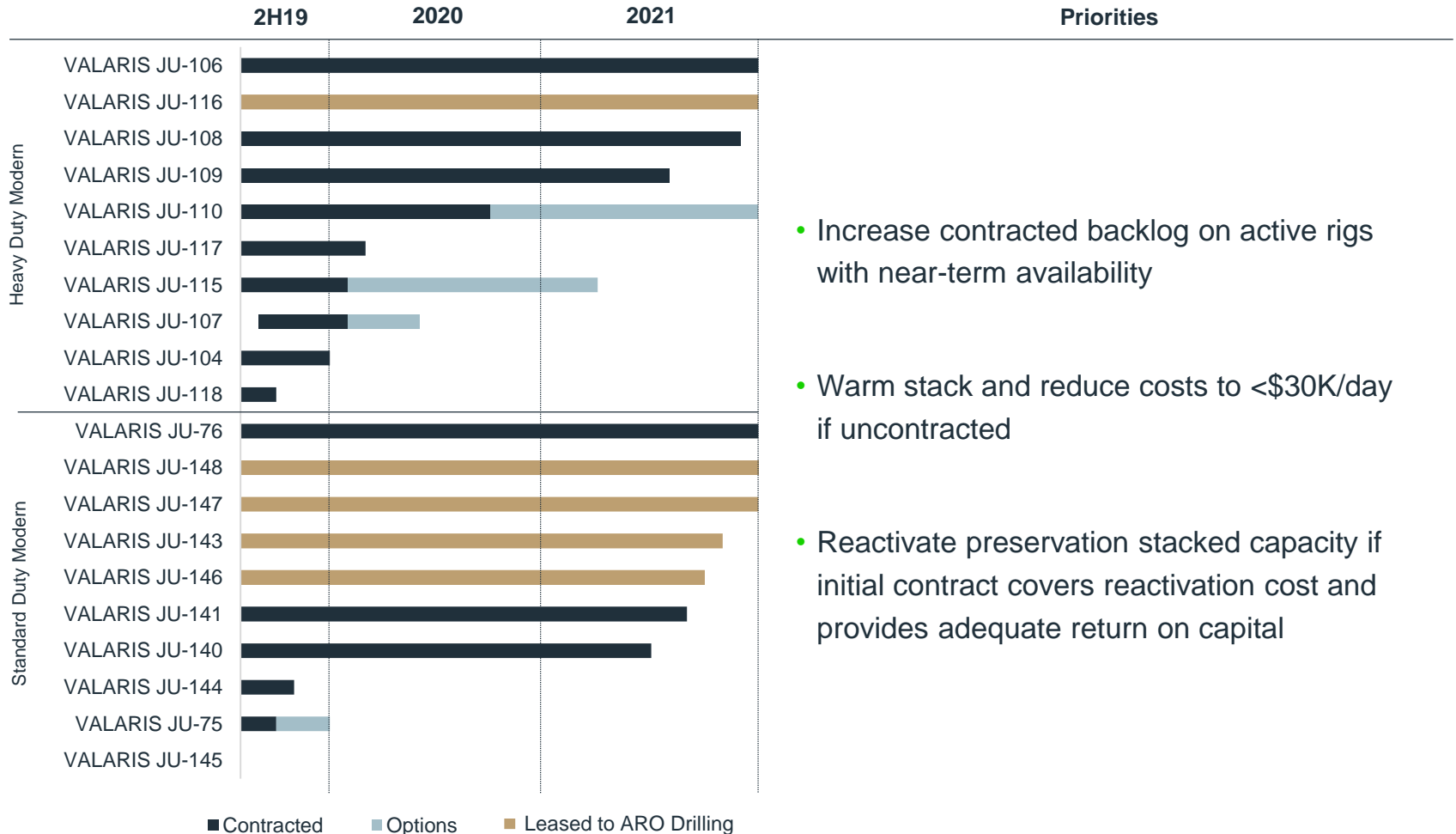


Source: IHS Markit RigPoint as of August 2019; Wells Fargo Securities as of August 2019

¹Benign environment jackups < 20 years of age with 1.5 million lbs. hookload derrick capacity, a minimum of three mud pumps and capable of operating in a minimum water depth of 340 ft. Includes 20 rigs that are under construction; ²Based on Wells Fargo Securities estimates;

³Assumes average operating expense of \$55K/day, unadjusted for changes in utilization

Contract Status & Priorities For Marketed Modern Heavy Duty & Standard Duty Jackups¹

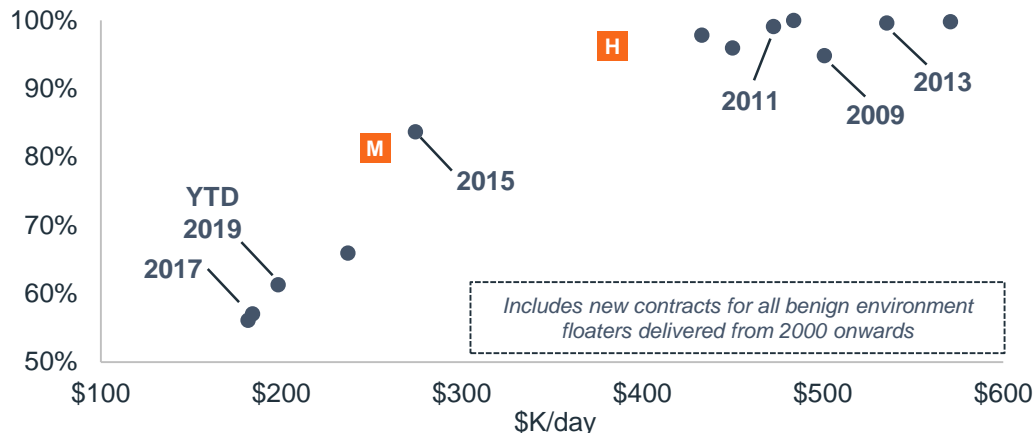


¹ Excludes 5 jackups that are preservation stacked or cold stacked

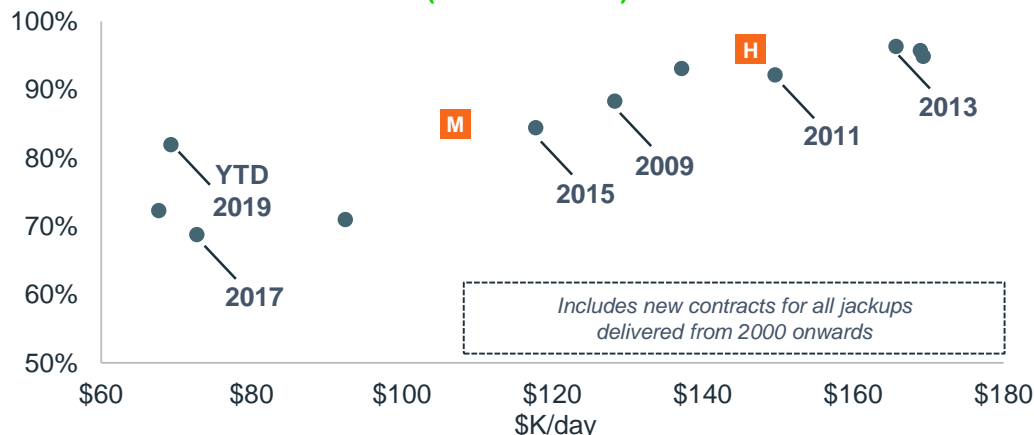
Valaris Value Proposition

Context for Illustrative EBITDA Scenarios

Floater Average Utilization and Day Rates By Year (2008 – Current)



Jackup Average Utilization and Day Rates By Year (2008 – Current)



- Average day rates for modern floaters and jackups bottomed during 2018 after reaching recent highs between 2012 and 2014
- Based on historical build costs, we expect that day rates would need to be higher than the average used in Scenario H to incentivize new rig orders
 - Since 2000, the average build costs for floaters was ~\$665 million, while jackups averaged ~\$200 million; an average day rate of ~\$490K for floaters and ~\$160K for jackups would be needed to meet a 15% unlevered internal rate of return¹

Source: IHS Markit RigPoint; Valaris analysis for comparable operating geographies

¹Discounted cash-flow analysis assumes 35-year useful life, average opex of \$150K/day, \$5 million of annual maintenance costs, \$10 million of survey costs every five years for floaters; and 30-year useful life, average opex of \$50K/day, \$2.5 million of annual maintenance costs, \$7 million of survey costs every five years for jackups; and 90% operational utilization. Analysis excludes debt service costs, shore-based support costs, taxes, and assumes no residual value at the end of the asset life.

