VALARIS

# Investor Presentation

February 2020

# 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. Operational Highlights, Integration & Synergies

# Valaris Overview (NYSE: VAL)

## Fleet

- Largest and amongst the highest-quality offshore drilling fleets in the world
  - 16 drillships
  - 10 semisubmersibles
  - 50 jackups[1]
- ~$9 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

- $1.7 billion of liquidity
  - $0.1 billion of cash and short-term investments[2]
  - $1.6 billion available under unsecured revolving credit facility[3]
- $2.5 billion of contracted revenue backlog[4]
- $0.9 billion of debt maturities prior to 2024[2]
  - 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

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[1]Excludes one jackup held for sale; [2]As of December 31, 2019; [3]Borrowing capacity under revolving credit facility is approximately $1.6B through September 2022.

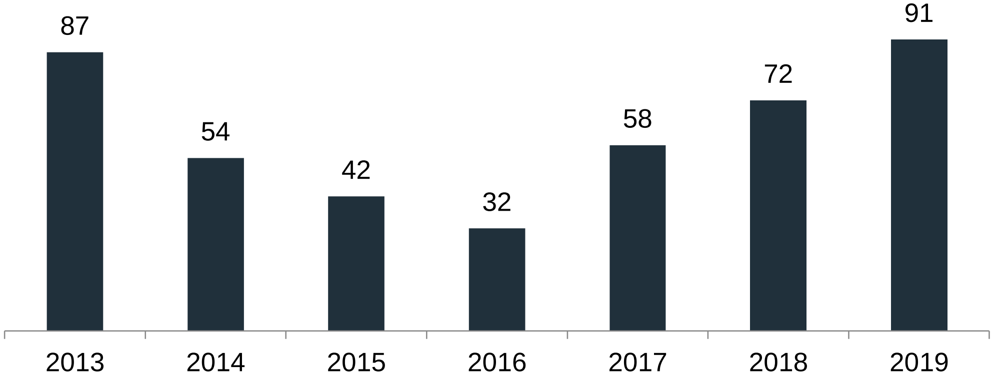
# Valaris is Focused on Four Key Priorities

- Fleet Strategy & Contracting Assets
- Driving Value at ARO Drilling
- Proactive Financial Management
- Delivering on Integration & Synergy Capture and Operational Excellence

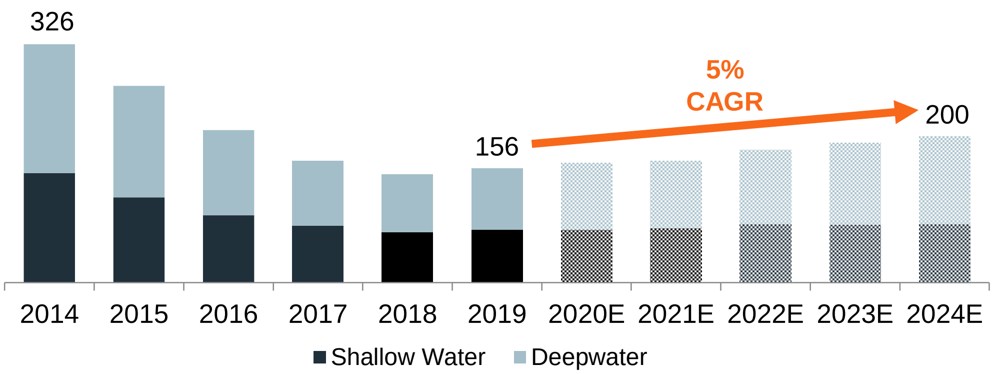
# Market Dynamics

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

## Number of New Major Offshore Project Approvals




## E&P Offshore Capital Expenditures

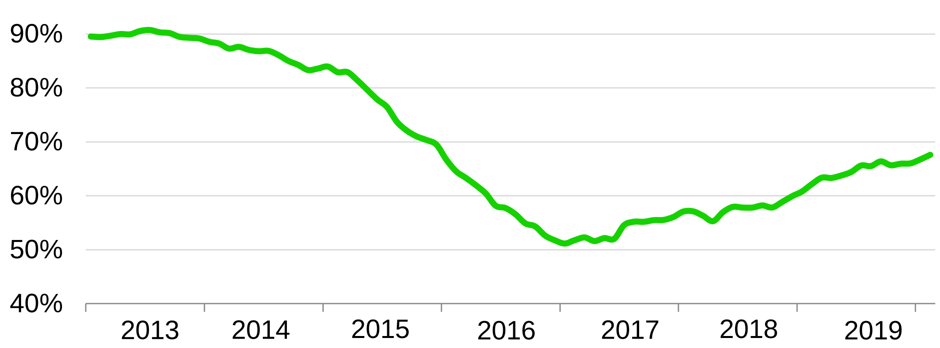



- With lower project costs relative to prior years and increasing cash flows from higher commodity prices, the number of final investment decision approvals for large offshore projects has increased recently
  - Drilling rigs required between approval and first production, which averages ~4 years for 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

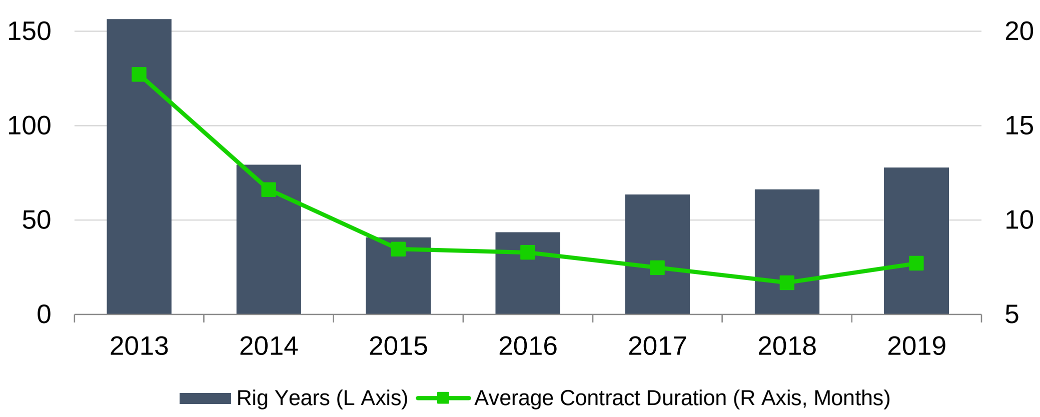
Source: Rystad Energy ServiceDemandCube as of February 2020, major projects defined as projects with >$250 million of associated capital expenditures

# The Global Floater Market is Recovering

Total Utilization[1]




New Contracts[2]




- 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 an improvement in average spot day rates
- 78 rig years awarded via new contracts during 2019, a 17% increase from the prior year and roughly in line with 2014 levels
- Tendering activity for future work has also increased recently, particularly for projects beginning mid-2020 and beyond

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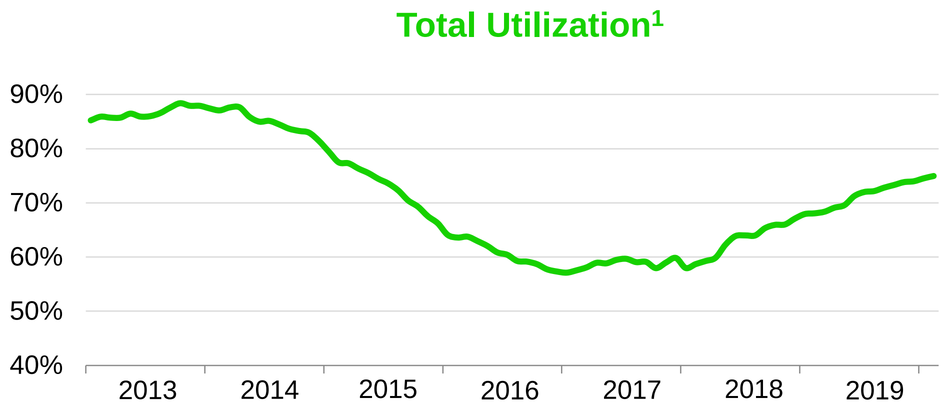
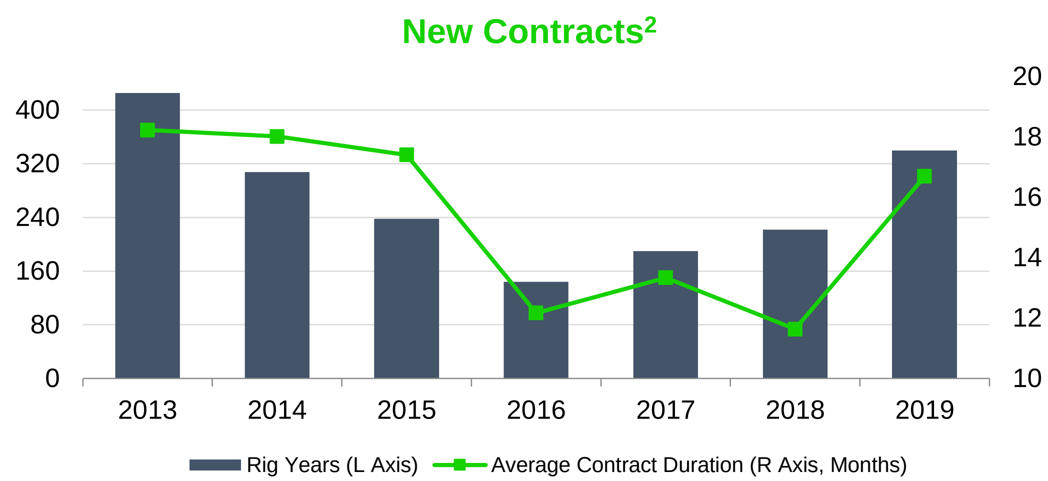
Source: IHS Markit RigPoint as of February 2020
[1]Total utilization reflects rigs currently under contract and contracted for future work as a percentage of the global floater fleet; includes benign & harsh-environment rigs; [2]Fixtures data includes new mutual contracts only

# The Global Jackup Market is Recovering




- 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 more significant improvement in average spot day rates as compared to floaters

- 340 rig years awarded via new contracts during 2019, a 50% increase from the prior year and higher than 2014 levels
  - Year-over-year increase in new rig years awarded during 2019 primarily due to average durations for new contracts increased from 12 months to 17 months

