

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities and Exchange Act of 1934

Date of Report (Date of earliest event reported): October 31, 2022

Valaris Limited

(Exact name of registrant as specified in its charter)

Bermuda
(State or other jurisdiction of
incorporation)

001-08097
(Commission
File Number)

98-1589854
(I.R.S. Employer
Identification No.)

Claredon House, 2 Church Street
Hamilton, Bermuda, HM 11

Registrant's telephone number, including area code: 44 (0) 20 7659 4660

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Ticker Symbol(s) | Name of each exchange on which registered |
|---------------------------------------|------------------|---|
| Common Shares, \$0.01 par value share | VAL | New York Stock Exchange |
| Warrants to purchase Common Shares | VAL WS | New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth Company

☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

☐

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INFORMATION TO BE INCLUDED IN THE REPORT

Item 7.01 Regulation FD Disclosure

The Fleet Status Report of the Company as of October 31, 2022 is furnished as Exhibit 99.1 to this report.

The information furnished in this Item 7.01 and the information attached to this Form 8-K as Exhibit 99.1 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

| <u>Exhibit No.</u> | <u>Description</u> |
|---------------------------|--|
| 99.1 | <u>Fleet Status Report of Valaris Limited as of October 31, 2022</u> |
| 101 | Interactive data files pursuant to Rule 405 of Regulation S-T formatted in inline Extensible Business Reporting Language |
| 104 | Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101) |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Valaris Limited

October 31, 2022

/s/ CHRISTOPHER T. WEBER

Christopher T. Weber
Senior Vice President and Chief
Financial Officer
(principal financial officer)

Fleet Status Report

October 2022

FOCUSED || VALUE DRIVEN || RESPONSIBLE





Valaris Limited
Fleet Status Report
October 31, 2022

New Contracts and Extensions, Rig Sales and Other Updates Since Last Fleet Status Report

Floaters

- Three-well contract with Eni Mexico S. de R.L. de C.V. offshore Mexico for semisubmersible VALARIS DPS-5. The contract is expected to commence in December 2022 and has an estimated duration of 240 days. The operating day rate is \$313,500, plus a mobilization fee of approximately \$1.2 million.
- Option exercised by TotalEnergies EP Brasil offshore Brazil for drillship VALARIS DS-15. The option has an estimated duration of 100 days and will be in direct continuation of the existing firm term.

Jackups

- Four-well contract extension with a duration in the region of 500 days with Shell in the UK North Sea for heavy duty harsh environment jackup VALARIS 122. The contract extension will be in direct continuation of the existing firm program and has a contract value of over \$60 million.
- 292-day contract extension with Saudi Aramco for standard duty modern jackup VALARIS 76. The 292-day extension is in direct continuation of the existing contract.
- 204-day contract extension with Saudi Aramco for standard duty legacy jackup VALARIS 54. The 204-day extension is in direct continuation of the existing contract.
- 142-day contract extension with Saudi Aramco for heavy duty modern jackup VALARIS 108. The 142-day extension is in direct continuation of the existing contract.
- Four-well option exercised by BP offshore Trinidad for heavy duty modern jackup VALARIS 118. The four-well option has an estimated duration of 200 days and will be in direct continuation of the existing firm program. The four-well option has a total contract value of approximately \$24 million.
- **90-day contract with an undisclosed operator in the North Sea for heavy duty harsh environment jackup VALARIS 123. The contract is expected to commence in November 2022.**
- One-well contract with an undisclosed operator offshore Australia for heavy duty modern jackup VALARIS 107. The contract is expected to commence either late in the first quarter or early in the second quarter 2023 with an estimated duration of 60 days. The operating rate is \$120,000 per day.
- One-well option exercised by DNO in the UK North Sea for heavy duty ultra-harsh environment jackup VALARIS 247. The one-well option has an estimated duration of 45 days and will be in direct continuation of the existing firm program.
- **14-day option exercised by BP in the UK North Sea for heavy duty ultra-harsh environment jackup VALARIS Norway. The 14-day option will be in direct continuation of the existing firm program.**

Other

- **In September 2022, the Australian Federal Court set aside an environmental plan covering the drilling and completion activities related to the Barossa Gas Project. As a result of the decision, the customer suspended drilling activities being performed by VALARIS MS-1, and the rig was moved to a standby location. During the contract suspension period, the duration of which is currently unknown, we do not expect a material impact on revenues and earnings. The customer's hearing to appeal the court's decision is scheduled to occur in November 2022.**

