

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended March 31, 2026  
OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

Commission File Number 1-8097

**Valaris Limited**

(Exact name of registrant as specified in its charter)

**Bermuda**

(State or other jurisdiction of  
incorporation or organization)

**Clarendon House, 2 Church Street  
Hamilton Bermuda**

(Address of principal executive offices)

**98-1589854**

(I.R.S. Employer  
Identification No.)

**HM 11**

(Zip Code)

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

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

<u>Title of each class</u>	<u>Ticker Symbol(s)</u>	<u>Name of each exchange on which registered</u>
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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes  No

As of April 30, 2026, there were 69,251,780 Common Shares of the registrant outstanding.

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**VALARIS LIMITED**  
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**FOR THE QUARTER ENDED MARCH 31, 2026**

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## FORWARD-LOOKING STATEMENTS

Statements contained in this 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 (the "Exchange Act"). Forward-looking statements include words or phrases such as "anticipate," "believe," "estimate," "expect," "intend," "likely," "outlook," "plan," "project," "could," "may," "might," "should," "will" and similar words and specifically include statements regarding expected financial performance; expected utilization, day rates, revenues, operating expenses, cash flows, contract status, terms and duration, contract backlog, capital expenditures, insurance, financing and funding; our expectations regarding the timing, completion and anticipated benefits of the pending business combination (the "Business Combination") with Transocean Ltd.; the offshore drilling market, including supply and demand, customer drilling programs, stacking of rigs, effects of new rigs on the market and effect of the volatility of commodity prices; expected work commitments, awards, contracts and letters of intent; the availability, delivery, mobilization, contract commencement or relocation or other movement of rigs and the timing thereof; rig reactivations, enhancement, upgrade or repair and timing and cost thereof; the suitability of rigs for future contracts; performance and expected benefits of our joint ventures, including our joint venture with Saudi Arabian Oil Company ("Saudi Aramco"); timing of the delivery of the Saudi Aramco Rowan Offshore Drilling Company ("ARO") newbuild rigs and the timing of additional ARO newbuild orders; divestitures of assets; general market, business and industry conditions, trends and outlook; general political conditions, including political tensions, conflicts and war; the impacts and effects of public health crises, pandemics and epidemics; future operations; the effectiveness of our cybersecurity programs; uncertainty around the use and impacts of artificial intelligence ("AI") applications; expectations regarding our sustainability targets and strategy; the impact of increasing regulatory complexity; the outcome of tax disputes, assessments and settlements; expense management; and the likely outcome of litigation, legal proceedings, investigations or insurance or other claims or contract disputes and the timing thereof.

Such statements are subject to numerous risks, uncertainties and assumptions that may cause actual results to vary materially from those indicated, including:

- our ability to complete the Business Combination as timely as expected or at all, the impact of the significant management time and resources expended in an effort to complete the Business Combination, any disruptions to our relationships with third parties and employees or negative publicity or legal proceedings related to the Business Combination or disruptions to our ongoing operations, and uncertainty regarding the outcome of the Business Combination;
- delays in contract commencement dates or cancellation, suspension, renegotiation or termination with or without cause of drilling contracts or drilling programs as a result of general or industry-specific economic conditions, regulatory changes, mechanical difficulties, performance, delays in the delivery of critical drilling equipment, failure of the customer to receive final investment decision (FID) for which the drilling rig was contracted or other reasons;
- changes in worldwide rig supply and demand, competition or technology;
- general economic and business conditions, including recessions, inflation, volatility affecting the banking system and financial markets, changing tariff and tax policies, trade disputes and adverse changes in the level of international trade activity;
- requirements to make significant expenditures in connection with customer drilling requirements, joint ventures, rig reactivations and to comply with governing laws or regulations in the regions we operate;
- loss of a significant customer or customer contract, as well as customer consolidation and changes to customer strategy, including focusing on renewable energy projects;
- our ability to attract and retain skilled personnel on commercially reasonable terms, whether due to labor regulations, rising wages, unionization, or otherwise, or to retain employees;

- the occurrence of cybersecurity incidents, attacks or other breaches to our information technology systems, including our rig operating systems;
- the adequacy of sources of liquidity for us and our customers;
- compliance with our debt agreements and debt restrictions that may limit our liquidity and flexibility;
- our ability to obtain financing, service our debt, fund capital expenditures and pursue other business opportunities;
- risks inherent to drilling rig repairs, modifications, upgrades or reactivations, unexpected delays in equipment delivery, engineering, design or commissioning issues following delivery, or changes in the commencement, completion or service dates;
- our ability to generate operational efficiencies from our shared services center and potential risks relating to the processing of transactions and recording of financial information;
- downtime and other risks associated with offshore rig operations, including rig or equipment failure, damage and other unplanned repairs, the limited availability of transport vessels, hazards, self-imposed drilling limitations and other delays due to severe storms and hurricanes and the limited availability or high cost of insurance coverage for certain offshore perils, such as hurricanes in the Gulf of America or associated removal of wreckage or debris;
- our customers cancelling or shortening the duration of our drilling contracts, cancelling future drilling programs and seeking pricing and other contract concessions from us;
- decreases in levels of drilling activity and capital expenditures by our customers, whether as a result of the global capital markets and liquidity, prices of oil and natural gas, changes in tax policy (such as the United Kingdom's (the "U.K.") windfall tax on oil and gas producers in the British North Sea), climate change concerns or otherwise, which may cause us to idle, stack or retire additional rigs;
- impacts and effects of public health crises, pandemics and epidemics, the related public health measures implemented by governments worldwide, the duration and severity of an outbreak and its impact on global oil demand, the volatility in prices for oil and natural gas and the extent of disruptions to our operations;
- disruptions to the operations and business of our key customers, suppliers and other counterparties, including impacts affecting our supply chain and logistics;
- governmental action, terrorism, cyber-attacks, piracy, military action and political and economic uncertainties, including civil unrest, political demonstrations, mass strikes, or an escalation or additional outbreak of armed hostilities or other crises in oil or natural gas producing areas (including conflicts in the Middle East and potential disruptions to key shipping lanes such as the Strait of Hormuz), which may result in expropriation, nationalization, confiscation or deprivation or destruction of our assets; suspension and/or termination of contracts based on force majeure events or adverse environmental safety events; or volatility in prices of oil and natural gas;
- risks associated with operations in non-U.S. jurisdictions and the expansion into new geographical markets;
- risks and challenges resulting from the use of AI by us, third-party service providers or our competitors;
- disputes over production levels among members of the Organization of Petroleum Exporting Countries and other oil and gas producing nations ("OPEC+"), which could result in increased supply and/or volatility in prices for oil and natural gas that could affect the markets for our services;
- our ability to enter into, and the terms of, future drilling contracts for rigs currently idled and for rigs whose contracts are expiring;
- 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, including any inability to collect receivables or resolve significant contractual or day rate disputes, and any renegotiation, nullification, cancellation or breach of contracts with customers or other parties;
- internal control risk due to changes in management, hiring of employees, employee reductions and our shared service center;
- governmental regulatory, legislative and permitting requirements affecting drilling operations, including limitations on drilling locations, limitations on new oil and gas leasing in United States (the "U.S.") federal lands and waters, and legislative or regulatory measures to limit or reduce greenhouse gas emissions;
- governmental policies that could reduce demand for hydrocarbons, including mandating or incentivizing the conversion from internal-combustion-engine-powered vehicles to electric-powered vehicles;
- forecasts or expectations regarding the global energy transition, including consumer preferences for alternative fuels and electric-powered vehicles, as part of the global energy transition;
- increased scrutiny from regulators, market and industry participants, stakeholders and others in regard to our sustainability practices and reporting;
- our ability to achieve our sustainability aspirations, targets, goals and commitments, or the impact of any changes to such matters;
- potential impacts on our business resulting from climate change, and the impact on our business from climate change-related physical changes or changes in weather patterns;
- new and future regulatory, legislative or permitting requirements, future lease sales, changes in laws, rules and regulations that have or may impose increased financial responsibility, additional oil spill abatement contingency plan capability requirements and other governmental actions that may result in claims of force majeure or otherwise adversely affect our existing drilling contracts, operations or financial results;
- environmental or other liabilities, risks, damages or losses, whether related to storms, hurricanes or other weather-related events (including wreckage or debris removal), collisions, groundings, blowouts, fires, explosions, cyber-attacks, terrorism or otherwise, for which insurance coverage and contractual indemnities may be insufficient, unenforceable or otherwise unavailable;
- tax matters, including our effective tax rates, tax positions, results of audits, changes in tax laws (including global minimum tax initiatives), treaties and regulations, tax assessments and liabilities for taxes;
- our ability to realize the expected benefits of our joint venture with Saudi Aramco, including our ability to fund any required capital contributions or to enforce any payment obligations of the joint venture pursuant to outstanding shareholder notes receivable and benefits of our other joint ventures;
- the potentially dilutive impacts of outstanding warrants;
- the costs, disruption and diversion of our management's attention associated with campaigns by activist securityholders; and
- adverse changes in foreign currency exchange rates.