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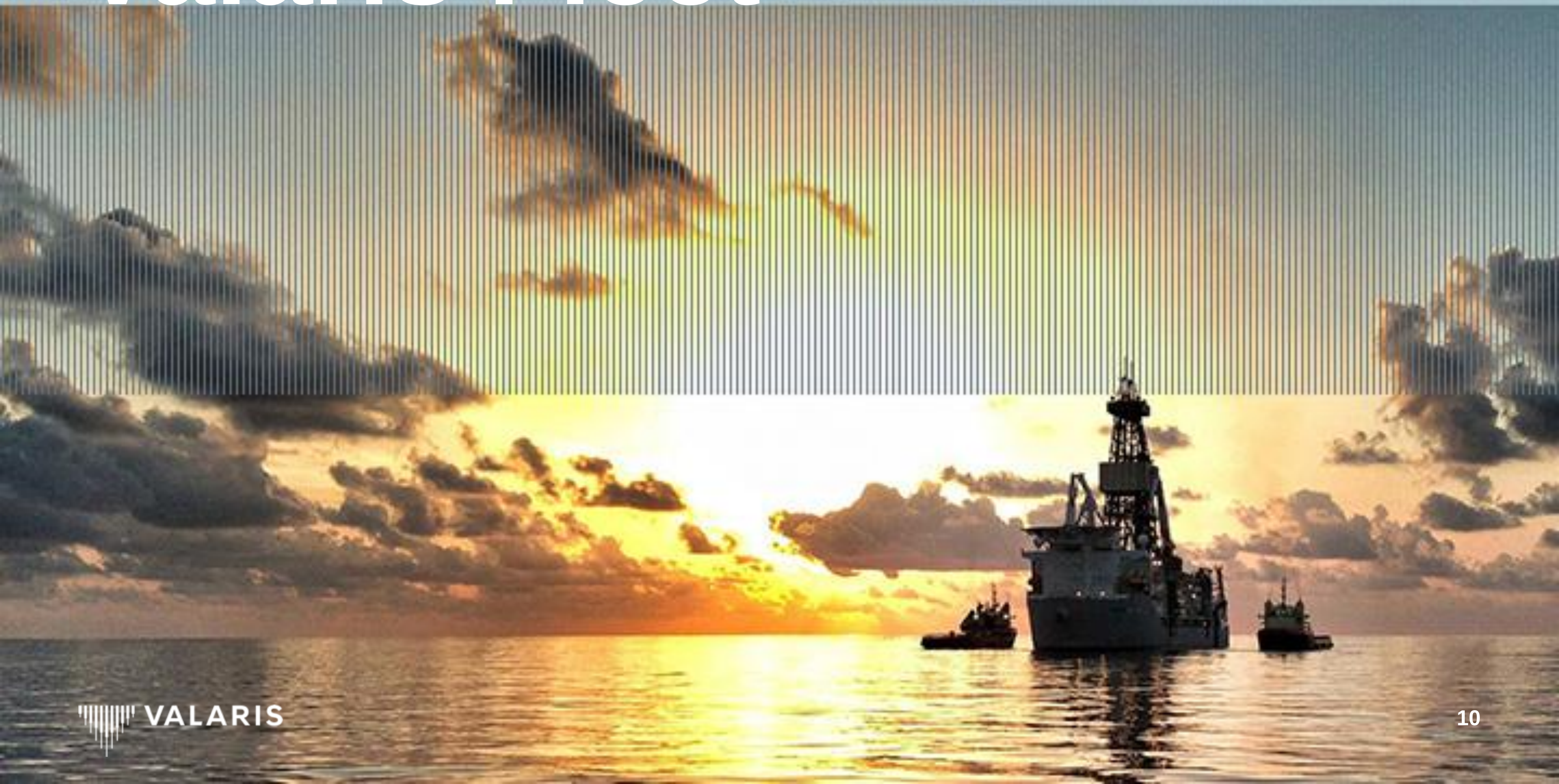
Source: IHS Markit RigPoint as of February 2020
[1]Total utilization reflects rigs currently under contract and contracted for future work as a percentage of the global jackup fleet; includes benign & harsh-environment rigs; [2]Fixtures data includes new mutual contracts only

# 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

**10 Total**

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

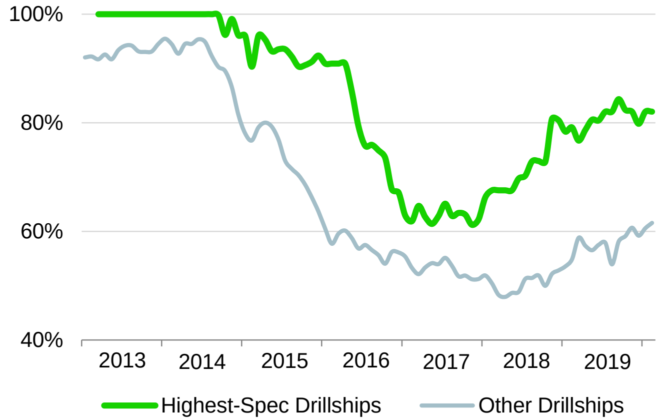
### Jackups

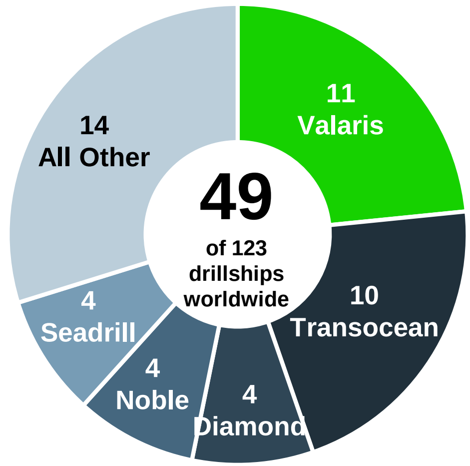
**50 Total**

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

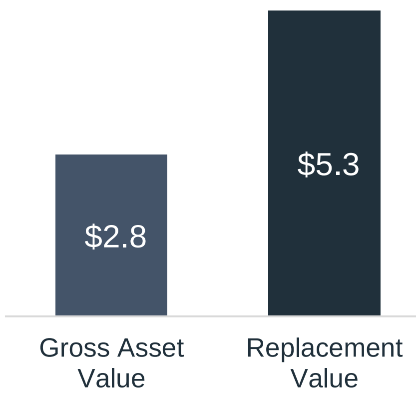
# Highest-Specification Drillships[1]

## Total Utilization

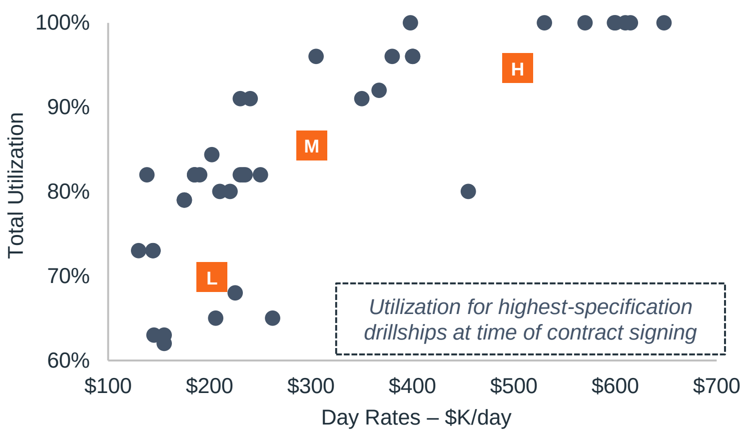



## Valaris Asset Value[2] ($B)




## Day Rates for New Contracts
**(2013 – Current)**




## Illustrative Rig-Level EBITDA Scenarios[3] ($M)

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

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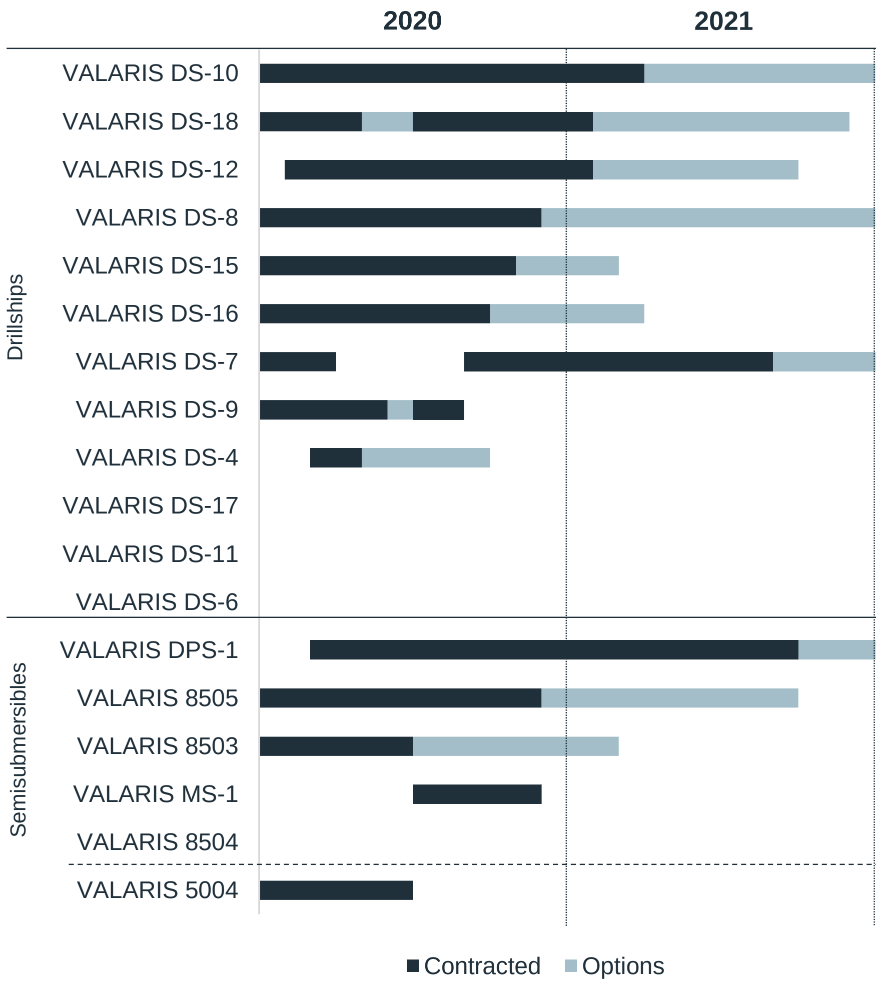
Source: IHS Markit RigPoint as of February 2020; Wells Fargo Securities as of December 2019
[1]Drillships delivered in 2013 or later, equipped with dual BOP and 2.5mm lbs. hookload derricks. Includes 8 rigs that are under construction;
[2]Based on Wells Fargo Securities estimates; [3]Assumes average operating expense of $150K/day, unadjusted for changes in utilization