Valaris Value Proposition

\$ Million

Fleet	Illustrative Rig-Level Annual EBITDA Scenarios ¹		Asset Values ²	
	M	H	Gross	Replacement
Highest Specification Drillships ³ (11)	\$422	\$1,305	\$3,300	\$5,304
Heavy Duty Ultra-Harsh & HE Jackups ³ (13)	273	569	1,755	4,002
Modern Heavy & Standard Duty Jackups ³ (25)	274	798	2,719	4,768
ARO Drilling Jackups ⁴ (7)	51	94	455	575
Other Drillships ⁵ (5)	153	376	1,298	2,570
Semisubmersibles ⁶ (12)	263	559	868	4,902
Other Jackups ⁷ (16)	159	292	297	2,304
Total	\$1,595	\$3,993	\$10,692	\$24,425

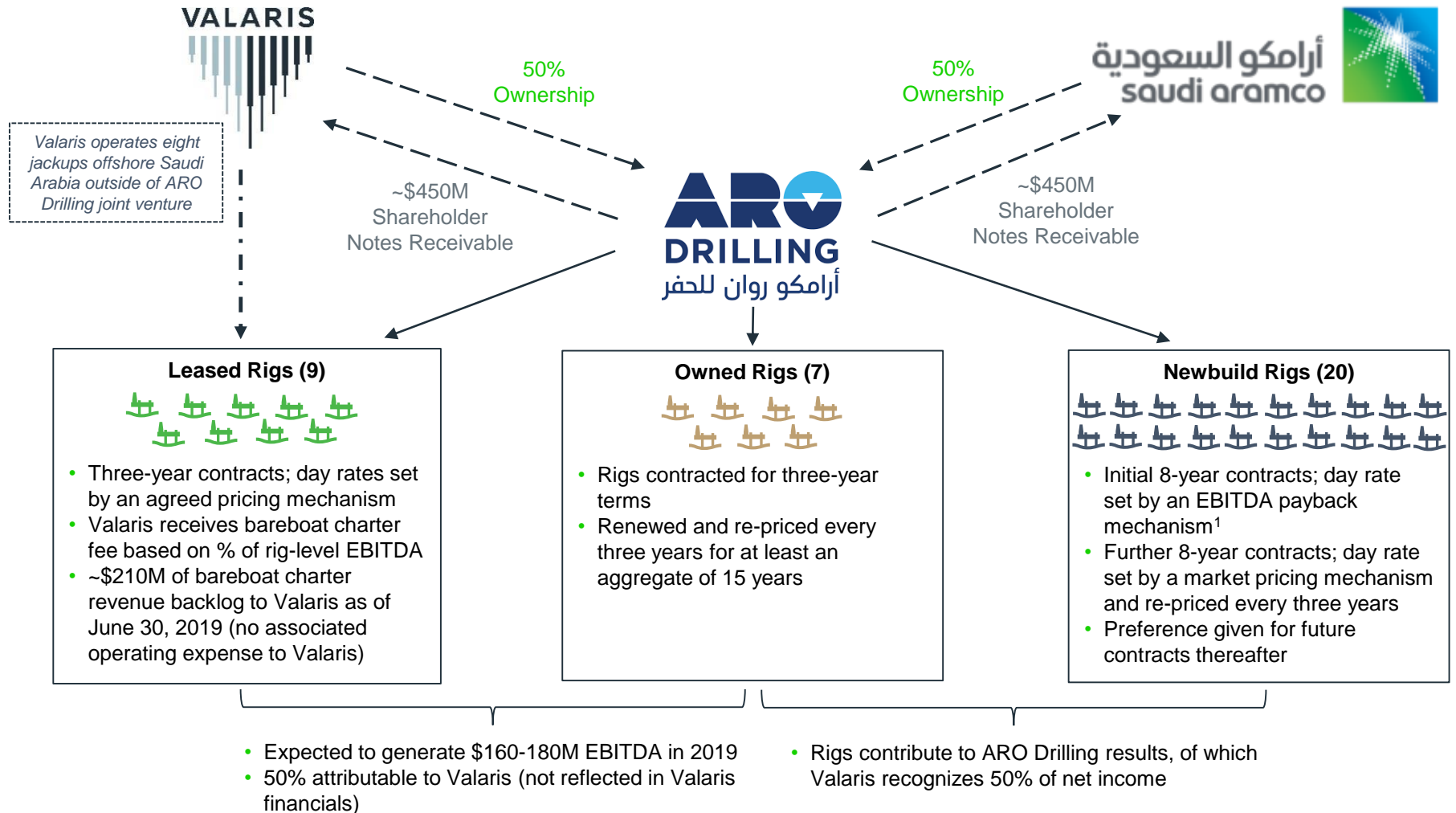
Source: Wells Fargo Securities as of August 2019; Valaris analysis

¹Utilization assumptions: M: 85%, H: 95%; ²Based on Wells Fargo Securities estimates as of August 2019; ³Illustrative annual EBITDA based on assumptions from M and H scenarios in slides 12-14; ⁴Represents 50% ownership interest from ARO Drilling's 7 owned rigs; Assumes day rates of M: \$100K/day, H: \$125K/day and average operating expense of \$45K/day, unadjusted for changes in utilization; ⁵Assumes day rates of M: \$275K/day, H: \$375K/day and average operating expense of \$150K/day, unadjusted for changes in utilization; ⁶Assumes day rates of M: \$200K/day, H: \$250K/day and average operating expense of \$110K/day, unadjusted for changes in utilization for 12 semisubmersibles; ⁷Assumes day rates of M: \$85K/day, H: \$100K/day and average operating expense of \$45K/day, unadjusted for changes in utilization