New Disclosure: bolded text signifies items that have not been previously disclosed



Valaris Limited
Fleet Status Report
October 31, 2022

Contract Backlog^{(1) (2)}
(\$ millions)

| | 2022 | 2023 | 2024+ | Total |
|----------------------------|-----------------|-------------------|-----------------|-------------------|
| Drillships | \$ 91.1 | \$ 509.2 | \$ 394.8 | \$ 995.1 |
| Semisubmersibles | 33.0 | 235.8 | 110.7 | 379.5 |
| Floater | \$ 124.1 | \$ 745.0 | \$ 505.5 | \$ 1,374.6 |
| HD - Ultra-Harsh & Harsh | \$ 43.6 | \$ 111.9 | \$ 29.6 | \$ 185.1 |
| HD & SD - Modern | 40.1 | 203.8 | 151.4 | 395.3 |
| SD - Legacy | 13.0 | 58.0 | 11.3 | 82.3 |
| Jackups | \$ 96.7 | \$ 373.7 | \$ 192.3 | \$ 662.7 |
| Other⁽³⁾ | \$ 23.4 | \$ 133.3 | \$ 66.6 | \$ 223.3 |
| Total | \$ 244.2 | \$ 1,252.0 | \$ 764.4 | \$ 2,260.6 |

ARO Drilling⁽⁴⁾

| | | | | |
|--------------|----------------|-----------------|-----------------|-------------------|
| Owned Rigs | \$ 41.2 | \$ 246.6 | \$ 582.9 | \$ 870.7 |
| Leased Rigs | 46.3 | 202.9 | 224.1 | 473.3 |
| Total | \$ 87.5 | \$ 449.5 | \$ 807.0 | \$ 1,344.0 |

Valaris 50% Share of ARO

| | | | | |
|-------------------------------------|-----------------|-------------------|-------------------|-------------------|
| Owned Rigs | \$ 20.6 | \$ 123.3 | \$ 291.4 | \$ 435.3 |
| Adjusted Total⁽⁵⁾ | \$ 264.8 | \$ 1,375.3 | \$ 1,055.8 | \$ 2,695.9 |

(1) Contract backlog, contracted days and average day rates as of October 31, 2022.

(2) Contract backlog and average day rates exclude certain types of non-recurring revenues such as lump sum mobilization payments. Contract backlog and contracted days include backlog and days when a rig is under suspension. Average day rates are adjusted to exclude suspension backlog and days.

Contracted Days^{(1) (2)}

| | 2022 | 2023 | 2024+ |
|----------------------------|--------------|---------------|--------------|
| Drillships | 427 | 2,100 | 1,304 |
| Semisubmersibles | 176 | 978 | 487 |
| Floater | 603 | 3,078 | 1,791 |
| HD - Ultra-Harsh & Harsh | 427 | 1,065 | 233 |
| HD & SD - Modern | 477 | 2,328 | 1,507 |
| SD - Legacy | 183 | 785 | 174 |
| Jackups | 1,087 | 4,178 | 1,914 |
| Other⁽³⁾ | 589 | 2,973 | 2,524 |
| Total | 2,279 | 10,229 | 6,229 |

Average Day Rates^{(1) (2)}

| | 2022 | 2023 | 2024+ |
|--------------------------|-------------------|-------------------|-------------------|
| Drillships | \$ 213,000 | \$ 242,000 | \$ 303,000 |
| Semisubmersibles | 187,000 | 241,000 | 227,000 |
| Floater | \$ 206,000 | \$ 242,000 | \$ 282,000 |
| HD - Ultra-Harsh & Harsh | \$ 102,000 | \$ 105,000 | \$ 127,000 |
| HD & SD - Modern | 84,000 | 88,000 | 100,000 |
| SD - Legacy | 71,000 | 74,000 | 65,000 |
| Jackups | \$ 89,000 | \$ 89,000 | \$ 100,000 |

(3) Other represents contract backlog and contracted days related to bareboat charter agreements and management services contracts.

(4) ARO Drilling contract backlog as of October 31, 2022.

(5) Adjusted total is Valaris consolidated total plus Valaris 50% share of ARO owned rigs.