# Contract Status & Priorities For Marketed Floaters[1]




**Priorities**

- Increase contracted backlog on active rigs with near-term availability; warm stack and reduce costs to <$40K/day if uncontracted
- Increase contracted backlog on active rigs with near-term availability; warm stack and reduce costs to <$30K/day if uncontracted
- Divest unless new contract covers capital investment required to keep rigs active and provides adequate return of capital

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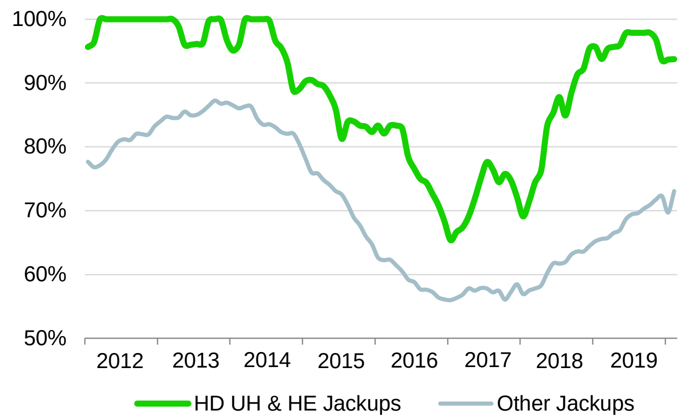
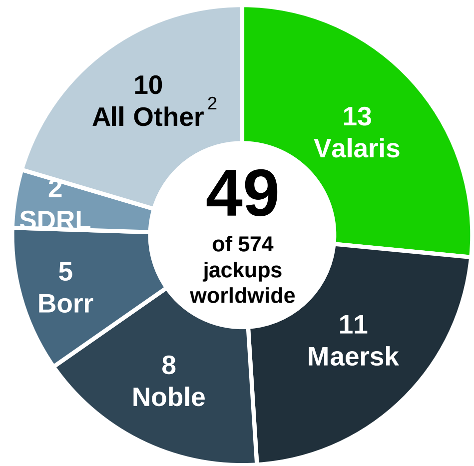
[1] Excludes 2 drillships that are under construction as well as 2 drillships and 4 semisubmersibles that are preservation stacked

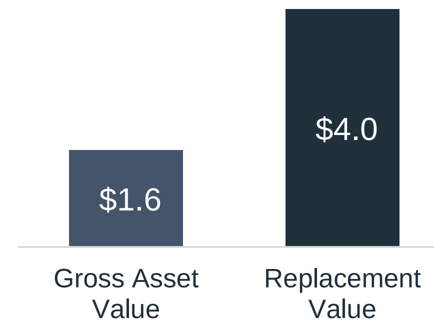
# Heavy Duty Ultra-Harsh & Harsh Environment Jackups[1]

## Total Utilization

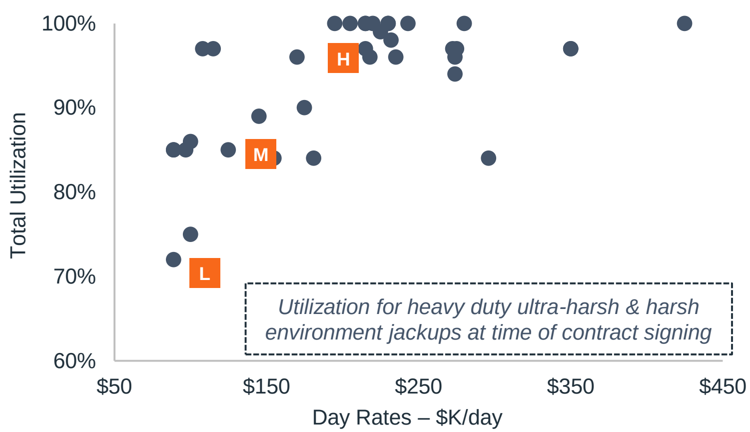



## Valaris Asset Value[3] ($B)




## Day Rates for New Contracts
### (2012 – Current)




## Illustrative Rig-Level EBITDA Scenarios[4] ($M)

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

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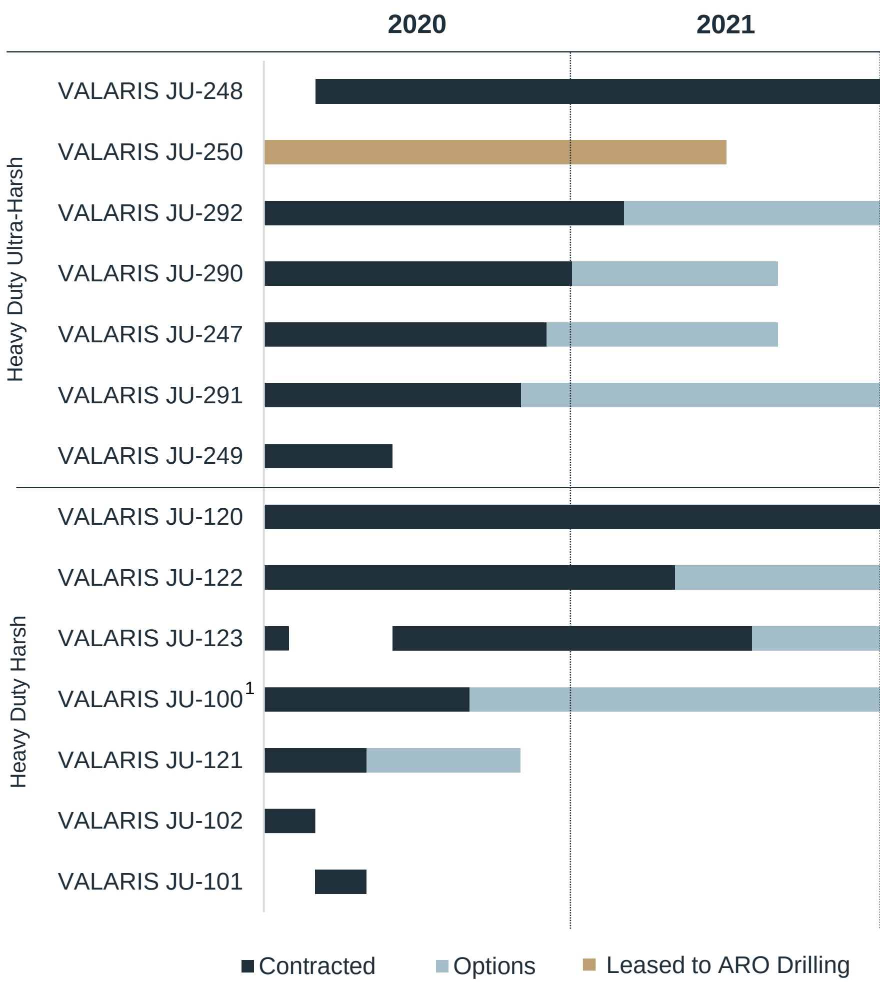
Source: IHS Markit RigPoint as of February 2020; Wells Fargo Securities as of December 2019
[1]Includes jackups with the following rig designs: GustoMSC CJ70, Le Tourneau Super Gorilla Class and KFELS N Class, and other jackup designs classified as harsh environment and North Sea capable delivered in 1998 or later; [2]Includes 5 rigs that are under construction; [3]Based on Wells Fargo Securities estimates; [4]Assumes average operating expense of $70K/day, unadjusted for changes in utilization

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



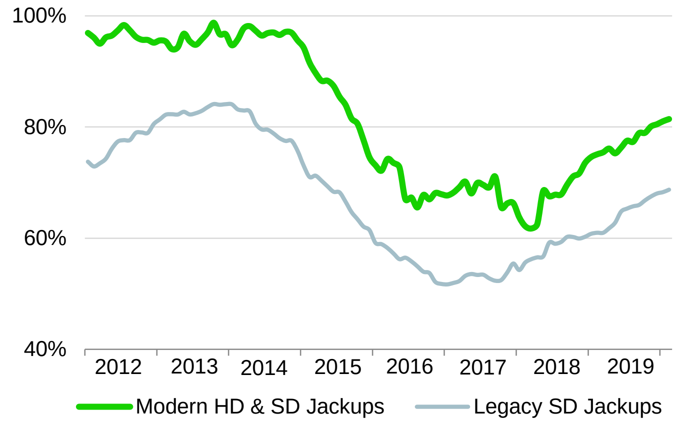

**Priorities**

- Increase contracted backlog on active rigs with near-term availability

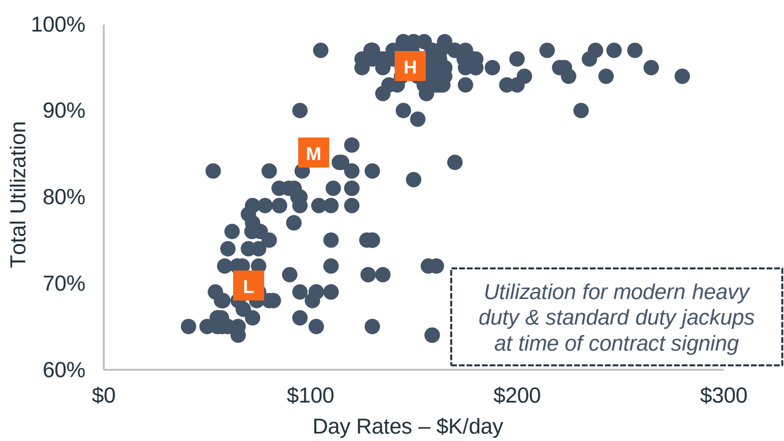
[1]VALARIS JU-100 excluded from slide 14 as the rig was delivered before 1998

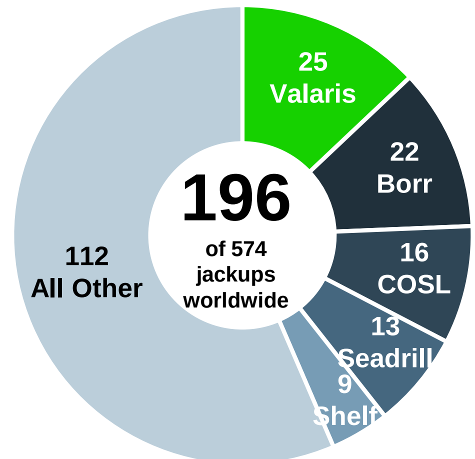
# Modern Heavy Duty & Standard Duty Jackups[1]