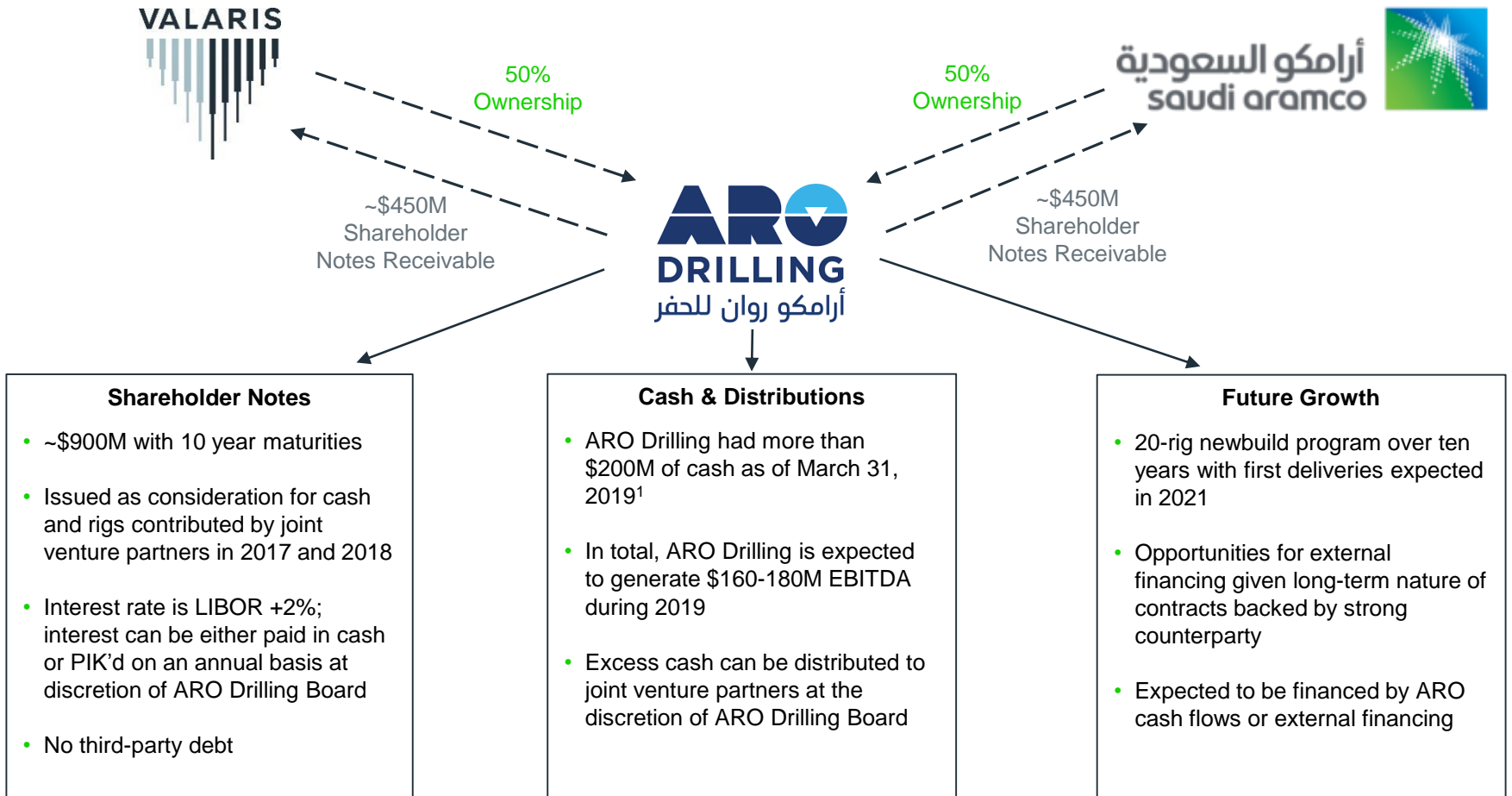
ARO Drilling



ARO Drilling Overview



ARO Drilling Financial Considerations

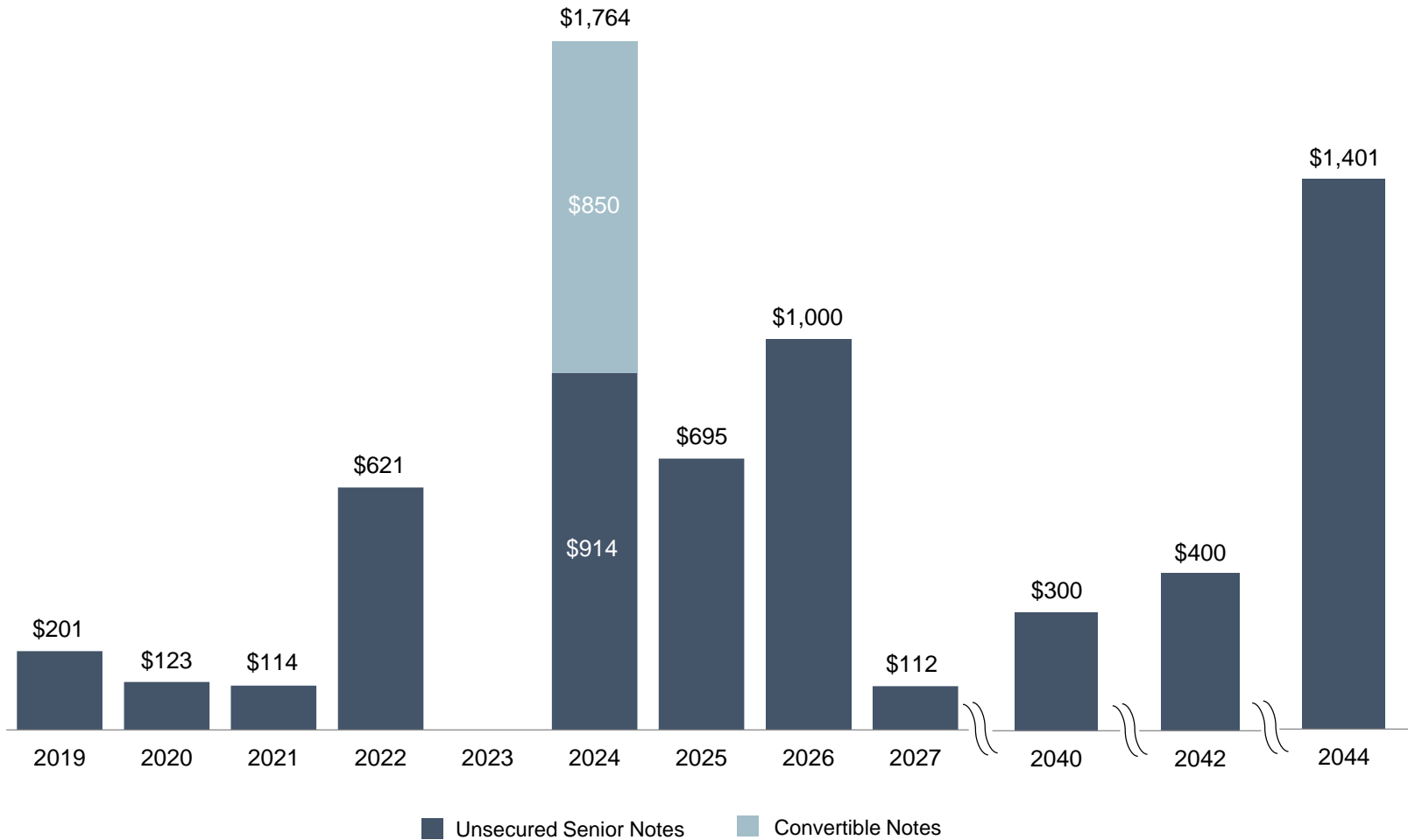


Financial Management



Limited Debt Maturities to 2024

\$ millions

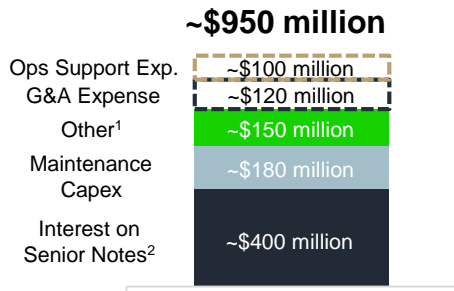


Note: All amounts as of June 30, 2019 pro forma for tender offers completed in July. Represents principal debt balances outstanding. Borrowing capacity under revolving credit facility is approximately \$2.3B through September 2019 and approximately \$1.6B from October 2019 through September 2022. On August 1, 2019 the Company repaid the 2019 senior note maturity and drew \$125M on the revolver.

While Cash Flow Does Not Cover Costs at This Stage of the Cycle ...