In addition to the numerous risks, uncertainties and assumptions described above, you should also carefully read and consider "[Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations](#)" in [Part I](#) and "[Item 1A. Risk Factors](#)" in [Part II](#) of this report, and "[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 annual report on Form 10-K for the year ended December 31, 2025, which is available on the U.S. Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov). 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.

## PART I - FINANCIAL INFORMATION

### Item 1. *Financial Statements*

**VALARIS LIMITED AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In millions, except per share amounts)  
(Unaudited)

	Three Months Ended March 31,	
	2026	2025
<b>OPERATING REVENUES</b>		
Revenues (exclusive of reimbursable revenues)	\$ 430.1	\$ 577.8
Reimbursable revenues	35.3	42.9
Total operating revenues	465.4	620.7
<b>OPERATING EXPENSES</b>		
Contract drilling expenses (exclusive of depreciation and reimbursable expenses)	340.4	374.0
Reimbursable expenses	33.0	41.0
Total contract drilling expenses (exclusive of depreciation)	373.4	415.0
Depreciation	42.7	33.1
General and administrative	25.3	24.4
Merger and integration expenses	13.6	—
Other operating (income) loss	(2.8)	7.8
Total operating expenses	452.2	480.3
EQUITY IN EARNINGS OF ARO	6.8	2.6
OPERATING INCOME	20.0	143.0
<b>OTHER INCOME (EXPENSE)</b>		
Interest income	17.0	14.4
Interest expense, net	(24.3)	(24.3)
Other, net	(2.3)	21.2
Total other income (expense)	(9.6)	11.3
INCOME BEFORE INCOME TAXES	10.4	154.3
<b>PROVISION FOR INCOME TAXES</b>		
Current income tax expense	18.9	23.7
Deferred income tax expense	9.5	169.8
Total provision for income taxes	28.4	193.5
NET LOSS	(18.0)	(39.2)
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	1.6	1.3
NET LOSS ATTRIBUTABLE TO VALARIS	\$ (16.4)	\$ (37.9)
<b>LOSS PER SHARE</b>		
Basic and Diluted	\$ (0.24)	\$ (0.53)
<b>WEIGHTED-AVERAGE SHARES OUTSTANDING</b>		
Basic and Diluted	69.2	71.0

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

**VALARIS LIMITED AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
(In millions)  
(Unaudited)

	Three Months Ended March 31,	
	2026	2025
NET LOSS	\$ (18.0)	\$ (39.2)
OTHER COMPREHENSIVE INCOME, NET		
Net reclassification adjustment for amounts recognized in net loss as a component of net periodic pension cost (benefit)	(0.2)	(0.2)
Foreign currency translation adjustments	3.2	1.3
NET OTHER COMPREHENSIVE INCOME	3.0	1.1
COMPREHENSIVE LOSS	(15.0)	(38.1)
COMPREHENSIVE LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	1.6	1.3
COMPREHENSIVE LOSS ATTRIBUTABLE TO VALARIS	\$ (13.4)	\$ (36.8)

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

**VALARIS LIMITED AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In millions, except par value amounts)

	March 31, 2026	December 31, 2025
	(Unaudited)	
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 578.3	\$ 599.4
Accounts receivable, net	447.9	474.8
Assets held for sale	9.2	6.4
Other current assets	169.5	144.7
Total current assets	1,204.9	1,225.3
PROPERTY AND EQUIPMENT, AT COST	2,715.6	2,598.3
Less accumulated depreciation	550.6	509.5
Property and equipment, net	2,165.0	2,088.8
LONG-TERM NOTES RECEIVABLE FROM ARO	351.1	345.0
INVESTMENT IN ARO	128.6	121.8
DEFERRED TAX ASSETS	1,355.5	1,364.2
OTHER ASSETS	158.6	159.7
Total assets	\$ 5,363.7	\$ 5,304.8
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable - trade	\$ 398.5	\$ 348.2
Accrued liabilities and other	379.2	343.4
Total current liabilities	777.7	691.6
LONG-TERM DEBT	1,086.8	1,086.0
DEFERRED TAX LIABILITIES	30.5	29.7
OTHER LIABILITIES	307.0	325.8
Total liabilities	2,202.0	2,133.1
<b>COMMITMENTS AND CONTINGENCIES (Note 11)</b>		
<b>VALARIS SHAREHOLDERS' EQUITY</b>		
Common Shares, \$0.01 par value, 700.0 shares authorized, 76.5 and 76.4 shares issued, 69.3 and 69.2 shares outstanding as of March 31, 2026 and December 31, 2025, respectively	0.8	0.8
Preference shares, \$0.01 par value, 150.0 shares authorized, no shares issued as of March 31, 2026 and December 31, 2025	—	—
Stock warrants	16.4	16.4
Additional paid-in capital	1,139.9	1,134.9
Retained earnings	2,365.3	2,381.7
Accumulated other comprehensive income	63.9	60.9
Treasury shares, at cost, 7.2 shares as of March 31, 2026 and December 31, 2025.	(425.1)	(425.1)
Total Valaris shareholders' equity	3,161.2	3,169.6
NONCONTROLLING INTERESTS	0.5	2.1
Total shareholders' equity	3,161.7	3,171.7
Total liabilities and shareholders' equity	\$ 5,363.7	\$ 5,304.8

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

**VALARIS LIMITED AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In millions)  
(Unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
<b>OPERATING ACTIVITIES</b>		
Net loss	\$ (18.0)	\$ (39.2)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation expense	42.7	33.1
Deferred income tax expense	9.5	169.8
Equity in earnings of ARO	(6.8)	(2.6)
Share-based compensation expense	6.4	5.6
Accretion of discount on Notes Receivable from ARO	(6.1)	(6.1)
Other operating (income) loss	(2.8)	7.8
Net (gain) loss on sale of property	1.6	(27.1)
Changes in deferred costs	(22.8)	(0.2)
Changes in contract assets	(6.9)	(0.4)
Changes in contract liabilities	0.4	(17.8)
Other	0.8	2.3
Changes in operating assets and liabilities	80.3	35.7
Contributions to pension plans and other post-retirement benefits	(3.3)	(5.0)
Net cash provided by operating activities	75.0	155.9
<b>INVESTING ACTIVITIES</b>		
Additions to property and equipment	(100.9)	(100.2)
Proceeds from disposition of assets	5.2	17.8
Net cash used in investing activities	(95.7)	(82.4)
<b>FINANCING ACTIVITIES</b>		
Payments related to tax withholdings for share-based awards	(1.4)	(0.3)
Net cash used in financing activities	(1.4)	(0.3)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>(22.1)</b>	<b>73.2</b>
<b>CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD</b>	<b>617.5</b>	<b>380.5</b>
<b>CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD</b>	<b>\$ 595.4</b>	<b>\$ 453.7</b>

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

**VALARIS LIMITED AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**Note 1 - Unaudited Condensed Consolidated Financial Statements**

We prepared the accompanying condensed consolidated financial statements of Valaris Limited and its subsidiaries (the "Company," "Valaris," "our," "we" or "us") in accordance with accounting principles generally accepted in the United States of America ("GAAP"), pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") included in the instructions to Form 10-Q and Article 10 of Regulation S-X. The financial information included in this report is unaudited but, in our opinion, includes all adjustments (consisting of normal recurring adjustments) that are necessary for a fair presentation of our financial position, results of operations and cash flows for the interim periods presented. The December 31, 2025 Condensed Consolidated Balance Sheet data was derived from our 2025 audited consolidated financial statements but does not include all disclosures required by GAAP. The preparation of our condensed consolidated financial statements requires us to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the related revenues and expenses and disclosures of gain and loss contingencies as of the date of the financial statements. Actual results could differ from those estimates.

Results of operations for the three months ended March 31, 2026 are not necessarily indicative of the results of operations that will be realized for the year ending December 31, 2026, or for any future period. We recommend these condensed consolidated financial statements be read in conjunction with our annual report on Form 10-K for the year ended December 31, 2025, filed with the SEC on February 20, 2026 (our "Annual Report").

**Pending Business Combination with Transocean**

On February 9, 2026, we entered into a business combination agreement (the "Business Combination Agreement") with Transocean Ltd., a Swiss corporation ("Transocean"), under which Transocean will acquire all of the issued and outstanding common shares of Valaris in exchange for shares of Transocean at an exchange ratio of 15.235 Transocean shares for each common share of Valaris (the "Business Combination"). In addition, Warrants that are outstanding as of immediately prior to the transaction closing date will be assumed by Transocean and remain outstanding and be exercisable for the Fundamental Transaction Consideration (as defined in the Warrant Agreement, dated as of April 30, 2021, by and between Valaris and the warrant agent named therein) multiplied by the number of Valaris common shares for which each warrant is exercisable immediately prior to the transaction closing date. The Business Combination will be effected by way of a court-approved scheme of arrangement between Valaris and the holders of the Valaris common shares pursuant to section 99 of the Companies Act 1981 of Bermuda, as amended. Upon completion and on a fully diluted basis assuming conversion to shares of Transocean's exchangeable bonds due 2029, Transocean shareholders would own approximately 53% of the combined company, with Valaris shareholders owning the remaining 47%.