## Total Utilization




## Day Rates for New Contracts
(2012 – Current)




## Valaris Asset Value[2] ($B)


## Illustrative Rig-Level EBITDA Scenarios[3] ($M)

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

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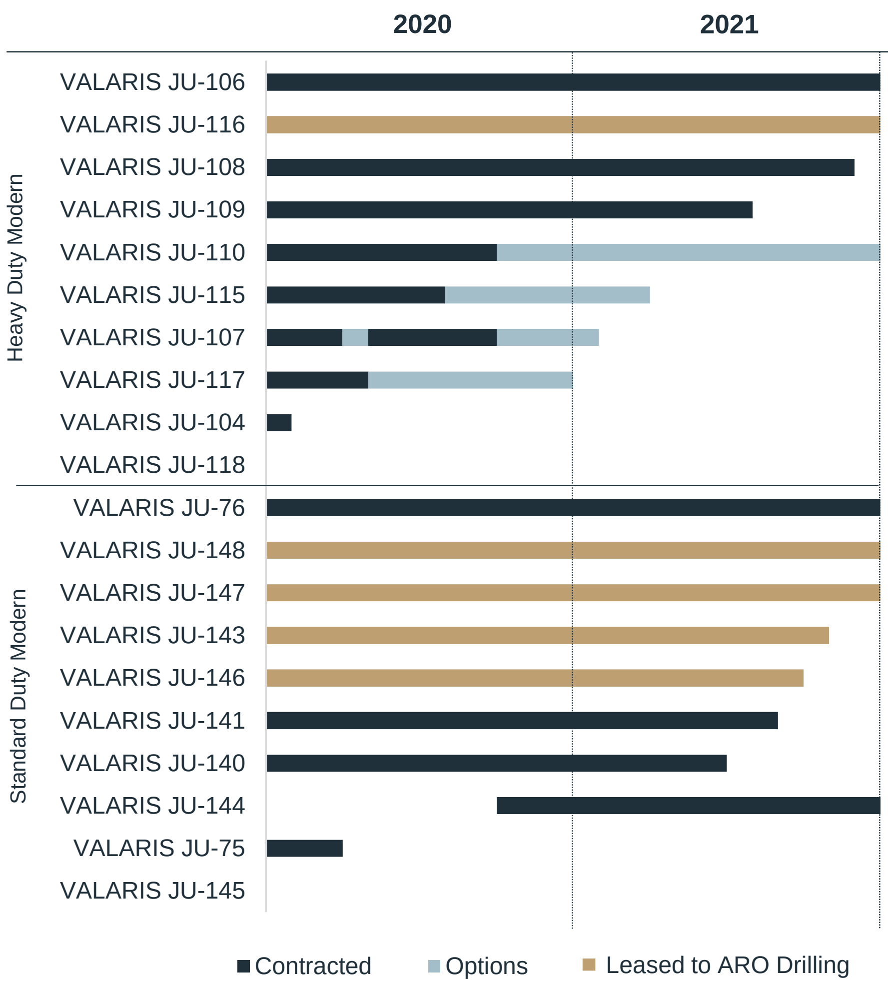
Source: IHS Markit RigPoint as of February 2020; Wells Fargo Securities as of December 2019
[1]Benign environment jackups delivered in 1999 or later with 1.5 million lbs. hookload derrick capacity, a minimum of three mud pumps and capable of operating in a minimum water depth of 340 ft. Includes 19 rigs that are under construction; [2]Based on Wells Fargo Securities estimates; [3]Assumes average operating expense of $55K/day, unadjusted for changes in utilization

# Contract Status & Priorities For Marketed Modern Heavy Duty & Standard Duty Jackups[1]



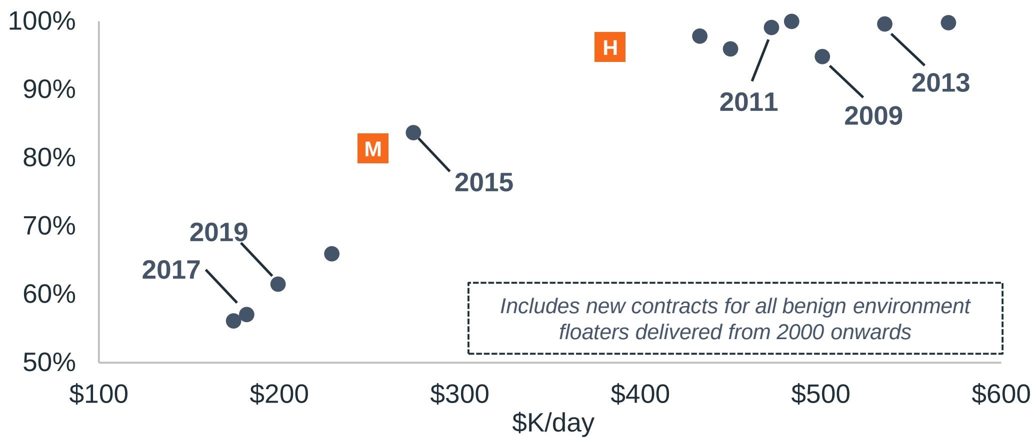

**Priorities**

- Increase contracted backlog on active rigs with near-term availability
- Warm stack and reduce costs to <$30K/day if uncontracted
- Reactivate preservation stacked capacity if initial contract covers reactivation cost and provides adequate return on capital

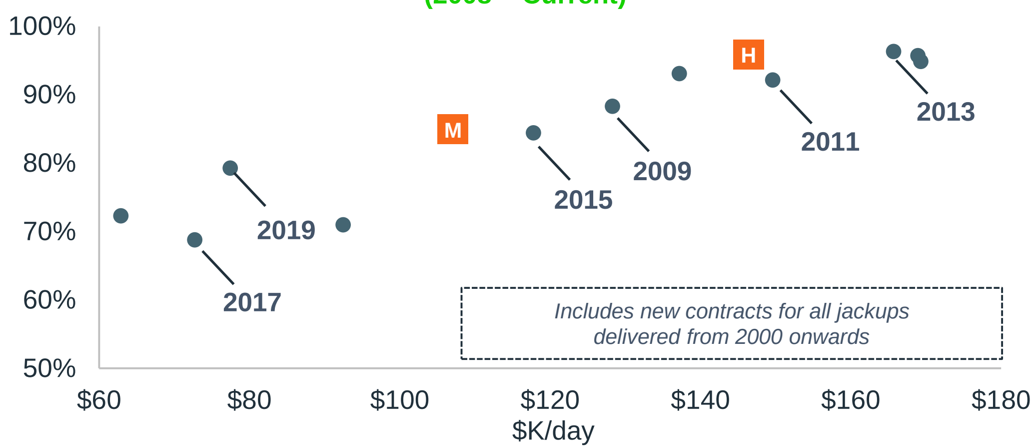
[1]Excludes 5 jackups that are preservation or cold stacked

# 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 and moved higher during 2019
- 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 return[1]

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

[1]Discounted 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* | Illustrative Rig-Level Annual EBITDA Scenarios[1] | | Asset Values[2] | |
|---|---|---|---|---|
| **Fleet** | **M** | **H** | **Gross** | **Replace-ment** |
| Highest Specification Drillships[3] (11) | $422 | $1,305 | $2,804 | $5,304 |
| Heavy Duty Ultra-Harsh & HE Jackups[3] (13) | 273 | 569 | 1,632 | 4,002 |
| Modern Heavy & Standard Duty Jackups[3] (25) | 274 | 798 | 2,286 | 4,835 |
| ARO Drilling Jackups[4] (7) | 51 | 94 | 373 | 575 |
| Other Drillships[5] (5) | 153 | 376 | 1,032 | 2,570 |
| Semisubmersibles[6] (10) | 219 | 465 | 697 | 4,279 |
| Other Jackups[7] (12) | 119 | 219 | 248 | 1,752 |
| **Total** | **$1,510** | **$3,827** | **$9,072** | **$23,317** |

Source: Wells Fargo Securities as of December 2019; Valaris analysis
[1]Utilization assumptions: M: 85%, H: 95%; [2]Based on Wells Fargo Securities estimates as of December 2019; [3]Illustrative annual EBITDA based on assumptions from M and H scenarios in slides 12, 14 & 16; [4]Represents 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; [5]Assumes day rates of M: $275K/day, H: $375K/day and average operating expense of $150K/day, unadjusted for changes in utilization; [6]Assumes day rates of M: $200K/day, H: $250K/day and average operating expense of $110K/day, unadjusted for changes in utilization; [7]Assumes 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

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50% Ownership

50% Ownership

أرامكو السعودية
saudi aramco

*Valaris operates seven jackups offshore Saudi Arabia outside of ARO Drilling joint venture*

~$450M Shareholder Notes Receivable

~$450M Shareholder Notes Receivable

ARO DRILLING
أرامكو روان للحفر

**Leased Rigs (9)**

- Three-year contracts; day rates set by an agreed pricing mechanism
- Valaris receives bareboat charter fee based on % of rig-level EBITDA
- ~$165M of bareboat charter revenue backlog to Valaris as of December 31, 2019 (no associated operating expense to Valaris)

**Owned Rigs (7)**

- Rigs contracted for three-year terms
- Renewed and re-priced every three years for at least an aggregate of 15 years

**Newbuild Rigs (20)**

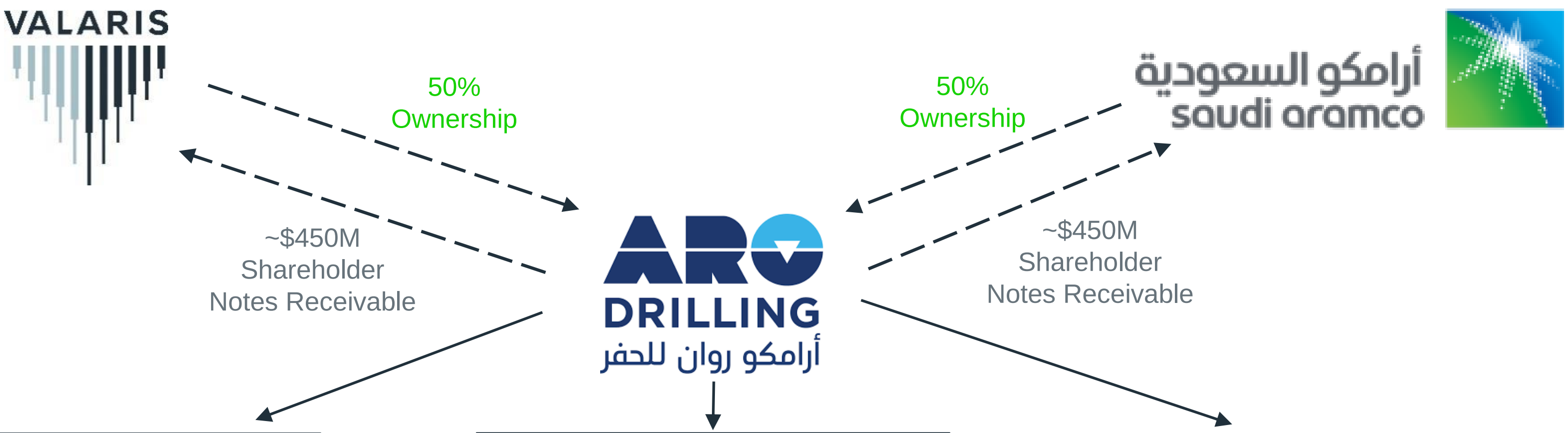
- Initial 8-year contracts; day rate set by an EBITDA payback mechanism[1]
- Further 8-year contracts; day rate set by a market pricing mechanism and re-priced every three years
- Preference given for future contracts thereafter