HD = Heavy Duty; SD = Standard Duty



Valaris Limited
Fleet Status Report
October 31, 2022

| Asset Category / Rig | Design | Year Delivered | Customer/ Status | Location | Contract Start Date | Contract End Date ⁽¹⁾ | Day Rate | Comments |
|---------------------------------------|-----------------|----------------|--|-----------------------------------|-----------------------------------|-----------------------------------|-------------------------------------|--|
| Drillships | | | | | | | | |
| VALARIS DS-18 | GustoMSC P10000 | 2015 | Chevron Chevron | U.S. GOM U.S. GOM | Aug 20 Aug 22 | Jul 22 Jul 25 | | |
| VALARIS DS-17 | GustoMSC P10000 | 2014 | Equinor | Brazil | Jun 23 | Dec 24 | Confidential | Rig being reactivated in Spain. Total contract value of \$327 million, including an upfront payment of approx. \$86 million for mobilization, capital upgrades and a contribution towards reactivation costs. Two options each with an estimated duration of 60 days |
| VALARIS DS-16 | GustoMSC P10000 | 2014 | Occidental | U.S. GOM | May 22 | May 24 | | One 1-year option |
| VALARIS DS-15 | GustoMSC P10000 | 2014 | TotalEnergies TotalEnergies <u>TotalEnergies</u> | Brazil Brazil <u>Brazil</u> | Jun 21 Dec 22 <u>Mar 23</u> | Dec 22 Mar 23 <u>Jul 23</u> | Confidential <u>Confidential</u> | <u>Two</u> options each with an estimated duration of 100 days |
| VALARIS DS-12 | DSME 12000 | 2014 | BP Undisclosed | Mauritania/Senegal Angola | Apr 22 Jan 23 | Dec 22 Mar 23 | Confidential | Total contract value of \$26.2 million |
| VALARIS DS-10 | Samsung GF12000 | 2017 | SNEPCo | Nigeria | Apr 22 | Apr 23 | Confidential | One 240-day option |
| VALARIS DS-9 | Samsung GF12000 | 2015 | ExxonMobil | Angola | Jul 22 | Jul 24 | | Four 6-month options |
| VALARIS DS-4 | Samsung 96K | 2010 | Petrobras | Brazil | Jul 22 | Dec 23 | | One 6-month option |
| Stacked | | | | | | | | |
| VALARIS DS-11 | DSME 12000 | 2013 | Stacked | Spain | | | | |
| VALARIS DS-8 | Samsung GF12000 | 2015 | Stacked | Spain | | | | |
| VALARIS DS-7 | Samsung 96K | 2013 | Stacked | Spain | | | | |
| Purchase Options⁽²⁾ | | | | | | | | |
| VALARIS DS-14 | DSME 12000 | | Under Construction | South Korea | | | | Option to take delivery by year-end 2023. Purchase price of approx. \$218 million assuming a Dec 31, 2023 delivery |
| VALARIS DS-13 | DSME 12000 | | Under Construction | South Korea | | | | Option to take delivery by year-end 2023. Purchase price of approx. \$119 million assuming a Dec 31, 2023 delivery |

Changes: bolded rig names and underlined text signify changes in rig status from previous report



Valaris Limited
Fleet Status Report
October 31, 2022

| Asset Category / Rig | Design | Year Delivered | Customer/ Status | Location | Contract Start Date | Contract End Date ⁽¹⁾ | Day Rate | Comments |
|-------------------------|--------------------------------|----------------|-----------------------------------|--|--|--|------------------------------|--|
| Semisubmersibles | | | | | | | | |
| VALARIS DPS-5 | ENSCO 8500 Series, DP + Moored | 2012 | Kosmos Apache Murphy Eni | U.S. GOM U.S. GOM U.S. GOM Mexico Mexico | Mar 22 Aug 22 Sep 22 Oct 22 Dec 22 Dec 22 | Aug 22 Sep 22 Oct 22 Dec 22 Aug 23 | | |
| | | | | | | | <u>\$313,500</u> | Plus mobilization fee of approx. \$1.2 million. Three options each with an estimated duration of 80 days |
| VALARIS DPS-1 | F&G ExD Millennium, DP | 2012 | Woodside Woodside | Australia Australia | Apr 22 Mar 23 | Mar 23 Sep 24 | Confidential Confidential | |
| VALARIS MS-1 | F&G ExD Millennium, Moored | 2011 | Santos | Australia | Jul 22 | Oct 23 | | Contract suspended. During the contract suspension period, the duration of which is currently unknown, we do not expect a material impact on revenues and earnings. Three options each with an estimated duration of 90 days |
| | | | Undisclosed | Australia | Oct 23 | Aug 24 | | |
| Stacked | | | | | | | | |
| VALARIS DPS-6 | ENSCO 8500 Series, DP | 2012 | Stacked | U.S. GOM | | | | |
| VALARIS DPS-3 | ENSCO 8500 Series, DP + Moored | 2010 | Stacked | U.S. GOM | | | | |