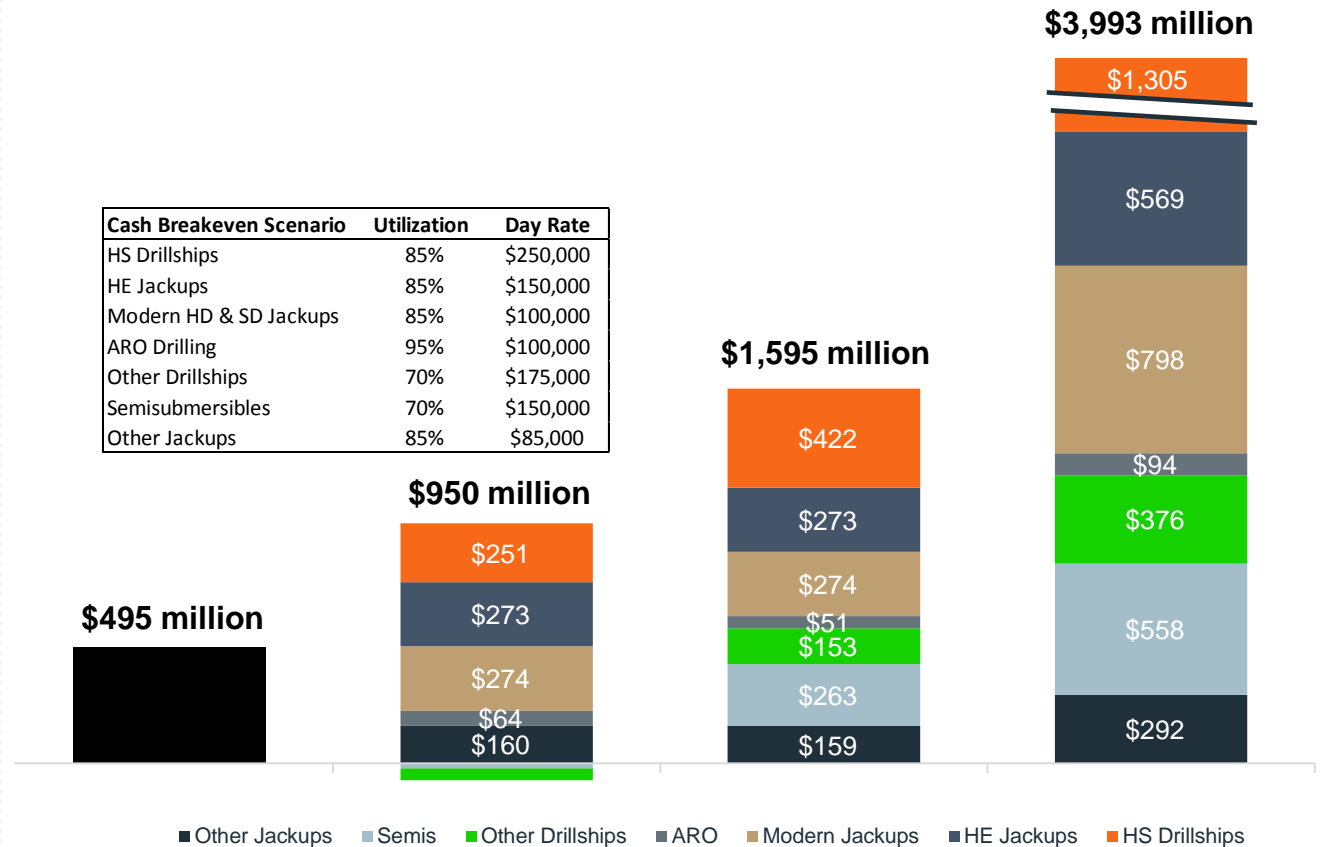
Illustrative Annual Cash Uses

- Other non-recurring uses:
 - Newbuild capex ~\$300M
 - Debt maturities
- Tight management of costs is a priority



Illustrative Rig-Level Annual EBITDA Scenarios³

Cash Breakeven Scenario	Utilization	Day Rate
HS Drillships	85%	\$250,000
HE Jackups	85%	\$150,000
Modern HD & SD Jackups	85%	\$100,000
ARO Drilling	95%	\$100,000
Other Drillships	70%	\$175,000
Semisubmersibles	70%	\$150,000
Other Jackups	85%	\$85,000



¹Includes taxes and other items

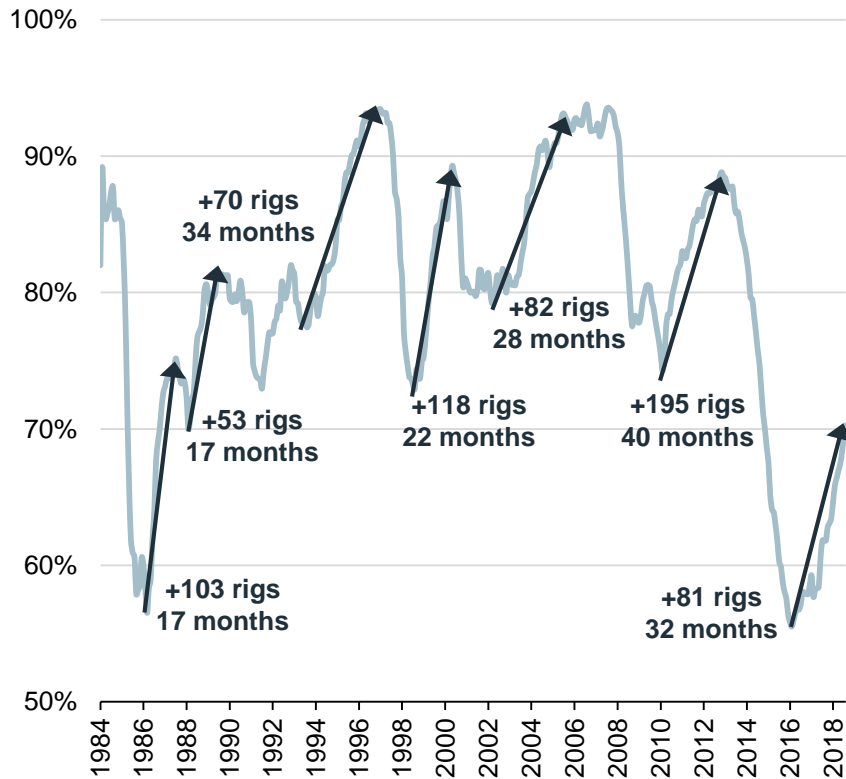
²Annualized cash interest pro forma for tender offers completed in July

³Illustrative annual EBITDA based on M and H scenarios on slide 17

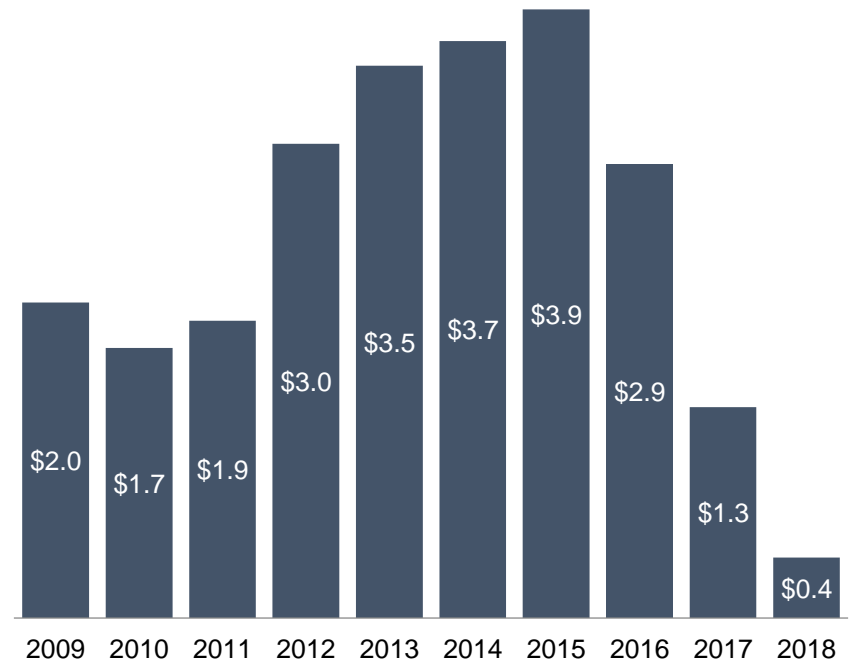
⁴LTM rig-level EBITDA excludes operations support costs included in contract drilling expense and G&A expense; excludes ARO Drilling