Completion of the Business Combination is subject to customary closing conditions, including (i) the receipt of the requisite approvals of the Valaris shareholders and the Transocean shareholders, (ii) the granting of the sanction order on terms consistent with the Business Combination Agreement, (iii) the Transocean shares issued pursuant to the Business Combination Agreement having been approved for listing on the NYSE, subject to official notice of issuance, (iv) certain regulatory approvals having been obtained or any applicable waiting period having expired or been terminated, (v) no governmental authority within applicable jurisdictions having enacted or issued any law or order preventing or prohibiting the consummation of the Business Combination and (vi) the absence of a Transocean Material Adverse Effect or a Valaris Material Adverse Effect (each as defined within the Business Combination Agreement). Under certain specified circumstances in which the Business Combination Agreement is terminated, we would be required to pay to Transocean a termination fee equal to \$173.0 million.

In connection with the Business Combination, we incurred professional fees and other costs of \$13.6 million for the three months ended March 31, 2026, which are included within Merger and integration expenses in the Condensed Consolidated Statements of Operations.

### **Summary of Significant Accounting Policies**

Please refer to "Note 1. Description of the Business and Summary of Significant Accounting Policies" of our Consolidated Financial Statements from our Annual Report for the discussion of our significant accounting policies. Certain previously reported amounts have been reclassified to conform to the current year presentation.

### **New Accounting Pronouncements**

#### *Accounting Pronouncements to be Adopted*

**Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures** - In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("Update 2024-03"), which requires companies to disclose additional information for certain relevant expense categories in the Statements of Operations and within the notes to the financial statements. Update 2024-03 is effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027, with early adoption permitted and can be applied either prospectively to financial statements issued for reporting periods after the effective date, or retrospectively to prior periods which are presented in the financial statements. We are currently assessing the impact of the requirements on our condensed consolidated financial statements and disclosures.

With the exception of the updated standard discussed above, there have been no accounting pronouncements issued and not yet effective that have significance, or potential significance, to our condensed consolidated financial statements.

### **Note 2 - Revenue from Contracts with Customers**

Under our drilling contracts with customers, we provide a drilling rig and drilling services, including rig crews, on a day rate contract basis. We receive a daily rate that may vary between the full rate and zero rate throughout the duration of the contractual term, depending on the operations of the rig. We also may receive lump-sum fees or similar compensation generally for the mobilization, demobilization, and capital upgrades of our rigs. Our customers bear substantially all of the costs of constructing the well and supporting drilling operations, as well as the economic risk relative to the success of the well.

Our drilling service provided under each drilling contract is a single performance obligation satisfied over time and comprised of a series of distinct time increments, or service periods. Total revenue is determined for each individual drilling contract by estimating both fixed and variable consideration expected to be earned over the contract term. Fixed consideration generally relates to activities such as mobilization, demobilization and capital upgrades of our rigs that are not distinct performance obligations within the context of our contracts and is recognized on a straight-line basis over the contract term. Variable consideration generally relates to distinct service periods during the contract term and is recognized in the period when the services are performed.

The remaining duration of our drilling contracts based on those in place as of March 31, 2026 was between approximately one month and five years.

### Contract Assets and Liabilities

Contract assets represent amounts recognized as revenue but for which the right to invoice the customer is dependent upon our future performance. Once the previously recognized revenue is invoiced, the corresponding contract asset, or a portion thereof, is transferred to accounts receivable.

Contract liabilities generally represent fees received for mobilization, capital upgrades or in the case of our 50/50 unconsolidated joint venture with Saudi Aramco, represent the difference between the amounts billed under the bareboat charter arrangements and lease revenues earned. See “[Note 3 – Equity Method Investment in ARO](#)” for additional details regarding our balances with ARO.

Contract assets and liabilities are presented net on our Condensed Consolidated Balance Sheets on a contract-by-contract basis. Current contract assets and liabilities are included in Other current assets and Accrued liabilities and other, respectively, and noncurrent contract assets and liabilities are included in Other assets and Other liabilities, respectively, on our Condensed Consolidated Balance Sheets.

The following table summarizes our contract assets and contract liabilities (in millions):

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Current contract assets	\$ 7.1	\$ 4.3
Noncurrent contract assets	\$ 16.9	\$ 12.8
Current contract liabilities (deferred revenue)	\$ 98.9	\$ 87.7
Noncurrent contract liabilities (deferred revenue)	\$ 56.0	\$ 63.2

Changes in contract assets and liabilities during the period are as follows (in millions):

	<b>Contract Assets</b>	<b>Contract Liabilities</b>
Balance as of December 31, 2025	\$ 17.1	\$ 150.9
Revenue recognized in advance of right to bill customer	7.5	—
Increase due to revenue deferred during the period	—	33.3
Decrease due to amortization of deferred revenue that was included in the beginning contract liability balance	—	(29.3)
Decrease due to transfer to receivables and payables during the period	(0.6)	—
Balance as of March 31, 2026	\$ 24.0	\$ 154.9

### Deferred Contract Costs

Costs incurred for upfront rig mobilizations and certain contract preparations are attributable to our future performance obligation under each respective drilling contract. These costs are deferred and amortized on a straight-line basis over the contract term. Deferred contract costs are included in Other current assets and Other assets on our Condensed Consolidated Balance Sheets and totaled \$59.2 million and \$36.6 million as of March 31, 2026 and December 31, 2025, respectively. During the three months ended March 31, 2026 and 2025, amortization of such costs totaled \$13.6 million and \$12.8 million, respectively.

### *Deferred Certification Costs*

We must obtain certifications from various regulatory bodies in order to operate our drilling rigs and must maintain such certifications through periodic inspections and surveys. The costs incurred in connection with maintaining such certifications, including inspections, tests, surveys and drydock, and other compliance costs, are deferred and amortized on a straight-line basis over the corresponding certification periods. Deferred regulatory certification and compliance costs were included in Other current assets and Other assets on our Condensed Consolidated Balance Sheets and totaled \$7.8 million and \$7.6 million as of March 31, 2026 and December 31, 2025, respectively. During the three months ended March 31, 2026 and 2025, amortization of such costs totaled \$1.9 million and \$2.2 million, respectively.

### *Future Amortization of Contract Liabilities and Deferred Costs*

The table below reflects the expected future amortization of our contract liabilities and deferred costs recorded as of March 31, 2026. In the case of our contract liabilities related to our bareboat charter arrangements with ARO, the contract liability is not amortized and as such, the amount is reflected in the table below at the end of the current lease term. See "[Note 3](#) - *Equity Method Investment in ARO*" for additional information on ARO and related arrangements.

	(In millions)				
	Remaining 2026	2027	2028	2029 and Thereafter	Total
Amortization of contract liabilities	\$ 77.0	\$ 49.0	\$ 6.7	\$ 22.2	\$ 154.9
Amortization of deferred costs	\$ 45.4	\$ 19.0	\$ 2.5	\$ 0.1	\$ 67.0

### **Note 3 - Equity Method Investment in ARO**

#### *Background*

ARO is a 50/50 unconsolidated joint venture between the Company and Saudi Aramco that owns and operates jackup drilling rigs in Saudi Arabia. As of March 31, 2026, ARO owned nine jackup rigs, had ordered two newbuild jackup rigs and leased seven rigs from us through bareboat charter arrangements (the "Lease Agreements") whereby substantially all operating costs are incurred by ARO.

The shareholder agreement governing the joint venture (the "Shareholder Agreement") specifies that ARO shall purchase 20 newbuild jackup rigs. Under this program, two newbuild jackups have been built and are in service and two additional newbuild jackups, Kingdom 3 and Kingdom 4, were ordered in October 2024 and November 2025, respectively. In connection with these plans, we have a potential obligation to fund ARO for newbuild jackup rigs. See "[Note 11](#) - *Contingencies*" for additional information.

#### *Equity in earnings of ARO*

We account for our interest in ARO using the equity method of accounting and only recognize our portion of ARO's net income, adjusted for basis differences as discussed below, which is included in Equity in earnings of ARO in our Condensed Consolidated Statements of Operations.

Our equity method investment in ARO was recorded at its estimated fair value in fresh start accounting upon emergence from bankruptcy in 2021. We computed the difference between the fair value of ARO's net assets and the carrying value of those net assets in ARO's U.S. GAAP financial statements ("basis differences") at that date. These basis differences primarily related to ARO's long-lived assets and the recognition of intangible assets associated with certain of ARO's drilling contracts that were determined to have favorable terms relative to market terms as of the measurement date.