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Valaris Limited
Fleet Status Report
October 31, 2022

| Asset Category / Rig | Design | Year Delivered | Customer/ Status | Location | Contract Start Date | Contract End Date ⁽¹⁾ | Day Rate | Comments |
|---|---------------------|----------------|---------------------|--------------|-------------------------|----------------------------------|----------|---|
| Jackups | | | | | | | | |
| Heavy Duty Ultra-Harsh Environment⁽³⁾ | | | | | | | | |
| VALARIS Norway | KFELS N Class | 2011 | BP Centrica Storage | UK UK | May 22 <u>Nov 22</u> | <u>Nov 22</u> <u>Mar 23</u> | | |
| VALARIS Stavanger | KFELS N Class | 2011 | Equinor | Norway | Oct 19 | <u>Nov 22</u> | | |
| VALARIS Viking | KFELS N Class | 2010 | Repsol | Norway | Jun 22 | <u>Jan 23</u> | | One option with an estimated duration of 60 days |
| VALARIS 250 | LT Super Gorilla XL | 2003 | Saudi Aramco | Saudi Arabia | Jun 18 | Dec 24 | | Leased to ARO Drilling ⁽⁴⁾ |
| VALARIS 249 | LT Super Gorilla | 2002 | OMV | New Zealand | Feb 22 | <u>Apr 23</u> | | <u>Three</u> options each with an estimated duration of 65 days |
| VALARIS 248 | LT Super Gorilla | 2000 | Neptune | UK | Aug 20 | Sep 23 | | |
| VALARIS 247 | LT Super Gorilla | 1998 | DNO | UK | May 21 | <u>Dec 22</u> | | |

Changes: bolded rig names and underlined text signify changes in rig status from previous report



Valaris Limited
Fleet Status Report
October 31, 2022

| Asset Category / Rig | Design | Year Delivered | Customer/ Status | Location | Contract Start Date | Contract End Date ⁽¹⁾ | Day Rate | Comments |
|---|---------------|-------------------|---------------------------------|------------------------|-----------------------------------|-------------------------------------|--|---|
| Jackups | | | | | | | | |
| Heavy Duty Harsh Environment⁽³⁾ | | | | | | | | |
| VALARIS 123 | KFELS Super A | 2019 | Capricorn <u>Undisclosed</u> | UK <u>North Sea</u> | Jun 22 <u>Nov 22</u> | Sep 22 <u>Feb 23</u> | <u>Confidential</u> | |
| VALARIS 122 | KFELS Super A | 2014 | Shell Shell <u>Shell</u> | UK UK <u>UK</u> | Jan 20 Nov 22 <u>Apr 23</u> | Nov 22 Apr 23 <u>Aug 24</u> | <u>Confidential</u> <u>Confidential</u> | Total contract value of over \$60 million |
| VALARIS 121 | KFELS Super A | 2013 | Harbour Energy | UK | Jul 21 | <u>Nov 22</u> | | |
| VALARIS 120 | KFELS Super A | 2013 | Harbour Energy | UK | Jul 17 | Jul 23 | | |
| Stacked | | | | | | | | |
| VALARIS 102 | KFELS MOD V-A | 2002 | Stacked | U.S. GOM | | | | |

Changes: bolded rig names and underlined text signify changes in rig status from previous report