EBITDA is Cyclical and Currently in Process of Troughing

Global Fleet Utilization

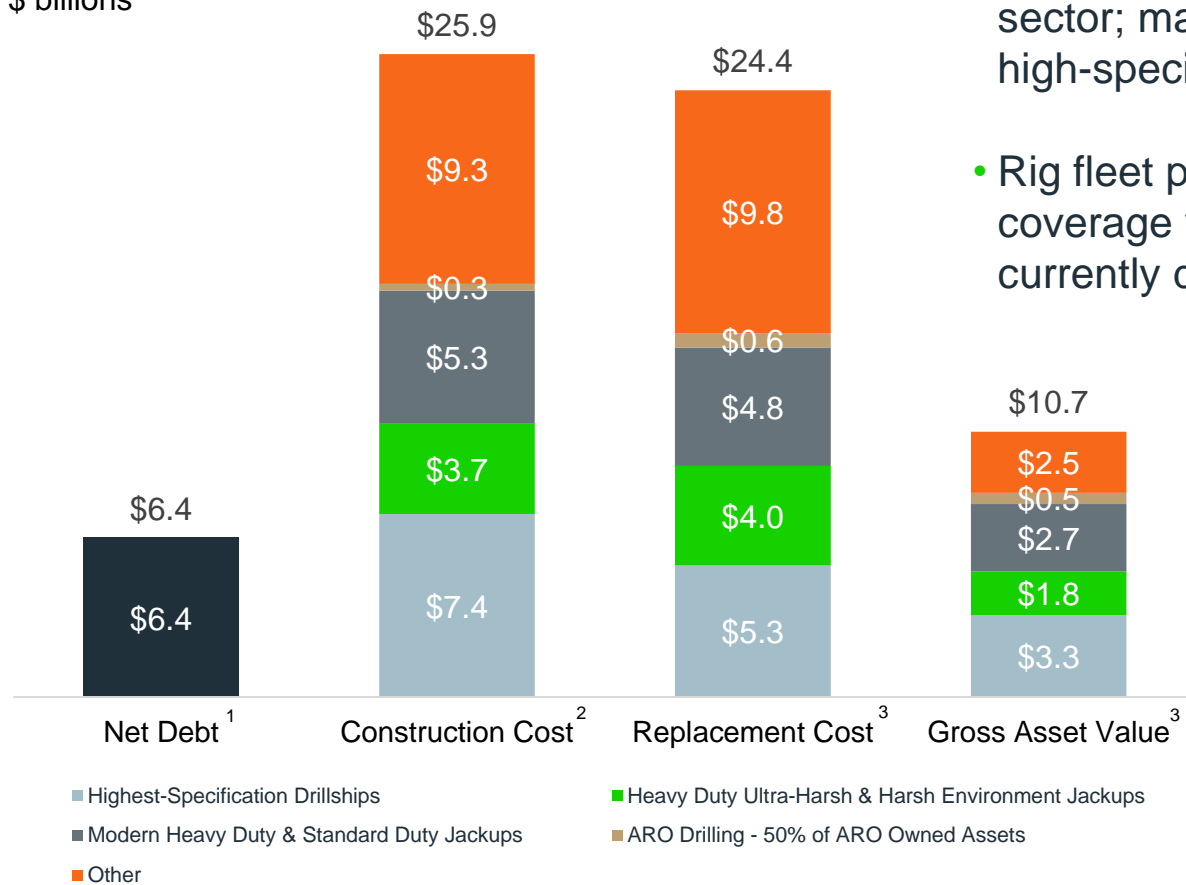


Valaris Pro Forma EBITDA¹ (\$B)



High-Quality Fleet Provides Significant Asset Coverage to Raise Capital to Cover Interim Funding Gaps

\$ billions



- Largest fleet in the offshore drilling sector; majority of rigs are modern, high-specification assets
- Rig fleet provides meaningful asset coverage versus total debt even at currently depressed levels

Gross Asset Value Estimates ⁴	
Analyst 1	\$11.9
Analyst 2	\$10.8
Analyst 3	\$10.7
Analyst 4	\$9.7
Analyst 5	\$9.1

Source: IHS Markit RigPoint, Wells Fargo Securities, Valaris analysis

¹ Net debt represents principal balance of \$6.7B less \$0.4B of cash as of June 30, 2019 pro forma for tender offers completed in July 2019

² Construction cost per IHS Markit RigPoint

³ Replacement cost and gross asset value per Wells Fargo Securities quarterly report dated August 22, 2019

⁴ Analyst Gross Asset Value Estimates include DNB Markets, Fearnley Securities, Morgan Stanley, SpareBank and Wells Fargo

Unsecured Capital Structure Provides Flexibility to Raise Capital

Financial Levers

- Liquidity
 - Cash & short-term investments
 - Revolving credit facility¹
- Issuance of securities
 - Valaris is one of two public offshore drillers that have not issued guaranteed or secured financing to date
- Monetization of assets
- Other
 - Arbitration tribunal award (SHI); \$180 million awarded, plus claims for interest and related costs²
 - ~\$450 million ARO shareholder notes

Comparison to Peers³

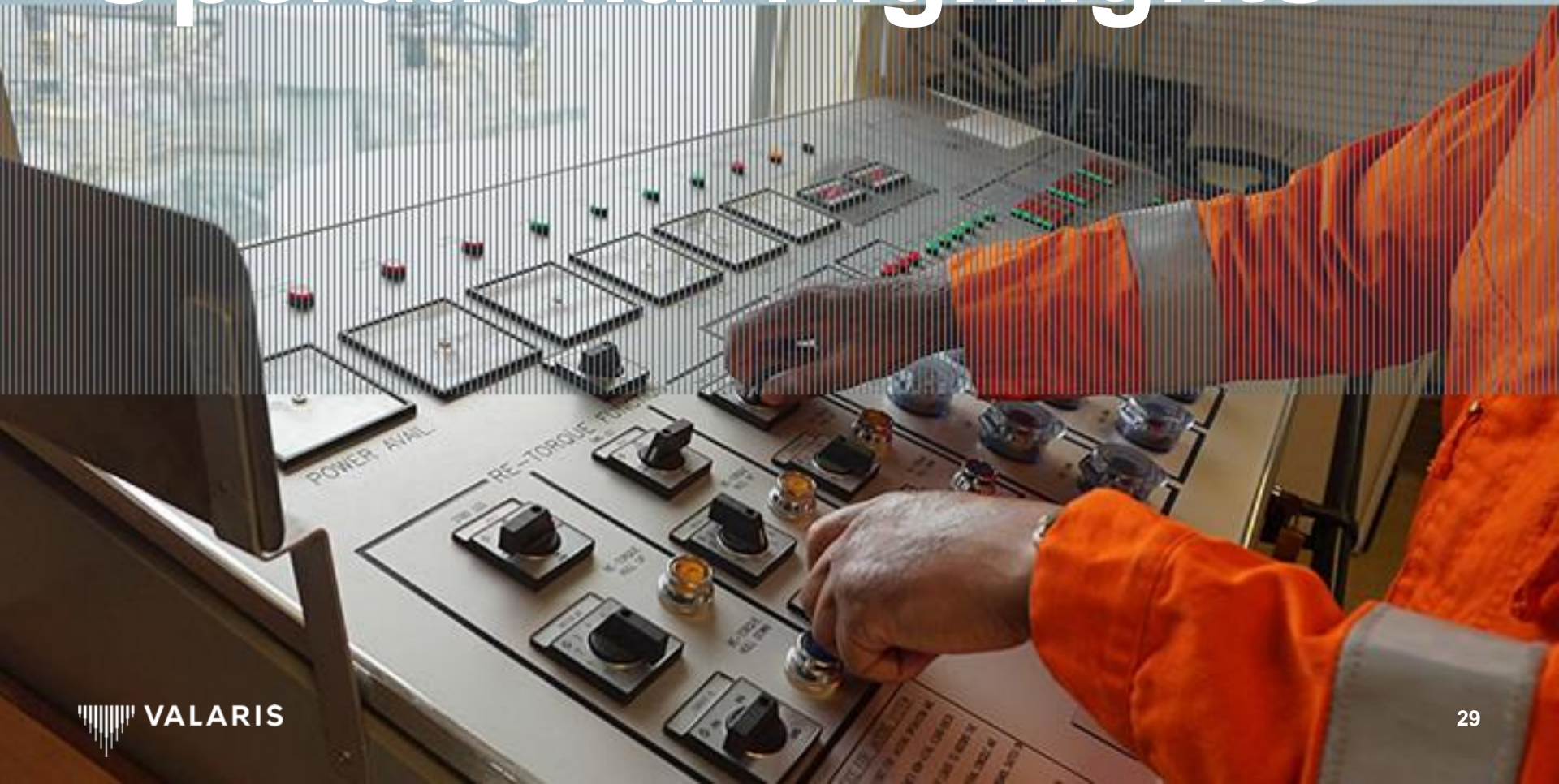
	Total Debt (\$ billion)	% of Unsecured Non- Guaranteed	% of Unsecured Guaranteed	% of Secured
Transocean	\$9.8	40%	24%	36%
Seadrill	\$6.8	-	-	100%
Valaris	\$6.7	100%	-	-
Noble	\$3.9	68%	29%	3%
Diamond	\$2.0	100%	-	-
Maersk	\$1.5	-	-	100%
Borr	\$1.4	25%	-	75%
Pacific	\$1.0	-	-	100%