Basis differences are amortized over the remaining life of the assets or liabilities to which they relate and are recognized as an adjustment to the Equity in earnings of ARO in our Condensed Consolidated Statements of Operations. The amortization of those basis differences is combined with our 50% interest in ARO's net income. A reconciliation of those components is presented below (in millions):

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
50% interest in ARO net income (loss)	\$ 3.7	\$ (0.5)
Amortization of basis differences	3.1	3.1
Equity in earnings of ARO	\$ 6.8	\$ 2.6

#### *Related-Party Transactions*

Revenues recognized by us related to the Lease Agreements are included within Revenues (exclusive of reimbursable revenues) and revenues related to certain reimbursable expenses in accordance with the Lease Agreements are recognized within Reimbursable revenues in our Condensed Consolidated Statements of Operations and were as follows (in millions):

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Revenues (exclusive of reimbursable revenues) from Lease Agreements	\$ 18.5	\$ 13.5
Reimbursable revenues from Lease Agreements	7.1	—
Total operating revenues from Lease Agreements	\$ 25.6	\$ 13.5

Our balances related to the ARO lease agreements were as follows (in millions):

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Accounts receivable	\$ 58.8	\$ 47.8
Contract assets <sup>(1)</sup>	\$ 4.3	\$ 2.0
Contract liabilities <sup>(1)</sup>	\$ 19.0	\$ 16.3
Accounts payable <sup>(1)</sup>	\$ 64.9	\$ 61.8

<sup>(1)</sup> The per day bareboat charter amount in the Lease Agreements is subject to adjustment based on actual performance of the respective rig and therefore, the corresponding contract assets and contract liabilities are subject to adjustment during the lease term. Upon completion of the lease term, such amounts become a payable to or a receivable from ARO. In addition, the accounts payable balance includes amounts owed to ARO for certain reimbursable costs.

During 2017 and 2018, the Company contributed assets to ARO in exchange for a 10-year shareholder notes receivable due from ARO (the "Notes Receivable from ARO"), which bear interest based on a one-year term Secured Overnight Financing Rate ("SOFR"), set as of the end of the year prior to the applicable year, plus 2.10%. The Notes Receivable from ARO were adjusted to their estimated fair value in fresh start accounting in 2021 and the resulting discount to the principal amount is being amortized using the effective interest method to interest income over the remaining terms of the notes.

The principal amount and discount of the Notes Receivable from ARO were as follows (in millions):

	<b>March 31, 2026</b>		<b>December 31, 2025</b>	
Principal amount	\$	400.7	\$	400.7
Discount		(49.6)		(55.7)
Carrying value	\$	351.1	\$	345.0
Interest receivable <sup>(1)(2)</sup>	\$	5.5	\$	—

<sup>(1)</sup> Our interest receivable from ARO is included in Accounts receivable, net in our Condensed Consolidated Balance Sheets.

<sup>(2)</sup> The 2025 interest on the Notes Receivable from ARO of approximately \$24.1 million was paid in kind in December 2025 by increasing the principal balance of the Notes Receivable from ARO.

Interest income earned on the Notes Receivable from ARO was as follows (in millions):

	<b>Three Months Ended March 31,</b>			
	<b>2026</b>		<b>2025</b>	
Interest income	\$	5.5	\$	4.0
Non-cash amortization <sup>(1)</sup>		6.1		6.1
Total interest income on the Notes Receivable from ARO	\$	11.6	\$	10.1

<sup>(1)</sup> Represents the amortization of the discount on the Notes Receivable from ARO using the effective interest method to interest income over the term of the notes.

#### **Note 4 - Fair Value Measurements**

The carrying values and estimated fair values of certain of our financial instruments were as follows (in millions):

	<b>March 31, 2026</b>		<b>December 31, 2025</b>	
	<b>Carrying Value</b>	<b>Estimated Fair Value</b>	<b>Carrying Value</b>	<b>Estimated Fair Value</b>
2030 Second Lien Notes <sup>(1)</sup>	\$ 1,086.8	\$ 1,140.8	\$ 1,086.0	\$ 1,144.9
Notes Receivable from ARO <sup>(2)</sup>	\$ 351.1	\$ 405.3	\$ 345.0	\$ 403.8

<sup>(1)</sup> The estimated fair value of the 2030 Second Lien Notes (as defined in "[Note 8 - Debt](#)") was determined using quoted market prices, which are level 1 inputs.

<sup>(2)</sup> The estimated fair value of the Notes Receivable from ARO was estimated using an income approach to value the forecasted cash flows attributed to the Notes Receivable from ARO using a discount rate based on a comparable yield with a country-specific risk premium, which are considered to be level 2 inputs.

The estimated fair values of our cash and cash equivalents, restricted cash, accounts receivable and trade payables approximated their carrying values as of March 31, 2026 and December 31, 2025.

## Note 5 - Property and Equipment

Property and equipment consisted of the following (in millions):

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Drilling rigs and equipment	\$ 2,043.8	\$ 1,958.8
Work-in-progress	622.5	590.3
Other	49.3	49.2
Total property and equipment, at cost	\$ 2,715.6	\$ 2,598.3

While taking into account certain restrictions on the sales of assets under our Indenture dated as of April 19, 2023 and within the Business Combination Agreement, as part of our strategy, we may act opportunistically from time to time to sell assets to enhance shareholder value. Gains and losses recognized on sale of assets are recognized in Other, net on the Condensed Consolidated Statements of Operations. Additionally, we may consider retiring assets that no longer meet our standards for economic returns. Non-cash losses on impairment and any gains on remeasurement of assets held for sale are recognized within Other operating (income) loss on the Condensed Consolidated Statements of Operations.

### **Assets Held for Sale**

In the fourth quarter of 2025, we approved a plan to retire VALARIS DPS-1, a semisubmersible rig within our Floaters segment. VALARIS DPS-1 was reclassified from Property and equipment, net to Assets held for sale on our Consolidated Balance Sheets during the fourth quarter of 2025 and remained classified as held for sale as of March 31, 2026.

In connection with the held-for-sale classification of VALARIS DPS-1, we recognized a non-cash loss on impairment of \$15.8 million during 2025, resulting in a \$6.4 million carrying value as of December 31, 2025, which was determined using a probability-weighted market approach based on transactions involving comparable assets, non-binding independent broker quotes and management assumptions, all of which were considered Level 3 inputs due to the level of estimation involved.

Assets held for sale are remeasured at each reporting period for changes in estimated fair value less costs to sell, however, any related gains recognized cannot exceed the previous impairment losses taken for the specified disposal group. As such, we reassessed the fair value of VALARIS DPS-1 as of March 31, 2026 utilizing a market approach based on a preliminary sale agreement, which is considered a Level 3 input due to the level of estimation involved since the sale had not yet been completed at the time of our analysis. In connection with this, we recognized a \$2.8 million gain on remeasurement of our asset held for sale during the three months ended March 31, 2026.

VALARIS DPS-1 was subsequently sold for recycling and removed from service in April 2026 for cash proceeds of \$10.1 million.

## Assets Sold

### *Sale of Retired Semis*

In the first quarter of 2025, we approved a plan to retire three semisubmersible rigs within our Floaters segment, VALARIS DPS-3, VALARIS DPS-5, and VALARIS DPS-6 (collectively, the “Retired Semis”). In April 2025, the Retired Semis were sold for recycling and permanently removed from service for total cash proceeds of \$10.0 million.

In connection with the retirement of the Retired Semis, during the first quarter of 2025, we recognized a non-cash loss on impairment of \$7.8 million, which represented the amount of carrying value that exceeded the disposal group's aggregate fair value less costs to sell. We estimated the fair value using a market approach based on the preliminary sale agreement for the Retired Semis, which is considered a Level 3 input due to the level of estimation involved since the sale had not yet been completed at the time of our analysis.

### *Sale of VALARIS 75*

In the first quarter of 2025, VALARIS 75, a rig within our Jackups segment which had an immaterial net book value, was sold resulting in a pre-tax gain on sale of \$23.0 million. Of the proceeds, \$14.0 million was collected upon closing, \$5.0 million was collected in January 2026 and the remaining \$5.0 million is expected to be received on the second anniversary of the closing.

### *Sale of Angola Office Building*

In the first quarter of 2025, we sold an office building in Angola for cash proceeds of \$5.2 million, resulting in a pre-tax gain on sale of \$4.0 million. Of the proceeds, approximately \$2.5 million was collected during the fourth quarter of 2024 and \$2.7 million was collected during the first quarter of 2025.

## **Note 6 - Pension and Other Post-retirement Benefits**

We have defined-benefit pension plans and retiree medical plans that provide post-retirement health and life insurance benefits.

The components of net periodic pension and retiree medical (income) loss were as follows (in millions):

	Three Months Ended March 31,	
	2026	2025
Interest cost	\$ 7.4	\$ 7.6
Expected return on plan assets	(8.1)	(7.2)
Amortization of net gain	(0.2)	(0.2)
Net periodic pension and retiree medical (income) loss <sup>(1)</sup>	\$ (0.9)	\$ 0.2

<sup>(1)</sup> Included in Other, net in our Condensed Consolidated Statements of Operations.