Valaris Limited
Fleet Status Report
October 31, 2022

| Asset Category / Rig | Design | Year Delivered | Customer/ Status | Location | Contract Start Date | Contract End Date ⁽¹⁾ | Day Rate | Comments |
|--|----------------------|----------------|---|-------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|--|
| Jackups | | | | | | | | |
| Heavy Duty - Modern⁽³⁾ | | | | | | | | |
| VALARIS 118 | LT 240-C | 2011 | BP BP | Trinidad Trinidad | Oct 22 <u>Jul 23</u> | Jun 23 <u>Jan 24</u> | <u>Confidential</u> | <u>Total contract value of approx. \$24 million</u> |
| VALARIS 117 | LT 240-C | 2009 | Eni | Mexico | Dec 21 | Dec 23 | | |
| VALARIS 116 | LT 240-C | 2008 | Saudi Aramco | Saudi Arabia | Dec 18 | Dec 24 | | Leased to ARO Drilling ⁽⁴⁾ |
| VALARIS 115 | BM Pacific Class 400 | 2013 | Mubadala Petroleum Shell | Thailand Brunei | Feb 22 Apr 23 | <u>Nov 22</u> <u>Apr 27</u> | Confidential | Total contract value of approx. \$159 million |
| VALARIS 110 | KFELS MOD V-B | 2015 | North Oil Company | Qatar | Oct 21 | Oct 24 | | Two options each with an estimated duration of 1 year |
| VALARIS 108 | KFELS MOD V-B | 2007 | Saudi Aramco | Saudi Arabia | Nov 18 | <u>Mar 23</u> | | |
| VALARIS 107 | KFELS MOD V-B | 2006 | Vermilion Oil & Gas Undisclosed Eni | Australia Australia Australia | May 22 Aug 22 <u>Nov 22</u> | Aug 22 Nov 22 <u>Feb 23</u> | \$112,000 \$115,000 | One option with an estimated duration of 20 days |
| | | | GB Energy <u>Undisclosed</u> | Australia <u>Australia</u> | <u>Feb 23</u> <u>Apr 23</u> | <u>Apr 23</u> <u>Jul 23</u> | \$118,000 <u>\$120,000</u> | |
| VALARIS 106 | KFELS MOD V-B | 2005 | BP BP | Indonesia Indonesia | Jan 18 Jan 23 | Jan 23 Jan 24 | Confidential | Eight options each with an estimated duration of 90 days |
| Stacked | | | | | | | | |
| VALARIS 111 | KFELS MOD V-B | 2003 | Stacked | Croatia | | | | |
| VALARIS 109 | KFELS MOD V-Super B | 2008 | Stacked | Namibia | | | | |
| VALARIS 104 | KFELS MOD V-B | 2002 | Stacked | UAE | | | | |

Changes: bolded rig names and underlined text signify changes in rig status from previous report



Valaris Limited
Fleet Status Report
October 31, 2022

| Asset Category / Rig | Design | Year Delivered | Customer/ Status | Location | Contract Start Date | Contract End Date ⁽¹⁾ | Day Rate | Comments |
|-------------------------------|----------------|----------------|--|--|---|--|--------------------------------------|---|
| Jackups | | | | | | | | |
| Standard Duty - Modern | | | | | | | | |
| VALARIS 148 | LT Super 116-E | 2013 | Saudi Aramco | Saudi Arabia | Nov 19 | <u>Feb 23</u> | | Leased to ARO Drilling ⁽⁴⁾ |
| VALARIS 147 | LT Super 116-E | 2013 | Saudi Aramco | Saudi Arabia | Sep 19 | <u>Dec 22</u> | | Leased to ARO Drilling ⁽⁴⁾ |
| VALARIS 146 | LT Super 116-E | 2011 | Saudi Aramco | Saudi Arabia | Sep 18 | Dec 24 | | Leased to ARO Drilling ⁽⁴⁾ |
| VALARIS 144 | LT Super 116-E | 2010 | Undisclosed Undisclosed Talos Cantium | U.S. GOM U.S. GOM U.S. GOM U.S. GOM | May 22 Aug 22 <u>Nov 22</u> Dec 22 | Aug 22 Oct 22 <u>Dec 22</u> <u>Mar 23</u> | Confidential \$85,000 \$80,000 | Total contract value of approx. \$5 million Two options each with an estimated duration of 90 days |
| VALARIS 143 | LT Super 116-E | 2010 | Saudi Aramco | Saudi Arabia | Oct 18 | Dec 24 | | Leased to ARO Drilling ⁽⁴⁾ |
| VALARIS 141 | LT Super 116-E | 2016 | Saudi Aramco | Saudi Arabia | Aug 22 | Aug 25 | Confidential | Leased to ARO Drilling ⁽⁴⁾ |
| VALARIS 140 | LT Super 116-E | 2016 | Saudi Aramco | Saudi Arabia | Mar 22 | Mar 25 | | Leased to ARO Drilling ⁽⁴⁾ |
| VALARIS 76 | LT Super 116-C | 2000 | Saudi Aramco | Saudi Arabia | Jan 15 | <u>Oct 23</u> | | |
| Stacked | | | | | | | | |
| VALARIS 145 | LT Super 116-E | 2010 | Stacked | U.S. GOM | | | | |
| VALARIS 75 | LT Super 116-C | 1999 | Stacked | U.S. GOM | | | | |