¹ Borrowing capacity under revolving credit facility is approximately \$2.3B through September 2019 and approximately \$1.6B from October 2019 through September 2022

² There can be no assurance when the Company will be paid all or any portion of the damages awarded or any related interest or costs

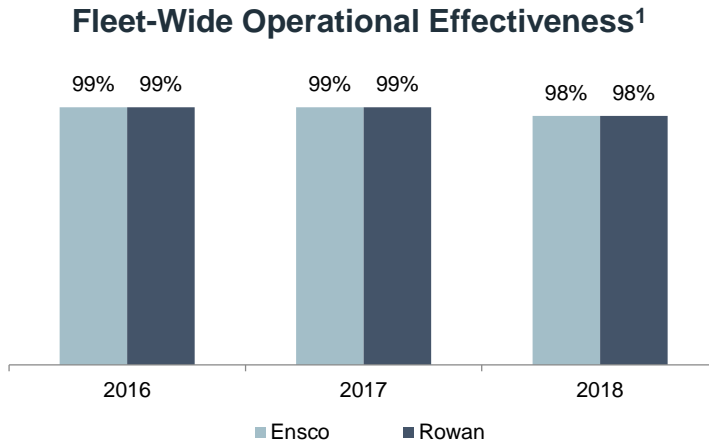
³ Based on most recent public filings, pro forma for recent transactions. Valaris as of June 30, 2019 pro forma for tender offers completed in July

Integration, Synergies & Operational Highlights



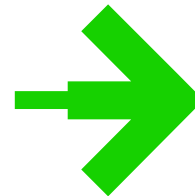
Operational Excellence

Consistent Operational Results



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

Industry-Leading Customer Satisfaction



- Won 10 of 17 categories in latest survey²
 - Total Satisfaction
 - Health, Safety & Environment
 - Performance & Reliability
 - Middle East
 - North Sea
 - Job Quality
 - HPHT Wells
 - Ultra-Deepwater Wells
 - Deepwater Wells
 - Shelf Wells

¹ Average of legacy EnSCO "Operational Utilization" and legacy Rowan "Billed Uptime" for 2016, 2017 and 2018

² 2018 Oilfield Products & Services Customer Satisfaction Survey conducted by EnergyPoint Research

Innovation & Technology

Strategy

- Focused efforts on technology, systems and processes to differentiate our assets from the competition through better performance and reliability; key areas include:
 - Improvements to the drilling process
 - Equipment reliability
 - Better productivity from our operations
- Our scale provides us with the ability to economically develop and deploy new technologies across a wide asset base and geographic footprint



Drilling Process Efficiency



- Continuous Tripping Technology™ is a patented system that fully automates the pipe tripping process without stopping to make or break connections, enabling 3x faster tripping speeds and delivering expected cost savings along with safer, more reliable operations
- Prototype installed on VALARIS JU-123, and technology is actively being marketed to customers

Equipment Maintenance



- Management systems increase operational uptime and decrease lifecycle costs by optimizing asset usage and maintenance activities
- Currently deploying systems across the fleet that leverage best practices from legacy companies

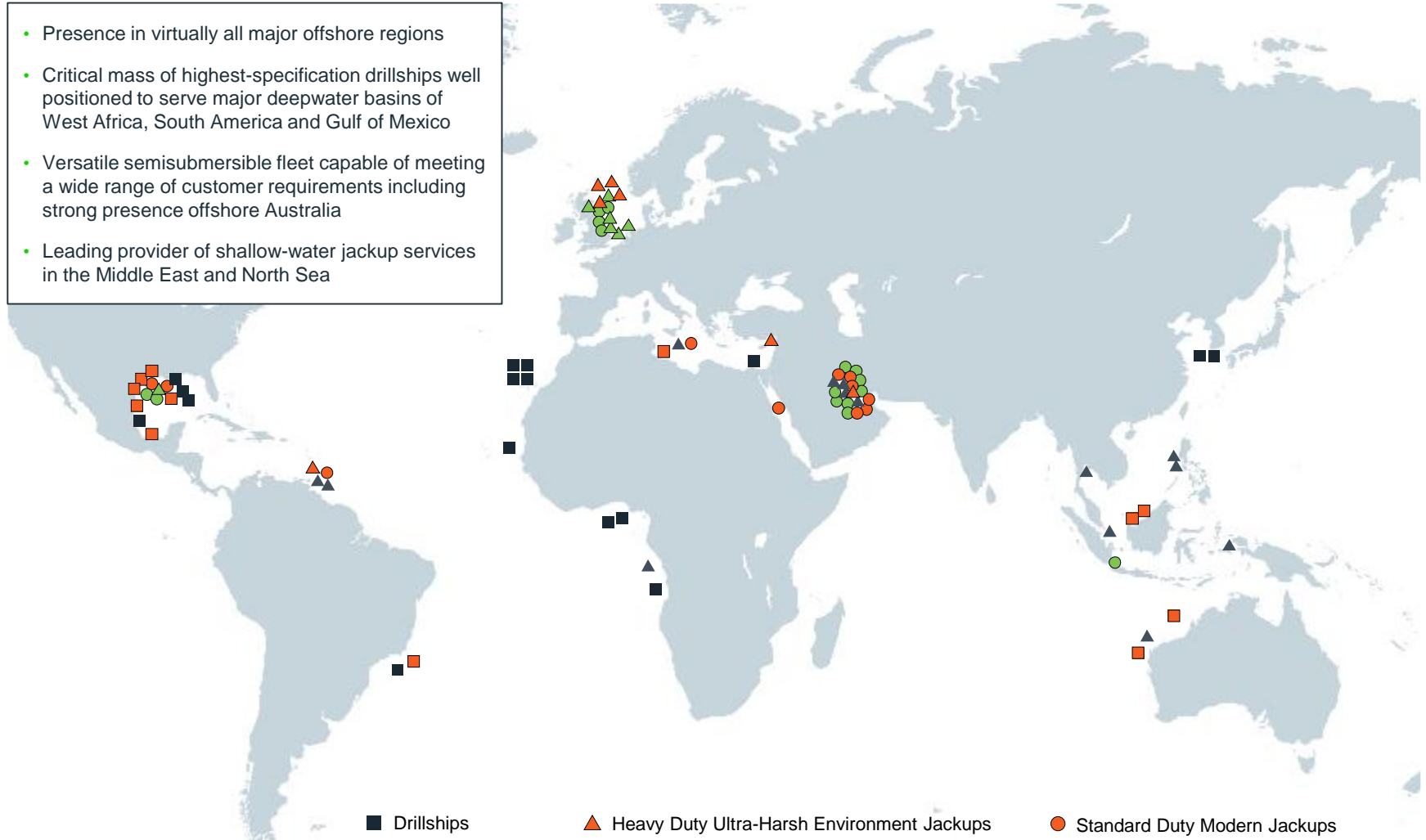
Placing Jackups on Location



- Proprietary technologies create significant cost savings for customers by optimizing jackup moves and reducing downtime spent waiting on weather
- Technology available on several jackups currently operating