**Note 7 - Loss Per Share**

Basic earnings (loss) per share is computed by dividing net income (loss) available to common shareholders by the weighted-average number of common shares outstanding during the period. Weighted-average shares outstanding used in our computation of diluted EPS is calculated using the treasury stock method and includes the effect of all potentially dilutive stock equivalents, including warrants, restricted stock unit awards and performance stock unit awards.

Due to the net loss positions for the three months ended March 31, 2026 and 2025, our potentially dilutive share awards were not included in the computation of diluted EPS, as the effect of including these shares in the calculation would have been anti-dilutive. Anti-dilutive share awards totaling 1,495,000 and 612,000 were excluded from the computation of diluted EPS for the three months ended March 31, 2026 and 2025, respectively.

We had 5,470,801 warrants outstanding (the "Warrants") as of March 31, 2026 to purchase common shares of Valaris Limited (the "Common Shares"), which are exercisable for one Common Share per Warrant at an initial exercise price of \$131.88 per Warrant and expire on April 29, 2028. The exercise of these Warrants into Common Shares would have a dilutive effect to the holdings of Valaris Limited's existing shareholders. These Warrants are anti-dilutive for all periods presented.

**Note 8 - Debt**

*2030 Second Lien Notes*

In April 2023, the Company and Valaris Finance Company LLC ("Valaris Finance"), a wholly-owned subsidiary, issued and sold, at par, \$700.0 million aggregate principal amount of Second Lien Notes (the "Initial Second Lien Notes"). In August 2023, the Company and Valaris Finance issued, at 100.75% of par, an additional \$400.0 million aggregate principal amount of Second Lien Notes (the "Additional Notes"). The Initial Second Lien Notes and the Additional Notes form a single series and are collectively referred to as the "2030 Second Lien Notes".

The 2030 Second Lien Notes were issued under the Indenture, dated as of April 19, 2023 (the "Indenture"), and will mature on April 30, 2030. The 2030 Second Lien Notes bear an interest rate of 8.375% per annum and interest is payable semi-annually in arrears on April 30 and October 30 of each year. The 2030 Second Lien Notes are fully and unconditionally guaranteed, jointly and severally, on a senior secured basis by certain subsidiaries of the Company.

As of March 31, 2026, we were in compliance in all material respects with our covenants under the Indenture.

## 2028 Credit Agreement

In April 2023, the Company entered into a senior secured revolving credit agreement (the “2028 Credit Agreement”) which provides for commitments permitting borrowings of up to \$375.0 million. Permitted borrowings under the 2028 Credit Agreement may be increased, subject to the agreement of lenders to provide such additional commitments and the satisfaction of certain conditions, by an additional \$200.0 million pursuant to the terms of the 2028 Credit Agreement, and includes a \$150.0 million sublimit for the issuance of letters of credit. Valaris Finance and certain other subsidiaries of the Company guarantee the Company’s obligations under the 2028 Credit Agreement, and the lenders have a first priority lien on the assets securing the 2028 Credit Agreement. The 2028 Credit Agreement is scheduled to mature on April 3, 2028.

Amounts borrowed under the 2028 Credit Agreement are subject to an interest rate per annum equal to, at our option, either (a) a base rate determined as the greatest of (i) a prime rate, (ii) the federal funds rate plus 0.5% and (iii) Term SOFR (as defined in the 2028 Credit Agreement) for a one month interest period plus 1.1% (such base rate to be subject to a 1% floor) or (b) Term SOFR plus 0.10% (subject to a 0% floor), plus, in each case of clauses (a) and (b) above, an applicable margin ranging from 1.50% to 3.00% and 2.50% to 4.00%, respectively, based on the credit ratings that are one notch higher than the corporate family ratings provided by Standard & Poor’s Financial Services LLC (“S&P”) and Moody’s Investors Service, Inc. (“Moody’s”) with respect to Valaris Limited.

Additionally, we are required to pay a quarterly commitment fee to the lenders under the 2028 Credit Agreement with respect to the average daily unutilized commitments thereunder at a rate ranging from 0.375% to 0.75% depending on the credit ratings that are one notch higher than the corporate family ratings provided by S&P and Moody’s with respect to Valaris Limited. With respect to each letter of credit issued pursuant to the 2028 Credit Agreement, we are required to pay a letter of credit fee equal to the applicable margin in effect for Term SOFR loans and a fronting fee in an amount to be mutually agreed between us and the issuer of such letter of credit.

As of March 31, 2026, we were in compliance in all material respects with our covenants under the 2028 Credit Agreement. We had no amounts outstanding under the 2028 Credit Agreement as of March 31, 2026.

## Note 9 - Shareholders' Equity

Activity in our various shareholders' equity accounts for the three months ended March 31, 2026 and 2025 were as follows (in millions):

	Shares Issued	Par Value	Additional Paid-in Capital	Warrants	Retained Earnings	AOCI	Treasury Shares	Non-controlling Interest
BALANCE, December 31, 2025	76.4	\$ 0.8	\$ 1,134.9	\$ 16.4	\$ 2,381.7	\$ 60.9	\$ (425.1)	\$ 2.1
Net loss	—	—	—	—	(16.4)	—	—	(1.6)
Share-based compensation cost	—	—	6.4	—	—	—	—	—
Shares issued under share-based compensation plans, net	0.1	—	—	—	—	—	—	—
Net changes in pension and other postretirement benefits	—	—	—	—	—	(0.2)	—	—
Shares withheld for taxes on vesting of share-based awards	—	—	(1.4)	—	—	—	—	—
Foreign currency translation adjustments	—	—	—	—	—	3.2	—	—
BALANCE, March 31, 2026	76.5	\$ 0.8	\$ 1,139.9	\$ 16.4	\$ 2,365.3	\$ 63.9	\$ (425.1)	\$ 0.5

	Shares Issued	Par Value	Additional Paid-in Capital	Warrants	Retained Earnings	AOCI	Treasury Shares	Non-controlling Interest
BALANCE, December 31, 2024	76.2	\$ 0.8	\$ 1,113.3	\$ 16.4	\$ 1,398.9	\$ 34.2	\$ (325.1)	\$ 5.8
Net loss	—	—	—	—	(37.9)	—	—	(1.3)
Share-based compensation cost	—	—	5.6	—	—	—	—	—
Shares issued under share-based compensation plans, net	0.1	—	—	—	—	—	—	—
Net changes in pension and other postretirement benefits	—	—	—	—	—	(0.2)	—	—
Shares withheld for taxes on vesting of share-based awards	—	—	(0.3)	—	—	—	—	—
Foreign currency translation adjustments	—	—	—	—	—	1.3	—	—
BALANCE, March 31, 2025	76.3	\$ 0.8	\$ 1,118.6	\$ 16.4	\$ 1,361.0	\$ 35.3	\$ (325.1)	\$ 4.5

### *Share Repurchase Program*

Our board of directors has authorized a share repurchase program (the "Share Repurchase Program") under which we may purchase up to \$600.0 million of our outstanding Common Shares. The Share Repurchase Program does not have a fixed expiration, may be modified, suspended or discontinued at any time and any repurchases made pursuant to the Share Repurchase Program are subject to compliance with applicable covenants and restrictions under our financing agreements and the Business Combination Agreement.

There were no share repurchases during each of the three months ended March 31, 2026 and 2025. As of March 31, 2026, we had approximately \$175.0 million available for share repurchases pursuant to the Share Repurchase Program.

### **Note 10 - Income Taxes**

We calculate our tax provision by applying the estimated annual effective tax rate for the full fiscal year to pre-tax income or loss, excluding discrete items. The consolidated effective tax rate for the three months ended March 31, 2026 and 2025, excluding the impact of discrete tax items, was 25.4% and 15.1%, respectively.

The discrete tax expense for the three months ended March 31, 2026 primarily related to the resolution of prior period matters, partially offset by changes in liabilities for unrecognized tax benefits with tax positions taken in prior years. The discrete tax expense for the three months ended March 31, 2025 primarily related to the establishment of a valuation allowance in connection with the retirement of the Retired Semis, which is described below.

During the first quarter of 2025, we recognized \$168.8 million of deferred tax expense from the establishment of a valuation allowance on deferred tax assets resulting from a change in estimated future taxable income in a certain operating jurisdiction in connection with the retirement of the Retired Semis. We intend to maintain this valuation allowance until there is sufficient evidence to support a reversal of the allowance. The timing and amount of future valuation allowance reductions are subject to future levels of contracting and profitability achieved or by the expiration of the related deferred tax assets. See "[Note 5 - Property and Equipment](#)" for further disclosure regarding the Retired Semis.