- Expect $130M-$150M of EBITDA in 2020
- 50% attributable to Valaris (not reflected in Valaris financials)

- Rigs contribute to ARO Drilling results, of which Valaris recognizes 50% of net income

[1] Down payment on each newbuild rig is no more than 25% before delivery. Illustrative in-service newbuild rig capital cost of $175 million would provide an average day rate of ~$150K/day for the initial eight-year contract, based on cash operating costs of $45K/day + shorebase overhead allocation of $7.5 million per year

# ARO Drilling Financial Considerations




**Shareholder Notes**

- ~$900M with 10-year maturities
- Issued as consideration for cash and rigs contributed by joint venture partners in 2017 and 2018
- Interest rate is LIBOR +2%; interest can be either paid in cash or PIK'd on an annual basis at discretion of ARO Drilling Board
- No third-party debt

**Cash & Distributions**

- ARO Drilling had more than $400M of current assets as of December 31, 2019
- In total, ARO Drilling is expected to generate $130M-$150M EBITDA during 2020
- Excess cash can be distributed to joint venture partners at the discretion of ARO Drilling Board

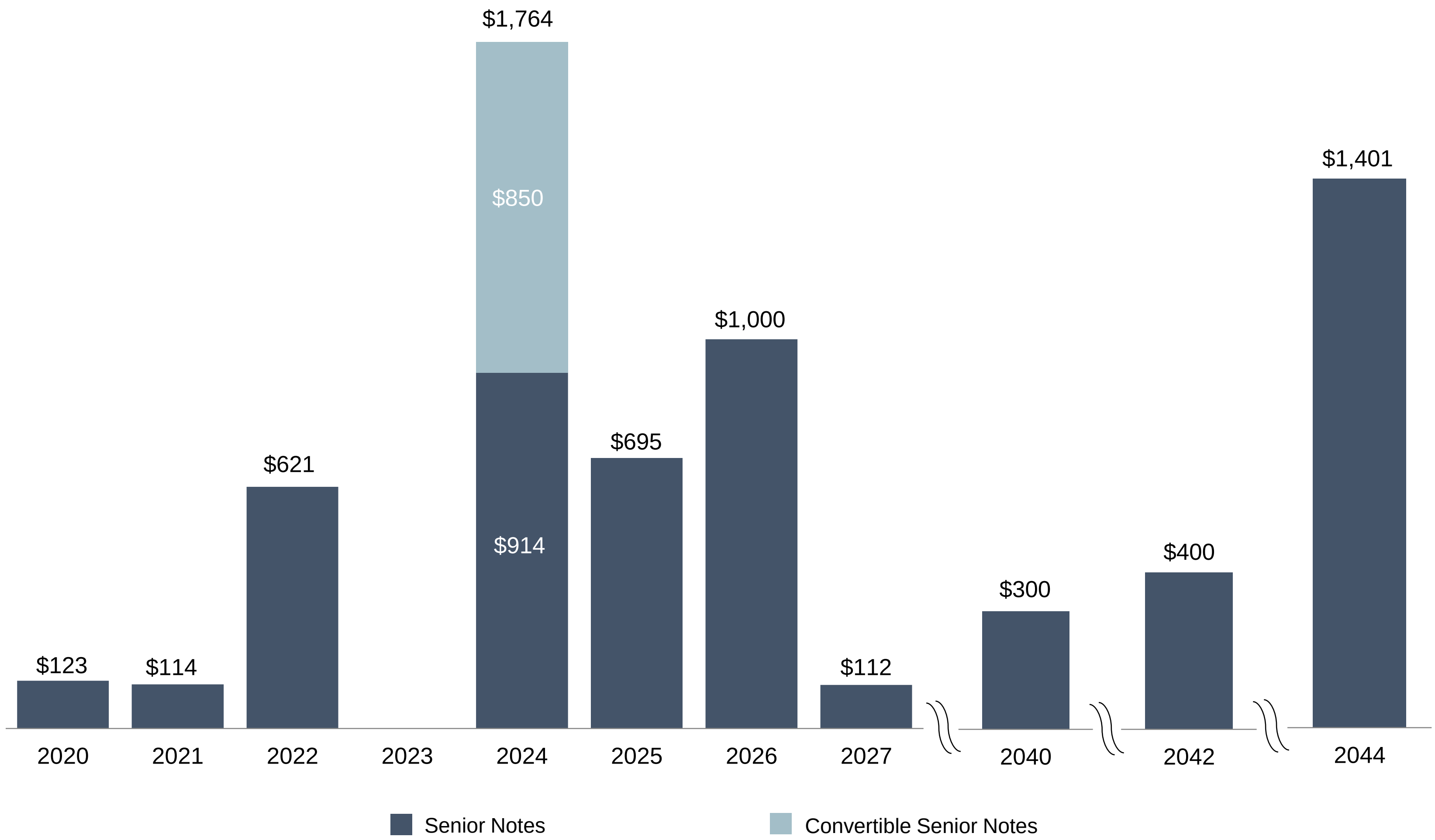
**Future Growth**

- 20-rig newbuild program over ten years, with delivery of rigs 1 and 2 expected in 2022
- Opportunities for external financing given long-term nature of contracts backed by strong counterparty
- Expected to be financed by ARO cash flows or external financing

# Financial Management

# Limited Debt Maturities to 2024

*$ millions*

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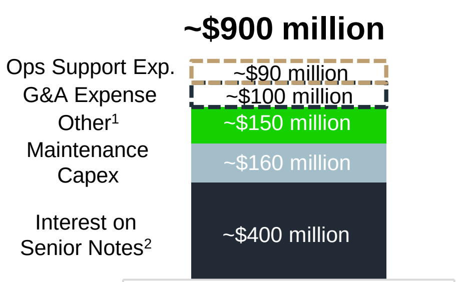
Note: All amounts as of December 31, 2019. Represents principal debt balances outstanding. Borrowing capacity under revolving credit facility is approximately $1.6B through September 2022.