Changes: bolded rig names and underlined text signify changes in rig status from previous report



Valaris Limited
Fleet Status Report
October 31, 2022

| Asset Category / Rig | Design | Year Delivered | Customer/ Status | Location | Contract Start Date | Contract End Date ⁽¹⁾ | Day Rate | Comments |
|-------------------------------|--------------------|-------------------|---------------------|--------------|------------------------|-------------------------------------|----------|---|
| Jackups | | | | | | | | |
| <u>Standard Duty - Legacy</u> | | | | | | | | |
| VALARIS 92 | LT 116-C | 1982 | Harbour Energy | UK | Feb 17 | <u>Dec 23</u> | | |
| VALARIS 72 | Hitachi K1025N | 1981 | Eni | UK | Jan 20 | <u>Jun 24</u> | | Planned maintenance for approx. 40 days in 4Q22 |
| VALARIS 54 | F&G L-780 Mod II-C | 1982 | Saudi Aramco | Saudi Arabia | Sep 14 | <u>Mar 23</u> | | |

Changes: bolded rig names and underlined text signify changes in rig status from previous report



Valaris Limited
Fleet Status Report
October 31, 2022

| Asset Category / Rig | Design | Customer/ Status | Location | Contract Start Date | Contract End Date ⁽¹⁾ | Day Rate | Comments |
|--|-----------------------------|---------------------|--------------|------------------------|-------------------------------------|----------|---|
| Other | | | | | | | |
| Drilling Management | | | | | | | |
| Thunder Horse | Deepwater Semisubmersible | BP | U.S. GOM | Jan 17 | Jan 24 | | |
| Mad Dog | Deepwater Spar Drilling Rig | BP | U.S. GOM | Jan 17 | Jan 24 | | |
| ARO Drilling | | | | | | | |
| Jackup Rigs Owned by ARO Drilling | | | | | | | |
| ARO 2001 | LT 116-C | Saudi Aramco | Saudi Arabia | Oct 17 | Jan 26 | | |
| ARO 2003 | BM 200-H | Saudi Aramco | Saudi Arabia | Feb 18 | Feb 26 | | |
| ARO 3001 | LT Tarzan 225-C | Saudi Aramco | Saudi Arabia | Oct 17 | Jan 26 | | |
| ARO 3002 | LT Tarzan 225-C | Saudi Aramco | Saudi Arabia | Oct 17 | Jan 26 | | <u>Planned maintenance for approx. 75 days in 2Q23</u> |
| ARO 3003 | LT Tarzan 225-C | Saudi Aramco | Saudi Arabia | Oct 18 | Dec 26 | | |
| ARO 3004 | LT Tarzan 225-C | Saudi Aramco | Saudi Arabia | Oct 18 | Dec 26 | | |
| ARO 4001 | KFELS Super B | Saudi Aramco | Saudi Arabia | Oct 17 | Jan 26 | | <u>Planned maintenance for approx. 45 days in 1Q23. 25 days in 2Q23</u> |
| ARO 2005 | LT 116-C | Under Construction | Saudi Arabia | | | | Delivery expected in <u>late 1Q23 or early 2Q23</u> |
| ARO 2006 | LT 116-C | Under Construction | Saudi Arabia | | | | Delivery expected in <u>3Q23</u> |

Changes: bolded rig names and underlined text signify changes in rig status from previous report

⁽¹⁾ Contract duration does not include any unexercised optional extensions. Contract end dates can vary based on how long it takes to complete the wells subject to the contract.

⁽²⁾ Valaris has the right, but not the obligation, to take delivery of either or both rigs on or before December 31, 2023. Not included in Valaris' fleet count.

⁽³⁾ Heavy duty jackups are well-suited for operations in tropical revolving storm areas.