### *Malaysia Tax Assessment*

In February 2024, one of our Malaysian subsidiaries received an unfavorable court decision regarding a tax assessment for the 2012-2017 tax years totaling approximately MYR117.0 million (approximately \$29.0 million converted at current quarter-end exchange rates), including a late payment penalty. In July 2024, we received a payment demand from the Malaysian tax authority for the full assessment amount. In order to further contest the assessment, we made payments of approximately \$8.0 million and \$18.0 million in the first quarter of 2025 and 2024, respectively, for aggregate total payments of \$26.0 million. These payments are included within Other assets in the Condensed Consolidated Balance Sheets. We have not recorded a liability for uncertain tax positions as of March 31, 2026, related to this assessment based on a more-likely-than-not threshold. We believe our tax returns are materially correct as filed and will vigorously contest this assessment.

### *Australian Tax Assessment*

In December 2024, we reached a settlement agreement with the Australian tax authorities regarding tax assessments which related to the examination of certain of our tax returns for the years 2011 through 2016. In connection with this agreement, during the first quarter of 2025, we received refunds (including interest) totaling A\$42.0 million (approximately \$26.0 million at then-current exchange rates).

## **Note 11 - Contingencies**

### *ARO Newbuild Funding Obligations*

In connection with our 50/50 unconsolidated joint venture, we have a potential obligation to fund ARO for newbuild jackup rigs. The Shareholder Agreement specifies that ARO shall purchase 20 newbuild jackup rigs. The joint venture partners intend for the newbuild jackup rigs to be financed out of available cash on hand and from ARO's operations and/or funds available from third-party financing. The first two newbuild jackups, Kingdom 1 and Kingdom 2, were delivered and commenced operations in 2023 and 2024, respectively. In October 2024 and November 2025, ARO ordered the third and fourth newbuild jackups, Kingdom 3 and Kingdom 4, respectively, for a purchase price of approximately \$300.0 million each. ARO paid a 25% down payment from cash on hand upon ordering Kingdom 3. ARO has made payments of \$62.6 million related to the 25% down payment from cash on hand upon ordering Kingdom 4 through March 31, 2026, with the remaining down payment balance payable in monthly installments through May 2026. The final payment for each rig will be due upon delivery.

In the event ARO has insufficient cash or is unable to obtain third-party financing, each partner may periodically be required to make additional capital contributions to ARO, up to a maximum aggregate contribution of \$1.25 billion from each partner to fund the newbuild program. Beginning with the delivery of the second newbuild, each partner's commitment is reduced by the lesser of the actual cost of each newbuild rig or \$250.0 million, on a proportionate basis. Following the delivery of Kingdom 2, our commitment to fund the newbuild program has been reduced to \$1.1 billion.

### *Letters of Credit*

In the ordinary course of business with customers and others, we have entered into letters of credit to guarantee our performance as it relates to our drilling contracts, contract bidding, customs duties, tax appeals and other obligations in various jurisdictions. Letters of credit outstanding as of March 31, 2026 totaled \$35.3 million and are issued under facilities provided by various banks and other financial institutions, but none were issued under the 2028 Credit Agreement. Obligations under these letters of credit are not normally called, as we typically comply with the underlying performance requirements. As of March 31, 2026, we had collateral deposits in the amount of \$15.1 million with respect to these agreements.

## *Other Matters*

In addition to the foregoing, we are named defendants or parties in certain other lawsuits, claims or proceedings incidental to our business and are involved from time to time as parties to governmental investigations or proceedings, including matters related to taxation, arising in the ordinary course of business. Although the outcome of such lawsuits or other proceedings cannot be predicted with certainty and the amount of any liability that could arise with respect to such lawsuits or other proceedings cannot be predicted accurately, we do not expect these matters to have a material adverse effect on our financial position, operating results and cash flows.

### **Note 12 - Segment Information**

Our business consists of four operating segments: (1) Floaters, which includes our drillships and semisubmersible rigs, (2) Jackups, (3) ARO and (4) Other, which consists of management services on rigs owned by third parties and the activities associated with our arrangements with ARO under the Lease Agreements. Floaters, Jackups and ARO are also reportable segments.

Our chief operating decision maker ("CODM") assesses segment performance based on their review of the operating income (loss) of each segment, which measures profitability after deducting normal operating costs. Components within operating income (loss), such as revenues and contract drilling expenses, are used to monitor actual performance against budget and monthly forecasted results for each segment. Further, the CODM utilizes revenue to derive a segment's asset utilization, average daily revenue and revenue efficiency. Using these metrics, the CODM can identify potentially underperforming segments and develop strategies to increase profits or reduce costs, make investment decisions and allocate resources as needed. The disaggregated segment information, as presented in the tables below, aligns with the segment level information that is regularly provided to the CODM.

Our onshore support costs included within Contract drilling expenses are not allocated to our operating segments for purposes of measuring segment operating income (loss) and as such, those costs are included in "Reconciling Items." Further, General and administrative expenses, Depreciation expense and Merger and integration expenses incurred by our corporate office are not allocated to our operating segments for purposes of measuring segment operating income (loss) and are included in "Reconciling Items." We measure segment assets as Property and equipment, net.

The full operating results included below for ARO are not included within our consolidated results and thus are deducted under "Reconciling Items" and replaced with our equity in earnings of ARO. See "[Note 3 - Equity Method Investment in ARO](#)" for additional information on ARO and related arrangements. Similarly, the Property and equipment, net balances presented below for ARO are not included within our Condensed Consolidated Balance Sheets and thus are also deducted under "Reconciling Items."

Segment information for the three months ended March 31, 2026 and 2025, respectively, are presented below (in millions):

*Three Months Ended March 31, 2026*

	<b>Floaters</b>	<b>Jackups</b>	<b>ARO</b>	<b>Other</b>	<b>Reconciling Items</b>	<b>Consolidated Total</b>
<b>Operating revenues:</b>						
Revenues (exclusive of reimbursable revenues)	\$ 192.6	\$ 195.8	\$ 127.4	\$ 41.7	\$ (127.4)	\$ 430.1
Reimbursable revenues	5.0	14.4	—	15.9	—	35.3
Total operating revenues	197.6	210.2	127.4	57.6	(127.4)	465.4
<b>Operating expenses:</b>						
Contract drilling expenses (exclusive of depreciation and reimbursable expenses)	150.6	128.8	75.1	22.7	(36.8)	340.4
Reimbursable expenses	4.9	13.2	—	14.9	—	33.0
Total contract drilling expenses (exclusive of depreciation)	155.5	142.0	75.1	37.6	(36.8)	373.4
Depreciation	15.7	16.5	24.9	6.2	(20.6)	42.7
General and administrative	—	—	7.1	—	18.2	25.3
Merger and integration expenses	—	—	—	—	13.6	13.6
Other operating income	(2.8)	—	—	—	—	(2.8)
Total operating expenses	168.4	158.5	107.1	43.8	(25.6)	452.2
Equity in earnings of ARO	—	—	—	—	6.8	6.8
Operating income	\$ 29.2	\$ 51.7	\$ 20.3	\$ 13.8	\$ (95.0)	\$ 20.0
Property and equipment, net	\$ 1,275.0	\$ 635.3	\$ 1,243.9	\$ 200.2	\$ (1,189.4)	\$ 2,165.0
Capital expenditures	\$ 55.3	\$ 23.0	\$ 32.3	\$ 22.5	\$ (32.2)	\$ 100.9

*Three Months Ended March 31, 2025*

	<b>Floaters</b>	<b>Jackups</b>	<b>ARO</b>	<b>Other</b>	<b>Reconciling Items</b>	<b>Consolidated Total</b>
<b>Operating revenues:</b>						
Revenues (exclusive of reimbursable revenues)	\$ 356.0	\$ 185.9	\$ 134.7	\$ 35.9	\$ (134.7)	\$ 577.8
Reimbursable revenues	8.9	27.7	—	6.3	—	42.9
Total operating revenues	364.9	213.6	134.7	42.2	(134.7)	620.7
<b>Operating expenses:</b>						
Contract drilling expenses (exclusive of depreciation and reimbursable expenses)	204.0	116.7	85.6	16.0	(48.3)	374.0
Reimbursable expenses	8.3	26.4	—	6.3	—	41.0
Total contract drilling expenses (exclusive of depreciation)	212.3	143.1	85.6	22.3	(48.3)	415.0
Depreciation	14.2	12.7	29.5	2.8	(26.1)	33.1
General and administrative	—	—	6.3	—	18.1	24.4
Other operating loss	7.8	—	—	—	—	7.8
Total operating expenses	234.3	155.8	121.4	25.1	(56.3)	480.3
Equity in earnings of ARO	—	—	—	—	2.6	2.6
Operating income	\$ 130.6	\$ 57.8	\$ 13.3	\$ 17.1	\$ (75.8)	\$ 143.0
Property and equipment, net	\$ 1,162.3	\$ 625.5	\$ 1,227.8	\$ 131.6	\$ (1,170.1)	\$ 1,977.1
Capital expenditures	\$ 27.0	\$ 70.2	\$ 8.0	\$ —	\$ (5.0)	\$ 100.2

*Information about Geographic Areas*

As of March 31, 2026, the geographic distribution of our and ARO's drilling rigs was as follows:

	<b>Floaters</b>	<b>Jackups</b>	<b>Other</b>	<b>Total Valaris</b>	<b>ARO</b>
Europe	5	11	—	16	—
Middle East & Africa	3	7	7	17	9
North & South America	5	3	—	8	—
Asia & Pacific Rim	1	3	—	4	—
Held for sale <sup>(1)</sup>	1	—	—	1	—
<b>Total</b>	<b>15</b>	<b>24</b>	<b>7</b>	<b>46</b>	<b>9</b>

<sup>(1)</sup> VALARIS DPS-1 was classified as held for sale and is warm stacked in Asia Pacific as of March 31, 2026. See "[Note 5](#) - Property and Equipment" for more information regarding VALARIS DPS-1

We provide management services in the Gulf of America on two rigs owned by a third party not included in the table above.