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

## Illustrative Annual Cash Uses

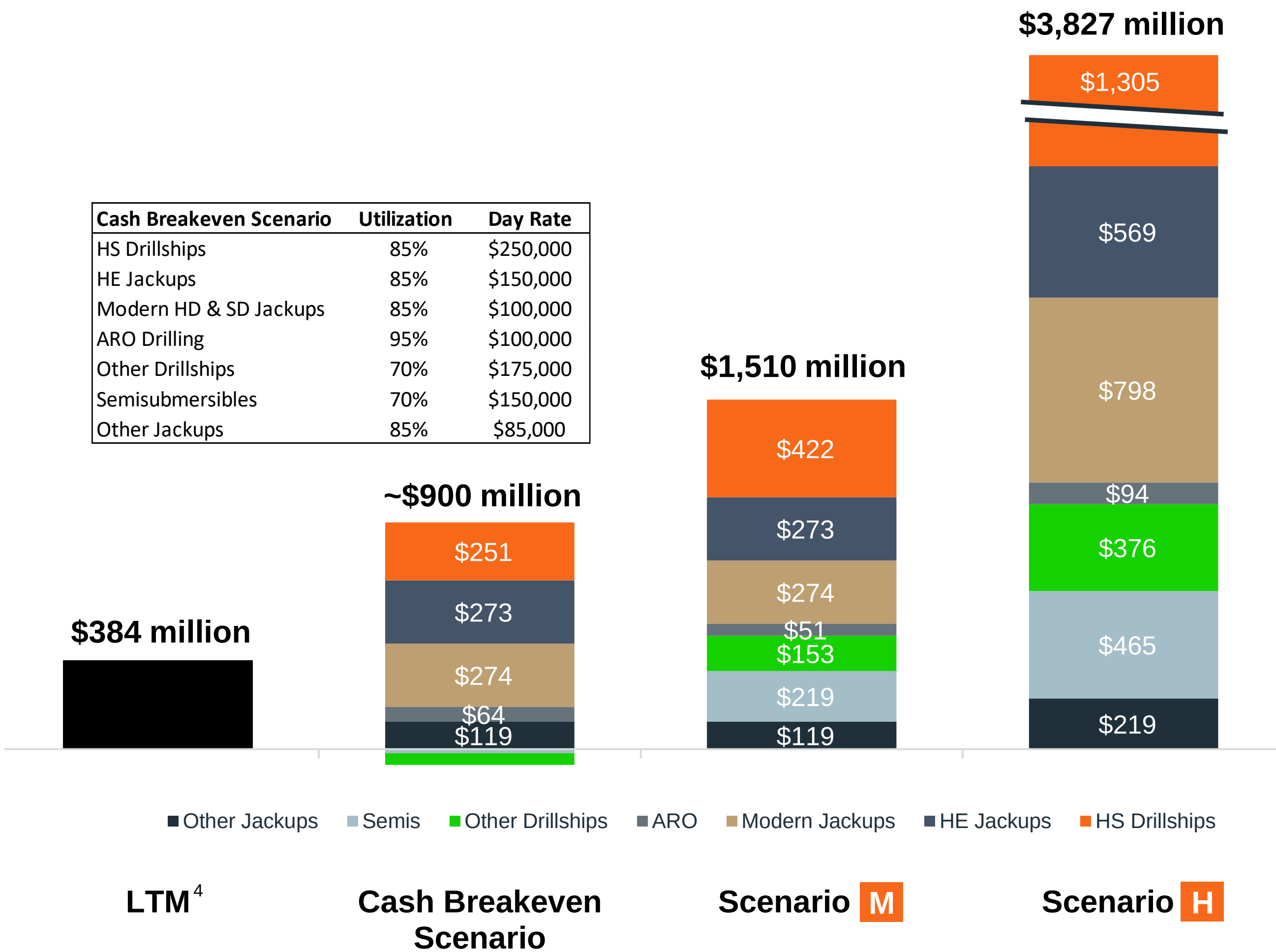



*Other non-recurring cash uses:*

- *Newbuild capex ~$300M*
- *Debt maturities*

## Illustrative Rig-Level Annual EBITDA Scenarios[3]

| 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 |

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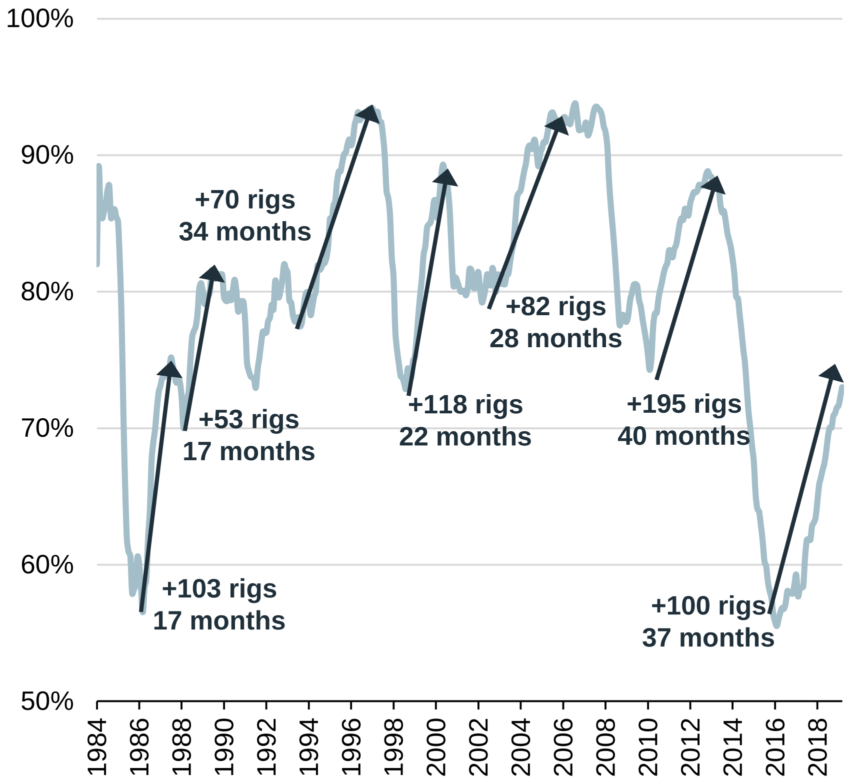
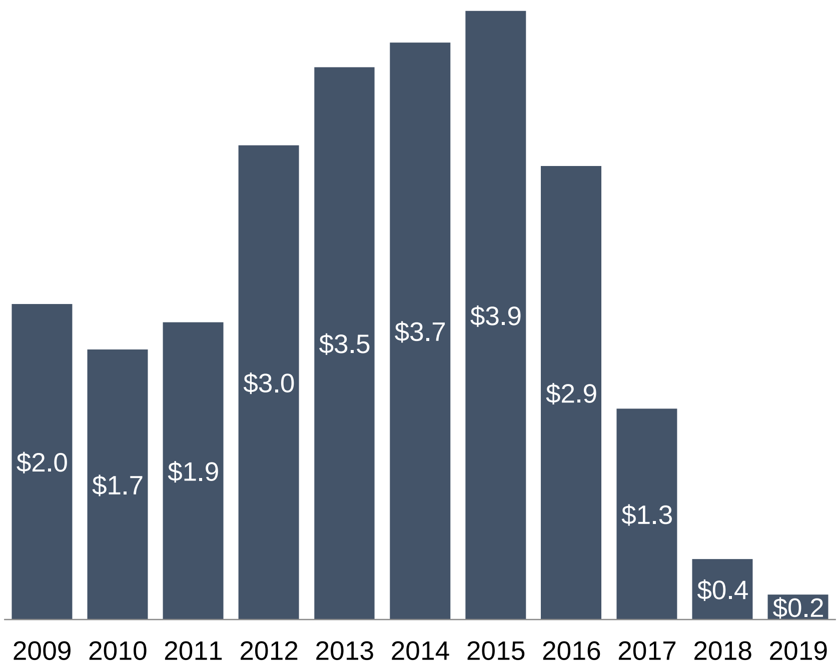
[1]Includes taxes and other items
[2]Annualized cash interest
[3]Illustrative annual EBITDA based on M and H scenarios on slide 19
[4]LTM rig-level EBITDA excludes operations support costs included in contract drilling expense and G&A expense; excludes ARO Drilling

# EBITDA is Cyclical and Currently in Process of Troughing

## Global Fleet Utilization




## Valaris Pro Forma EBITDA[1] ($B)

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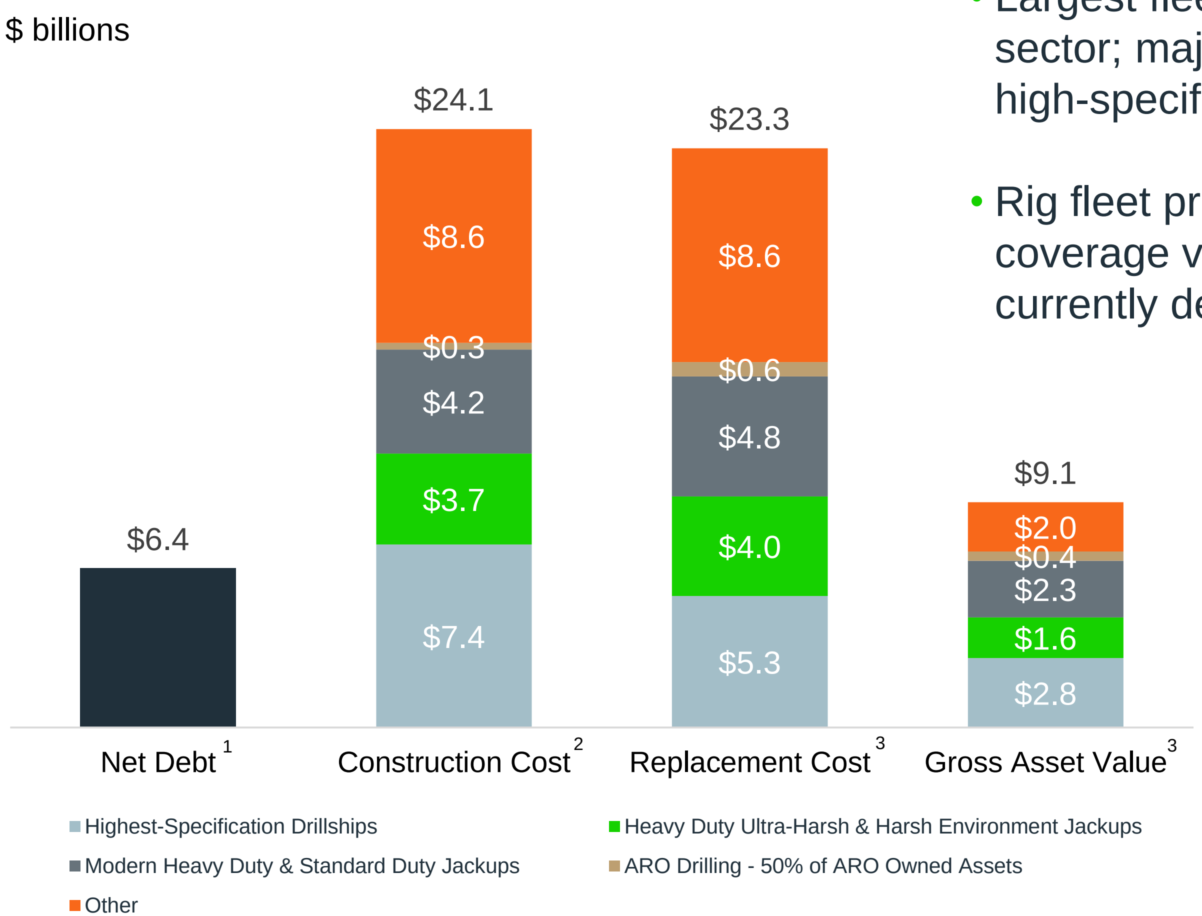
Source: IHS Markit RigPoint as of February 2020; Annual and Quarterly Filings

[1] 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

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




- 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 | $10.1 |
| Analyst 2 | $9.7 |
| Analyst 3 | $9.5 |
| Analyst 4 | $9.1 |
| Analyst 5 | $8.9 |

Source: IHS Markit RigPoint, Wells Fargo Securities, Valaris analysis
[1] Net debt represents total debt of $6.5B less $0.1B of cash as of December 31, 2019
[2] Construction cost per IHS Markit RigPoint
[3] Replacement cost and gross asset value per Wells Fargo Securities quarterly report dated December 10, 2019
[4] Analyst Gross Asset Value Estimates include DNB Markets, Morgan Stanley, Scotiabank, SpareBank and Wells Fargo

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# Unsecured Capital Structure Provides Flexibility to Raise Capital

## Financial Levers

- Liquidity
  - Cash & short-term investments
  - Revolving credit facility[1]
- Issuance of securities
  - Valaris is one of two public offshore drillers that has a largely unsecured capital structure
- Monetization of assets
- ~$450 million ARO shareholder notes

## Comparison to Peers[2]

| | Total Debt ($ billion) | % of Unsecured Non-Guaranteed | % of Unsecured Guaranteed | % of Secured |
|---|---|---|---|---|
| **Transocean** | $10.6 | 37% | 30% | 33% |
| **Seadrill** | $6.8 | - | - | 100% |
| **Valaris** | $6.5 | 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 $1.6B through September 2022
[2] Based on most recent public filings, pro forma for recent transactions. Valaris as of December 31, 2019

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# Operational Highlights, Integration & Synergies


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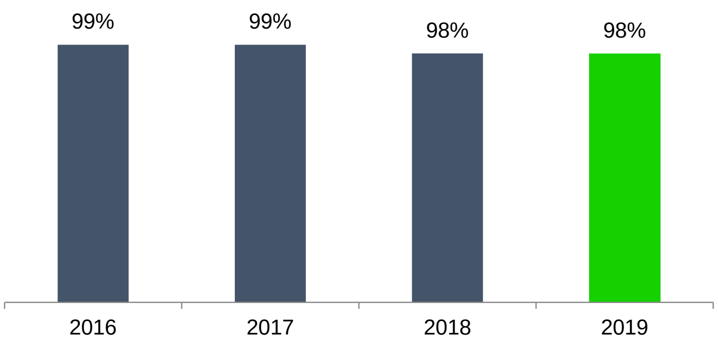
# Operational Excellence