Global Reach and Geographic Diversity

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



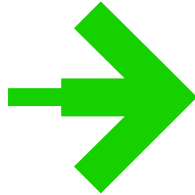
■ Drillships
 ■ Semisubmersibles

▲ Heavy Duty Ultra-Harsh Environment Jackups
 ▲ Heavy Duty Harsh Environment Jackups
 ▲ Heavy Duty Modern Jackups

● Standard Duty Modern Jackups
 ● Standard Duty Legacy Jackups

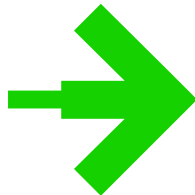
Valaris Rebranding

Strategic Positioning



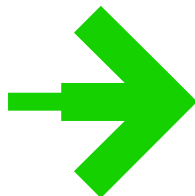
- Establish capabilities as a larger, more global offshore driller
 - Technologically-advanced, highly capable fleet of deep- and shallow-water rigs
 - Largest global footprint
 - Focus on operational efficiency and excellence
 - Decades of expertise and knowledge

Customer Alignment



- Reinforce our role as a partner to customers
 - Trusted to be there where needed and when needed
 - Instill confidence in our ability to do the job well, with an emphasis on integrity and safety
 - Unrelenting customer-focus

Employee Alignment



- Accelerate cultural alignment
 - Encourage employee behaviors that are in line with our values, helping us to achieve our purpose
 - Create unifying identity so employees associate with the new, combined company instead of legacy companies

Merger Integration and Synergies

Targeted Synergies

- \$165 million of run rate annual expense synergies
 - G&A and other support costs
 - Regional office consolidation
 - Inventory, logistics and other vendor synergies
- Expect to achieve more than 75% of these synergies by the end of first quarter 2020, with full run rate achieved by year-end 2020, creating \$1.1 billion of capitalized value¹

Progress to Date

- More than 50% of integration-related activities completed
 - 65% of planned staffing reductions
 - Houston and Aberdeen regional office and warehouse consolidation
 - Major ERP conversion
- \$80 million of annual run rate synergies achieved by the end of second quarter 2019
- Evaluating additional synergy opportunities that could lead to increase in targeted synergies

Appendix

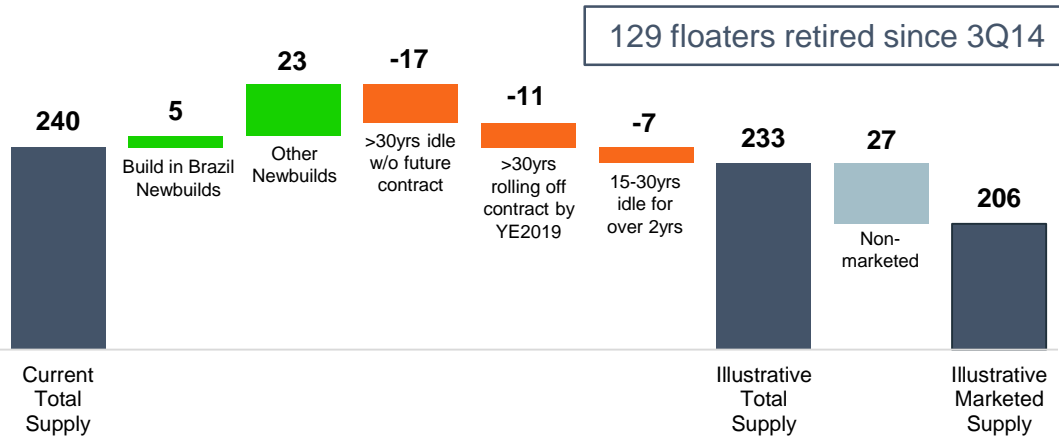
Global Rig Fleet

	<u>Floaters</u>	<u>Jackups</u>
<u>Delivered Rigs</u>		
Under Contract	128	338
Future Contract	29	39
Idle / Stacked	38	68
Marketed Fleet	195	445
Non-Marketed	45	76
Total Fleet	240	521
<i>Marketed Utilization</i>	81%	85%
<i>Total Utilization</i>	65%	72%
<u>Newbuild Rigs</u>		
Contracted	2	3
Uncontracted	26	57
Total Newbuilds	28	60

- ~35 floaters¹ could be candidates for retirement based on age and contract expirations
- ~150 jackups¹ could be retired as expiring contracts and survey costs lead to the removal of older rigs from drilling supply
- Uncontracted newbuilds expected to be delayed further, while several newbuild jackups in China are unlikely to join the global fleet

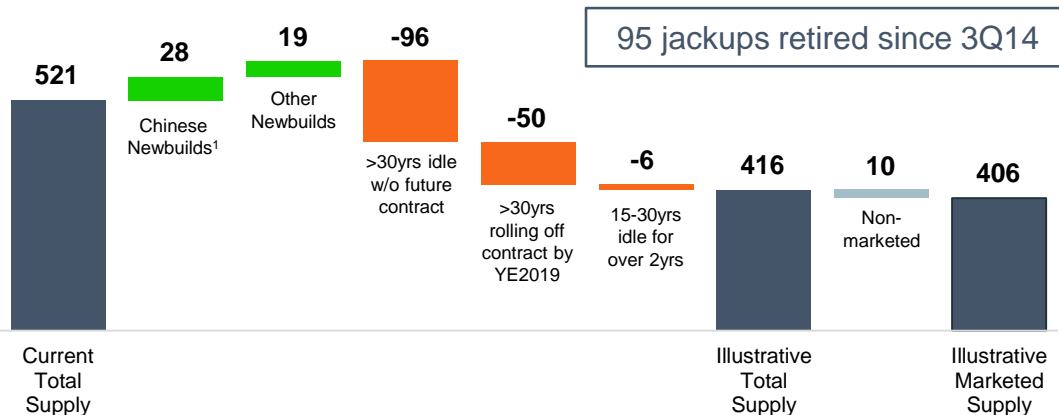
Retirements Expected to Lead to Future Supply Contraction

Illustrative Floater Supply



- Further floater retirements expected to offset newbuild deliveries
 - Excluding another 27 floaters that are not currently marketed, illustrative marketed supply of 206 compares to contracted floater count of 157

Illustrative Jackup Supply



- When adjusting for likely retirements and newbuilds, the jackup count could decline by ~100 rigs or nearly 20%
 - Excluding another 10 jackups that are not currently marketed, illustrative marketed supply of 406 compares to contracted jackup count of 377