ARO ordered two newbuild jackups, Kingdom 3 and Kingdom 4, which are under construction in the Middle East and are not included in the table above.

**Note 13 - Supplemental Financial Information**

*Condensed Consolidated Balance Sheet Information*

Accounts receivable, net, consisted of the following (in millions):

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Trade	\$ 397.9	\$ 424.1
Income tax receivables	41.9	49.8
Other	22.7	15.8
	462.5	489.7
Allowance for doubtful accounts	(14.6)	(14.9)
	\$ 447.9	\$ 474.8

Other current assets consisted of the following (in millions):

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Prepaid taxes	\$ 60.7	\$ 58.2
Deferred costs	54.4	37.7
Prepaid expenses	18.7	13.3
Other	35.7	35.5
	\$ 169.5	\$ 144.7

Accrued liabilities and other consisted of the following (in millions):

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Current contract liabilities (deferred revenues)	\$ 98.9	\$ 87.7
Income and other taxes payable	79.7	73.9
Personnel costs	62.0	81.6
Accrued interest	38.4	15.4
Lease liabilities	37.6	35.6
Accrued claims	20.0	21.3
Other	42.6	27.9
	<b>\$ 379.2</b>	<b>\$ 343.4</b>

Other liabilities consisted of the following (in millions):

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Unrecognized tax benefits (inclusive of interest and penalties)	\$ 134.7	\$ 136.2
Pension and other post-retirement benefits	64.3	68.3
Noncurrent contract liabilities (deferred revenues)	56.0	63.2
Lease liabilities	30.2	37.3
Other	21.8	20.8
	<b>\$ 307.0</b>	<b>\$ 325.8</b>

*Condensed Consolidated Statements of Operations Information*

Other, net consisted of the following (in millions):

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Net foreign currency exchange gains (losses)	\$ (1.7)	\$ (5.2)
Net gain (loss) on sale of property	(1.6)	27.1
Net periodic pension and retiree medical income (loss)	0.9	(0.2)
Other income (expenses)	0.1	(0.5)
	<b>\$ (2.3)</b>	<b>\$ 21.2</b>

*Condensed Consolidated Statement of Cash Flows Information*

The following table provides a reconciliation of the amount of cash and cash equivalents and restricted cash reported within the Condensed Consolidated Balance Sheets that sum to the total of the same such amounts shown within the Condensed Consolidated Statements of Cash Flows (in millions):

	March 31, 2026	December 31, 2025
Cash and cash equivalents	\$ 578.3	\$ 599.4
Restricted cash—current <sup>(1)</sup>	6.1	7.0
Restricted cash—non-current <sup>(1)</sup>	11.0	11.1
	\$ 595.4	\$ 617.5

<sup>(1)</sup> Restricted cash consists primarily of collateral on letters of credit of \$15.1 million and \$16.3 million as of March 31, 2026 and December 31, 2025, respectively. Restricted cash—current is included in Other current assets and Restricted cash—non-current is included in Other assets in our Condensed Consolidated Balance Sheets. See "[Note 11 - Contingencies](#)" for more information regarding our letters of credit.

*Concentration of Risk*

**Credit Risk** - We are exposed to credit risk relating to our cash and cash equivalents and receivables from customers. Our cash and cash equivalents are primarily held by various well-capitalized and credit-worthy financial institutions. We monitor the credit ratings of these institutions and limit the amount of exposure to any one institution and therefore, do not believe a significant credit risk exists for these balances. We mitigate our credit risk relating to receivables from customers, which consist primarily of major international, government-owned and independent oil and gas companies, by performing ongoing credit evaluations. We also maintain reserves for potential credit losses, which generally have been within our expectations.

**Customer Concentration** - Consolidated revenues with customers that individually contributed 10% or more of revenue in either of the three months ended March 31, 2026 and 2025 were as follows:

	Three Months Ended							
	March 31, 2026				March 31, 2025			
	Floaters	Jackups	Other	Total	Floaters	Jackups	Other	Total
Petróleo Brasileiro S.A.	17 %	— %	— %	17 %	13 %	— %	— %	13 %
Azule Energy	9 %	5 %	— %	14 %	7 %	1 %	— %	8 %
BP plc	— %	4 %	7 %	11 %	5 %	3 %	4 %	12 %
Eni S.p.A	— %	9 %	— %	9 %	— %	10 %	— %	10 %
Other customers <sup>(1)</sup>	17 %	27 %	5 %	49 %	34 %	20 %	3 %	57 %
	43 %	45 %	12 %	100 %	59 %	34 %	7 %	100 %

<sup>(1)</sup> Other customers includes customers that individually contributed to less than 10% of our total revenues.

**Geographic Concentration** - For purposes of our geographic disclosure, we attribute revenues to the geographic location where such revenues are earned. Consolidated revenues for locations that individually had 10% or more of revenue were as follows (in millions):

	Three Months Ended							
	March 31, 2026				March 31, 2025			
	Floaters	Jackups	Other	Total	Floaters	Jackups	Other	Total
United Kingdom	\$ —	\$ 100.5	\$ —	\$ 100.5	\$ —	\$ 100.7	\$ —	\$ 100.7
Angola	70.6	23.3	—	93.9	42.2	4.3	—	46.5
Brazil	85.8	—	—	85.8	164.0	—	—	164.0
Gulf of America	41.2	—	31.2	72.4	65.4	—	28.0	93.4
Australia	—	16.2	—	16.2	39.6	45.5	—	85.1
Other countries <sup>(1)</sup>	—	70.2	26.4	96.6	53.7	63.1	14.2	131.0
	\$ 197.6	\$ 210.2	\$ 57.6	\$ 465.4	\$ 364.9	\$ 213.6	\$ 42.2	\$ 620.7

<sup>(1)</sup> Other countries includes locations that individually contributed to less than 10% of our total revenues.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the accompanying unaudited condensed consolidated financial statements and related notes thereto included in "Item 1. Financial Statements" and with our annual report on Form 10-K for the year ended December 31, 2025. The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth under "Risk Factors" in Item 1A of our annual report and elsewhere in this quarterly report. See "Forward-Looking Statements."*

### **EXECUTIVE SUMMARY**

#### **Our Business**

We are a leading provider of offshore contract drilling services to the international oil and gas industry with operations in almost every major offshore market across six continents. Our fleet of offshore drilling rigs is among the largest in the world and includes one of the highest specification ultra-deepwater fleets, as well as a leading premium jackup fleet. As of May 5, 2026, we own 45 rigs, including 13 drillships, one semisubmersible rig, 31 jackup rigs and a 50% equity interest in ARO, our 50/50 unconsolidated joint venture with Saudi Aramco, which owns an additional nine rigs.

#### **Pending Business Combination with Transocean**

On February 9, 2026, Valaris and Transocean Ltd. ("Transocean"), entered into a Business Combination Agreement under which Transocean will acquire all of the issued and outstanding common shares of Valaris in exchange for shares of Transocean at an exchange ratio of 15.235 Transocean shares for each Valaris common share (the "Business Combination"). Upon completion and on a fully diluted basis assuming conversion to shares of Transocean's exchangeable bonds due 2029, Transocean shareholders would own approximately 53% of the combined company, with Valaris shareholders owning the remaining 47%. The completion of the Business Combination is subject to customary closing conditions, including shareholder and regulatory approvals.

See "[Note 1](#) - *Unaudited Condensed Consolidated Financial Statements - Pending Business Combination with Transocean*" to our condensed consolidated financial statements included in "[Item 1](#). *Financial Statements*" for information regarding the Business Combination.

#### **Our Industry**

The offshore drilling industry is cyclical and primarily influenced by global energy demand, oil and gas supply dynamics, geopolitical factors and customer capital allocation decisions. Periods of oil oversupply generally place downward pressure on commodity prices, while periods of undersupply can result in higher and more volatile oil prices, influencing investment decisions across the upstream sector. While the oil market began the year in a period of oversupply, the current conflicts in the Middle East have constrained supply and increased uncertainty and volatility in global energy markets. It has also reinforced the strategic importance of energy security and market participants generally expect the global oil and gas market to tighten over the next few years, driven by past underinvestment in upstream development and slowing production growth from non-OPEC sources. Industry studies, including those published by the International Energy Agency and the U.S. Energy Information Administration, indicate that substantial upstream investment is required to offset natural field declines and maintain existing production levels.