## Consistent Operational Results

**Fleet-Wide Operational Effectiveness[1]**




- Achieved high levels of operational effectiveness for the past several 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 survey[2]
  - Total Satisfaction
  - Health, Safety & Environment
  - Performance & Reliability
  - Middle East
  - North Sea
  - Job Quality
  - HPHT Wells
  - Ultra-Deepwater Wells
  - Deepwater Wells
  - Shelf Wells

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[1] 2016, 2017, and 2018 results represent an average of legacy Ensco "Operational Utilization" and legacy Rowan "Billed Uptime" performance; 2019 result represents Valaris "Operational Utilization"
[2] 2018 Oilfield Products & Services Customer Satisfaction Survey conducted by EnergyPoint Research

# Innovation and 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

- 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

EAMS

EPiC

CONTINUOUS SURVEY PROGRAM

- 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

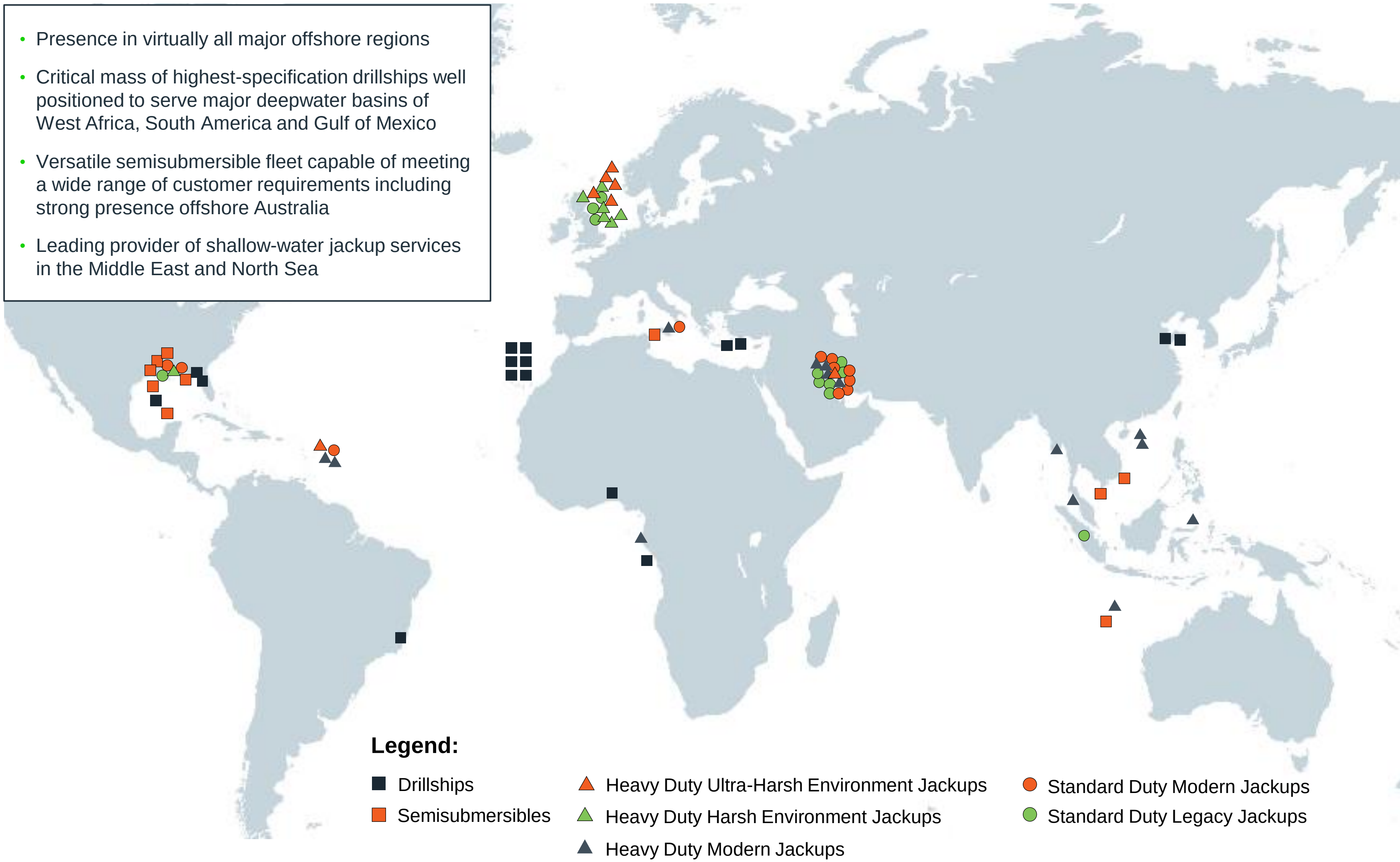
PINSAFE

SMART MOVE

- 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

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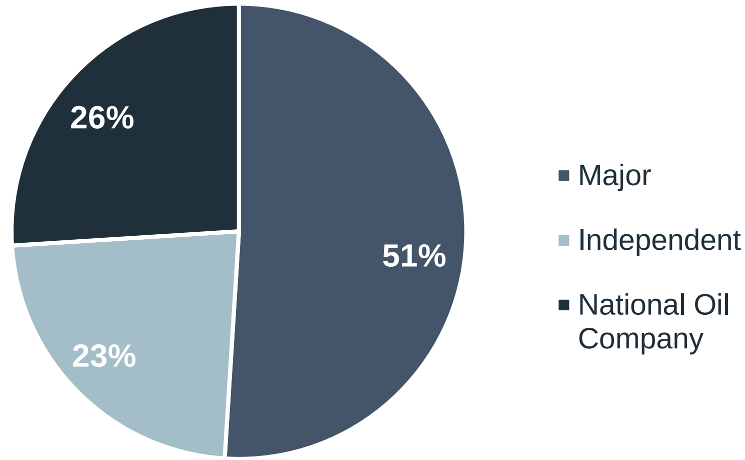
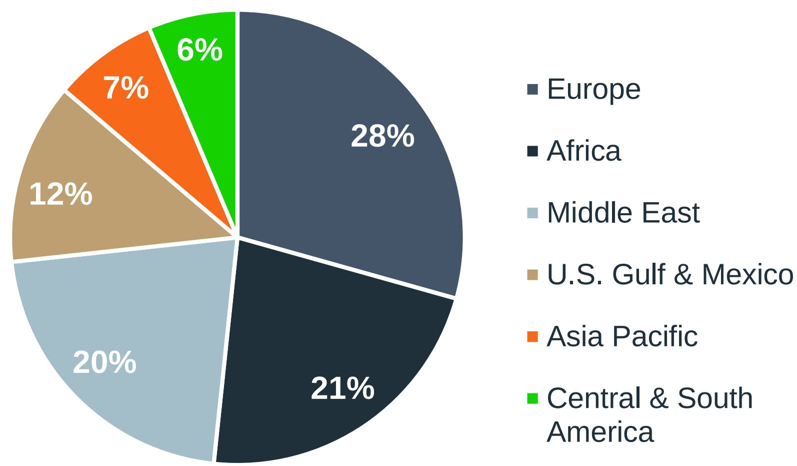
# Large and Diversified Customer Base

## $2.5 Billion Contracted Revenue Backlog[1]




Note: Includes certain customers that may not currently have backlog
[1]Contracted revenue backlog as of December 31, 2019

# Significant Efficiencies From Merger and Cost Reduction Initiatives

## Synergies & Cost Savings

- Expect to achieve $265+ million of annual run rate synergies and cost savings as compared to pre-merger levels
  - G&A and other support costs
  - Regional office consolidation
  - Procurement and supply chain improvements
  - Compensation standardization
  - Other organizational optimization
- Anticipate reaching $235 million of synergies by the end of 2020, and $265+ million by the end of second quarter 2021

## Progress to Date

- More than 80% of integration-related activities completed
  - Staffing reductions
  - Houston and Aberdeen regional office and warehouse consolidation
  - Major ERP conversion
- ~$135 million of annual run rate synergies achieved by year-end 2019

# Appendix

# Global Rig Fleet

| | Floaters | Jackups |
|---|---|---|
| Delivered Rigs | | |
| Under Contract | 128 | 353 |
| Future Contract | 28 | 43 |
| Idle / Stacked | 37 | 58 |
| **Marketed Fleet** | **193** | **454** |
| Non-Marketed | 40 | 71 |
| **Total Fleet** | **233** | **525** |
| *Marketed Utilization* | *81%* | *87%* |
| *Total Utilization* | *67%* | *75%* |
| Newbuild Rigs | | |
| Contracted | 1 | 3 |
| Uncontracted | 25 | 46 |
| **Total Newbuilds** | **26** | **49** |

- ~30 floaters[1] could be candidates for retirement based on age and contract expirations
- ~130 jackups[1] 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

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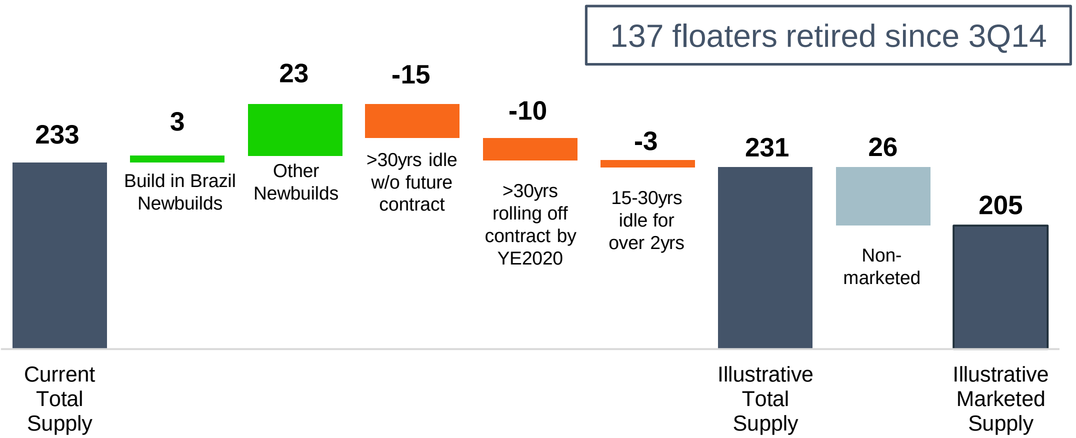
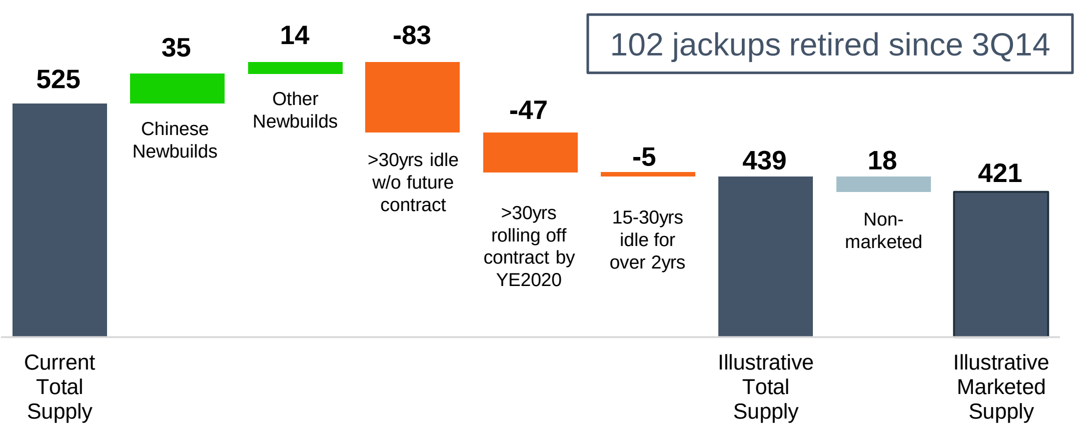
Source: IHS Markit RigPoint as of February 2020
[1]Includes rigs >30 years of age that are idle without follow-on work or have contracts expiring before year-end 2020 without follow-on work and rigs 15 to 30 years of age that have been idle for more than two years and without follow-on work