EBITDA Reconciliations

<i>\$ Millions</i>	Twelve Months Ended June 30, 2019		
	EnSCO/ Valaris	Rowan	Pro Forma Valaris
Net income (loss)	\$ (127)	\$ (288)	\$ (414)
Add (subtract):			
Income tax expense	111	(46)	65
Interest expense	341	89	429
Other (income) expense	(715)	(8)	(724)
Operating loss	(391)	(253)	(644)
Add (subtract):			
Depreciation expense	493	286	779
Loss on impairment	43	-	43
Equity in earnings of ARO	(1)	(17)	(18)
(Gain) loss on asset disposals	2	(57)	(55)
Transaction costs	69	11	81
Recovery of certain legal costs	(3)	-	(3)
General & administrative expense	105	68	173
Operations support costs	70	69	139
Rig-level EBITDA	\$ 388	\$ 107	\$ 495

EBITDA Reconciliations

	Financial Year 2009			
	Atwood	EnSCO	Rowan	Pro Forma Valaris
\$ Millions				
Net income (loss)	\$ 251	\$ 785	\$ 368	\$ 1,403
Less:				
(Income) loss from discontinued operations, net	-	(36)	(39)	(75)
Income (loss) from continuing operations	251	749	328	1,328
Add (subtract):				
Income tax expense	46	179	119	344
Other (income) expense	2	(9)	7	-
Operating income (loss)	298	919	454	1,671
Add (subtract):				
Depreciation	35	183	124	342
Loss on impairment	-	-	-	-
EBITDA	\$ 334	\$ 1,102	\$ 578	\$ 2,013

	Financial Year 2011			
	Atwood	EnSCO	Rowan	Pro Forma Valaris
\$ Millions				
Net income (loss)	\$ 272	\$ 606	\$ 737	\$ 1,614
Less:				
(Income) loss from discontinued operations, net	-	2	(601)	(599)
Income (loss) from continuing operations	272	608	136	1,015
Add (subtract):				
Income tax expense	53	115	(6)	163
Other (income) expense	4	58	20	81
Operating income (loss)	329	781	150	1,259
Add (subtract):				
Depreciation	44	409	184	636
Loss on impairment	-	-	-	-
EBITDA	\$ 372	\$ 1,190	\$ 333	\$ 1,896

	Financial Year 2013			
	Atwood	EnSCO	Rowan	Pro Forma Valaris
\$ Millions				
Net income (loss)	\$ 350	\$ 1,428	\$ 253	\$ 2,031
Less:				
(Income) loss from discontinued operations, net	-	5	-	5
Income (loss) from continuing operations	350	1,433	253	2,036
Add (subtract):				
Income tax expense	55	226	9	289
Other (income) expense	25	100	70	195
Operating income (loss)	430	1,759	332	2,520
Add (subtract):				
Depreciation	118	612	271	1,000
Loss on impairment	-	-	5	5
EBITDA	\$ 547	\$ 2,371	\$ 607	\$ 3,525

	Financial Year 2010			
	Atwood	EnSCO	Rowan	Pro Forma Valaris
\$ Millions				
Net income (loss)	\$ 257	\$ 586	\$ 280	\$ 1,123
Less:				
(Income) loss from discontinued operations, net	-	(29)	(12)	(41)
Income (loss) from continuing operations	257	557	268	1,082
Add (subtract):				
Income tax expense	63	97	92	252
Other (income) expense	2	(18)	19	3
Operating income (loss)	322	636	378	1,337
Add (subtract):				
Depreciation	37	210	138	386
Loss on impairment	-	-	-	-
EBITDA	\$ 359	\$ 846	\$ 517	\$ 1,722

	Financial Year 2012			
	Atwood	EnSCO	Rowan	Pro Forma Valaris
\$ Millions				
Net income (loss)	\$ 272	\$ 1,177	\$ 181	\$ 1,629
Less:				
(Income) loss from discontinued operations, net	-	46	23	68
Income (loss) from continuing operations	272	1,222	203	1,698
Add (subtract):				
Income tax expense	41	244	(20)	266
Other (income) expense	6	99	72	176
Operating income (loss)	319	1,565	255	2,140
Add (subtract):				
Depreciation	71	559	248	877
Loss on impairment	-	-	8	8
EBITDA	\$ 390	\$ 2,124	\$ 511	\$ 3,025

	Financial Year 2014			
	Atwood	EnSCO	Rowan	Pro Forma Valaris
\$ Millions				
Net income (loss)	\$ 341	\$ (3,889)	\$ (115)	\$ (3,663)
Less:				
(Income) loss from discontinued operations, net	-	1,199	(4)	1,195
Income (loss) from continuing operations	341	(2,689)	(119)	(2,467)
Add (subtract):				
Income tax expense	57	141	(151)	46
Other (income) expense	42	148	103	292
Operating income (loss)	439	(2,401)	(167)	(2,129)
Add (subtract):				
Depreciation	147	538	323	1,008
Loss on impairment	-	4,219	574	4,793
EBITDA	\$ 586	\$ 2,356	\$ 730	\$ 3,672



Source: Annual and Quarterly Filings

Note: EBITDA reflects net income, adjusted for interest, taxes, depreciation and impairment charges from EnSCO plc, Rowan Companies plc and Atwood Oceanics, Inc. annual filings; Atwood Oceanics, Inc. 2017 results reflect the 9 months ended June 30, 2017 from their quarterly filing

EBITDA Reconciliations

	Financial Year 2015			
	Atwood	EnSCO	Rowan	Pro Forma Valaris
\$ Millions				
Net income (loss)	\$ 433	\$ (1,586)	\$ 93	\$ (1,060)
Less:				
(Income) loss from discontinued operations, net	-	129	-	129
Income (loss) from continuing operations	433	(1,457)	93	(931)
Add (subtract):				
Income tax expense	46	(14)	64	97
Other (income) expense	53	228	149	430
Operating income (loss)	531	(1,244)	307	(405)
Add (subtract):				
Depreciation	172	573	391	1,136
Loss on impairment	61	2,746	330	3,137
EBITDA	\$ 764	\$ 2,075	\$ 1,028	\$ 3,868

	Financial Year 2017			
	Atwood	EnSCO	Rowan	Pro Forma Valaris
\$ Millions				
Net income (loss)	\$ (24)	\$ (304)	\$ 73	\$ (255)
Less:				
(Income) loss from discontinued operations, net	-	(1)	-	(1)
Income (loss) from continuing operations	(24)	(305)	73	(256)
Add (subtract):				
Income tax expense	7	109	27	142
Other (income) expense	43	64	139	246
Operating income (loss)	26	(132)	238	132
Add (subtract):				
Depreciation	122	445	404	970
Loss on impairment	59	183	-	242
EBITDA	\$ 207	\$ 496	\$ 642	\$ 1,344

	Financial Year 2016			
	Atwood	EnSCO	Rowan	Pro Forma Valaris
\$ Millions				
Net income (loss)	\$ 265	\$ 897	\$ 321	\$ 1,483
Less:				
(Income) loss from discontinued operations, net	-	(8)	-	(8)
Income (loss) from continuing operations	265	889	321	1,475
Add (subtract):				
Income tax expense	48	109	5	161
Other (income) expense	(19)	(68)	191	105
Operating income (loss)	294	929	517	1,740
Add (subtract):				
Depreciation	166	445	403	1,014
Loss on impairment	104	-	34	138
EBITDA	\$ 564	\$ 1,375	\$ 954	\$ 2,892

	Financial Year 2018			
	Atwood	EnSCO	Rowan	Pro Forma Valaris
\$ Millions				
Net income (loss)	\$ -	\$ (637)	\$ (347)	\$ (984)
Less:				
(Income) loss from discontinued operations, net	-	8	-	8
Income (loss) from continuing operations	-	(629)	(347)	(976)
Add (subtract):				
Income tax expense	-	90	(52)	38
Other (income) expense	-	303	111	414
Operating income (loss)	-	(236)	(288)	(523)
Add (subtract):				
Depreciation	-	479	389	868
Loss on impairment	-	40	-	40
EBITDA	\$ -	\$ 284	\$ 101	\$ 385

Boldly First

VALARIS