⁽⁴⁾ Rigs leased to ARO Drilling via bareboat charter agreements to fulfill contracts between ARO Drilling and Saudi Aramco.



Note: Includes eight jackup rigs owned by Valaris that are leased to ARO Drilling in Saudi Arabia. Excludes nine jackup rigs owned by ARO Drilling (operating and under construction), two rigs that Valaris manages on behalf of a customer and two drillships that Valaris has the option to purchase by year-end 2023.



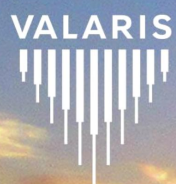
Valaris Limited
Fleet Status Report
October 31, 2022

Additional Information Regarding this Fleet Status Report

Day Rate and Terms. The day rates reflected in this Fleet Status Report are stated in U.S. dollars and are the operating day rates charged to customers, which may include estimated contractual adjustments for changes in operating costs and/or reimbursable cost adjustments for ongoing expenses such as crew, catering, insurance and taxes. The day rates, however, do not include certain types of non-recurring revenues such as lump sum mobilization payments, revenues earned during mobilizations, revenues associated with contract preparation and other non-recurring reimbursable items such as mobilizations and capital enhancements, and the impact of the fair market value adjustments to previously acquired drilling contracts. Routine and non-routine downtime may reduce the actual revenues recognized during the contract term. Additionally, we sometimes negotiate special rates and/or day rate adjustments with customers that may reduce revenues recognized.

Total Contract Value. Total contract value is the estimated total compensation expected to be received for a contract, including the operating day rate over the estimated firm term of the contract and any non-recurring lump sum payments for items such as mobilization, reactivation and capital upgrades.

Forward-Looking Statements. Statements contained in this Fleet Status Report that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include words or phrases such as "anticipate," "believe," "estimate," "expect," "intend," "likely," "plan," "project," "could," "may," "might," "should," "will" and similar words and specifically include statements regarding future rig day rates, including adjustments with customers; future levels of offshore drilling activity; expected utilization, day rates, revenues, operating expenses, rig commitments and availability, cash flow, contract status, terms and duration, contract backlog, capital expenditures, insurance, financing and funding; the effect, impact, potential duration and other implications of COVID-19; the offshore drilling market, including supply and demand, customer drilling programs, stacking and reactivation of rigs, effects of new and reactivated rigs on the market and effects of volatility in commodity prices; expected work commitments, awards and contracts; letters of intent; scheduled delivery dates for rigs; performance of our joint venture with Saudi Aramco; the timing of delivery, mobilization, contract commencement, availability, relocation or other movement of rigs; expected divestitures of assets; general market, business and industry conditions, trends and outlook; general political conditions, including political tensions, conflicts and war (such as the ongoing conflict in Ukraine); future operations; increasing regulatory complexity; and expense management. The forward-looking statements contained in this press release are subject to numerous risks, uncertainties and assumptions that may cause actual results to vary materially from those indicated, which may, among other things, impact our ability to staff rigs and rotate crews; cancellation, suspension, renegotiation or termination of drilling contracts and programs, including drilling contracts which grant the customer termination rights if final investment decision (FID) is not received with respect to projects for which the drilling rig is contracted; potential additional asset impairments; failure to satisfy our debt obligations; our ability to obtain financing, service our debt, fund capital expenditures and pursue other business opportunities; adequacy of sources of liquidity for us and our customers; the effects of our emergence from bankruptcy on the Company's business, relationships, comparability of our financial results and ability to access financing sources; actions by regulatory authorities, or other third parties; actions by our security holders; commodity price fluctuations and volatility, customer demand, new rig supply, downtime and other risks associated with offshore rig operations; severe weather or hurricanes; changes in worldwide rig supply and demand, competition and technology; consumer preferences for alternative fuels; increased scrutiny of our Environmental, Social and Governance ("ESG") practices and reporting responsibilities; changes in customer strategy; governmental action, civil unrest and political and economic uncertainties; the COVID-19 outbreak and the related public health measures implemented by governments worldwide, terrorism, piracy and military action; risks inherent to shipyard rig reactivation, upgrade, repair, maintenance or enhancement; our ability to enter into, and the terms of, future drilling contracts; suitability of rigs for future contracts; 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; 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, which is available on the SEC's website at www.sec.gov or on the Investor Relations 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 update or revise any forward-looking statements, except as required by law.



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