# Retirements Expected to Lead to Future Supply Contraction

## Illustrative Floater Supply




## Illustrative Jackup Supply



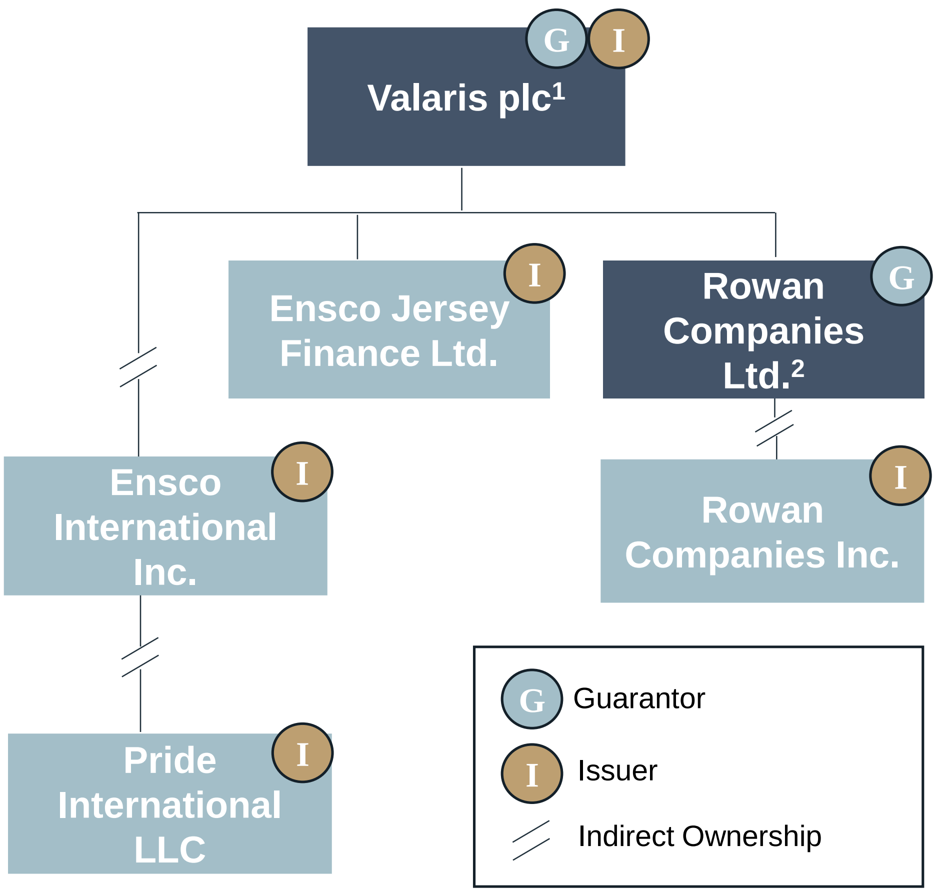

- Further floater retirements expected to offset newbuild deliveries
  - Excluding another 26 floaters that are not currently marketed, illustrative marketed supply of 205 compares to contracted floater count of 156
- When adjusting for likely retirements and newbuilds, the jackup count could decline by ~85 rigs or more than 15%
  - Excluding another 18 jackups that are not currently marketed, illustrative marketed supply of 419 compares to contracted jackup count of 396



Source: IHS Markit RigPoint as of February 2020

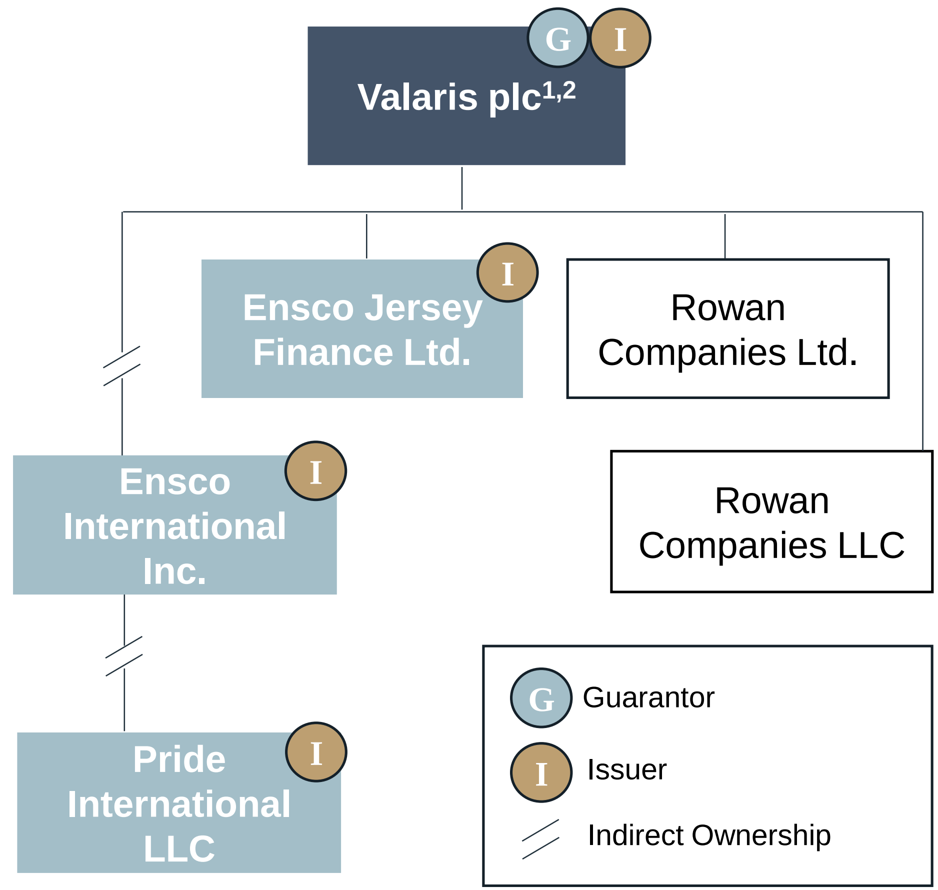
# Summary Corporate Structure

## Before Internal Reorganization




[1] Guarantor of debt issued by Ensco Jersey Finance Ltd., Ensco International Inc. and Pride International LLC; [2] Guarantor of debt issued by Rowan Companies Inc.

## After Internal Reorganization




[1] Guarantor of debt issued by Ensco Jersey Finance Ltd., Ensco International Inc. and Pride International LLC; [2] Debt previously issued by Rowan Companies Inc. assumed by Valaris plc

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# EBITDA Reconciliations

| *$ Millions* | Valaris / Ensco | | Rowan | | Pro Forma Valaris | |
|---|---|---|---|---|---|---|
| Net income (loss) | $ | (174) | $ | (129) | $ | (303) |
| Add (subtract): | | | | | | |
| Income tax expense | | 142 | | 8 | | 150 |
| Interest expense | | 409 | | 28 | | 437 |
| Other (income) expense | | (1,045) | | (3) | | (1,048) |
| **Operating loss** | | **(669)** | | **(96)** | | **(765)** |
| Add (subtract): | | | | | | |
| Depreciation expense | | 610 | | 93 | | 703 |
| Amortization, net | | (18) | | - | | |
| Loss on impairment | | - | | - | | 104 |
| Equity in earnings of ARO | | | | (7) | | 6 |
| (Gain) loss on asset disposals | | (2) | | 0 | | (2) |
| Transaction costs | | 102 | | 4 | | 105 |
| General & adminstrative expense | | 119 | | 21 | | 140 |
| Operations support costs | | 88 | | 23 | | 111 |
| **Rig-level EBITDA** | **$** | **347** | **$** | **38** | **$** | **384** |

VALARIS

Source: Annual and Quarterly Filings
Note: Valaris reflects Ensco plc only for the three months ended March 31, 2019 and Valaris plc for the nine months ended December 31, 2019; Rowan reflects Rowan Companies plc for the three months ended March 31, 2019

# EBITDA Reconciliations

**Financial Year 2009**

| $ Millions | Atwood | Ensco | Rowan | Pro Forma Valaris |
|---|---|---|---|---|
| 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 2010**

| $ Millions | Atwood | Ensco | Rowan | Pro Forma Valaris |
|---|---|---|---|---|
| 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 2011**

| $ Millions | Atwood | Ensco | Rowan | Pro Forma Valaris |
|---|---|---|---|---|
| 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 2012**

| $ Millions | Atwood | Ensco | Rowan | Pro Forma Valaris |
|---|---|---|---|---|
| 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 2013**

| $ Millions | Atwood | Ensco | Rowan | Pro Forma Valaris |
|---|---|---|---|---|
| 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 2014**

| $ Millions | Atwood | Ensco | Rowan | Pro Forma Valaris |
|---|---|---|---|---|
| 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** |

VALARIS

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**

| *$ Millions* | Atwood | Ensco | Rowan | Pro Forma Valaris |
|---|---|---|---|---|
| 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 2016**

| *$ Millions* | Atwood | Ensco | Rowan | Pro Forma Valaris |
|---|---|---|---|---|
| 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 2017**

| *$ Millions* | Atwood | Ensco | Rowan | Pro Forma Valaris |
|---|---|---|---|---|
| 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 2018**

| *$ Millions* | Atwood | Ensco | Rowan | Pro Forma Valaris |
|---|---|---|---|---|
| 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** |

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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

# Boldly First