Against this backdrop, customers continue to emphasize the need for sustained investment in oil and gas to support secure, reliable and affordable energy supply, with increasing focus on offshore developments, particularly in deepwater. Compared to other sources of supply, deepwater projects typically offer large resource potential, competitive project economics and lower carbon intensity per barrel. Despite near-term commodity price uncertainty, customers are continuing to advance long-cycle offshore developments. Industry participants anticipate increased deepwater project sanctioning over the next five years across greenfield, brownfield and exploration opportunities. According to Rystad Energy estimates, approximately 65% of this expected activity is associated with projects with breakeven oil prices below \$50 per barrel and approximately 80% is associated with projects with breakeven prices below \$60 per barrel.

Operating results in the offshore drilling industry are directly related to the demand for and the available supply of drilling rigs, each of which affects rig utilization and day rates. While the balance of rig supply and demand can vary somewhat between regions, significant variations between most regions are generally short-term due to rig mobility. Rig attrition in the industry over the last decade, particularly for floaters, has resulted in a smaller global fleet of rigs that is available to meet customer demand.

Inflationary pressures impact our cost base, resulting in increased personnel costs as well as in the prices of goods and services required to operate our rigs or execute capital projects. Additionally, the weakening of the U.S. dollar against foreign currencies may increase costs in certain foreign jurisdictions in which we operate. We expect that our costs will continue to rise in the near term, particularly given the potential impact of increased tariffs on global trade, and although certain of our long-term contracts contain provisions for escalating costs, we cannot predict with certainty our ability to successfully claim recoveries of higher costs from our customers under these contractual stipulations.

### *Conflicts in the Middle East*

Our operations and assets located in the Middle East have recently been subject to elevated geopolitical risk due to ongoing conflicts and military activity in the region. As a result of the conflicts, during the first quarter of 2026 we experienced impacts, including operational downtime at reduced rates, delays in shipyard projects and higher operating costs. ARO also experienced similar impacts in the region. For our operations, the financial impact in the first quarter was \$7.5 million, primarily associated with incremental costs to maintain insurance coverage for war-related risks for jackups that we operate in the region.

The geopolitical environment in the Middle East remains volatile, and if the conflicts persist or escalate, including an expansion of hostilities, the negative impact on our operating income could be significantly higher than amounts incurred to date and could also adversely affect the operating performance of ARO. An escalation of conflict could result in additional military actions, economic sanctions or other governmental measures, including disruptions to regional ports or restrictions on maritime traffic through key waterways such as the Strait of Hormuz. Continued disruptions or closures affecting the Strait of Hormuz, through which a substantial portion of the region's maritime traffic and energy-related logistics transit, could materially affect our ability, and that of ARO, to mobilize assets, transport personnel and supplies, or perform drilling and related services in a timely and cost-effective manner.

In addition, any such escalation could lead to further increases in insurance premiums, reductions in coverage limits or scope or the unavailability of coverage, as well as limitations on vessel access or port services, delays in customs and regulatory approvals, supply chain disruptions and increased security-related expenditures. These risks could result in prolonged rig downtime, including for rigs operated by ARO, contract suspensions or terminations, delayed commencement of contracted operations, loss of revenue, impairment of assets or additional force majeure claims by us or our customers. Ongoing or future instability in the region, including actions taken in response to geopolitical developments, could materially and adversely affect our operating costs, financial condition, and results of operations.

## Backlog

Our contract drilling backlog reflects commitments represented by signed drilling contracts and is calculated by multiplying the contracted operating day rate by the contract period. The contracted day rate excludes certain types of lump sum fees for rig mobilization, demobilization, contract preparation, as well as customer reimbursables and bonus opportunities. Our backlog excludes ARO's backlog but includes backlog from our rigs leased to ARO at the contractual lease rates, which are subject to adjustment under the terms of the shareholder agreement governing the joint venture (the "Shareholder Agreement").

The ARO backlog presented below is 100% of ARO's backlog and is inclusive of backlog on both ARO owned rigs and rigs leased from us. As an unconsolidated 50/50 joint venture, when ARO realizes revenue from its backlog, 50% of the earnings thereon would be reflected in our results in Equity in earnings of ARO in our Condensed Consolidated Statements of Operations. The earnings from ARO backlog with respect to rigs leased from us will be net of, among other things, payments to us under bareboat charters for those rigs. See "[Note 3 - Equity Method Investment in ARO](#)" to our condensed consolidated financial statements included in "[Item 1. Financial Statements](#)" for additional information.

The following table summarizes our and 100% of ARO's contract backlog of business as of May 4, 2026 and February 17, 2026 (in millions):

	May 4, 2026		February 17, 2026	
Floaters <sup>(1)</sup>	\$	3,319.8	\$	3,030.8
Jackups		1,135.6		1,125.8
Other <sup>(2)</sup>		473.7		515.7
Total	\$	4,929.1	\$	4,672.3
ARO	\$	1,916.7	\$	2,011.3

(1) The increase for Floaters is primarily due to a contract extension for VALARIS DS-4, which resulted in incremental aggregate backlog of approximately \$426.0 million, partially offset by revenues realized.

(2) Other includes the backlog for our managed rig services and the bareboat charter backlog for the jackup rigs leased to ARO in order for ARO to fulfill certain of its drilling contracts with Saudi Aramco.

## BUSINESS ENVIRONMENT

### Floaters

Within the floater segment, utilization for the global marketed drillship fleet was approximately 92% as of March 31, 2026 and included 12 drillships across the industry which were not working at quarter-end due to gaps between contracts. Market conditions are expected to improve as these rigs commence new contracts during 2026, including four Valaris drillships that are scheduled to return to work this year following idle periods between contracts. Some customers continue to favor more technically capable and efficient assets particularly to support complex deepwater developments. Seventh-generation drillships may be preferred and have achieved higher utilization and stronger day rates relative to older assets, a trend that is expected to continue. We believe we are well positioned with 12 of 13 of our drillships being seventh-generation units, although we continue to face competition from other types of floaters, including those of older generations.

Utilization for benign environment semisubmersibles, such as the remaining semisubmersible in our active fleet, continues to be lower than for drillships. In response to this environment, we retired three benign environment semisubmersibles in 2025 and sold VALARIS DPS-1 for recycling in April 2026.

From a supply perspective, rig attrition over the past decade has resulted in a reduced global floater fleet to meet customer demand. The supply of benign environment floaters, such as those in our fleet, has decreased by more than 45% from a peak of approximately 280 rigs in 2014 to 150 rigs as of March 31, 2026. This decrease is primarily attributable to rig retirements, including 14 benign environment floaters retired in 2025. Further, given the expected high construction cost and lack of shipyard capacity, we do not believe that current market conditions are supportive of floater newbuild construction.

## **Jackups**

Global jackup utilization remains solid, with utilization as of March 31, 2026 of approximately 88%, driven primarily by national oil companies focused on energy security and infrastructure development. For example, Saudi Aramco has recalled seven previously-suspended jackups to recommence operations in 2026 and there are other ongoing multi-rig tenders in the Middle East, which should further support the supply and demand balance of the global jackup fleet. At the same time, the ongoing conflicts in the Middle East have disrupted offshore operations in parts of the region, and it remains uncertain when such operations will return to normal, which may also impact the timing of work programs associated with these tenders.

From a supply perspective, as of March 31, 2026, there were 491 jackups in the global fleet, with 28% of the current jackup fleet being more than 40 years of age with limited useful lives remaining. Further, we believe that some of the jackups that are currently idle are not competitive, either due to their age or the length of time stacked. Expenditures required to reactivate some of these rigs may prove cost prohibitive and drilling contractors may instead elect to scrap certain rigs.

## **RESULTS OF OPERATIONS**

Management believes the comparison of the most recently completed quarter to the immediately preceding quarter provides more relevant information needed to understand and analyze the business. As such, as permitted under applicable SEC rules, we have elected to discuss any material changes in our results of operations by including a comparison of our most recently completed fiscal quarter ended March 31, 2026 (the "current quarter") to the immediately preceding fiscal quarter ended December 31, 2025 (the "preceding quarter"). We also discuss any material changes in our results of operations for the three months ended March 31, 2026 compared to the corresponding period of the preceding fiscal year (the "prior year period"), as required under the applicable SEC rules.

For the purposes of our discussion below, we refer to Revenues (exclusive of reimbursable revenues) and Contract drilling expenses (exclusive of depreciation and reimbursable expenses) as "revenues" and "contract drilling expenses", respectively. We typically receive reimbursements from our customers for purchases of supplies, equipment and incremental services provided at their request. These reimbursements and the related costs incurred are recognized on a gross basis within Reimbursable revenues and Reimbursable expenses, respectively. Changes within these line items generally do not have a material effect on our operating results or cash flows.

**Three Months Ended March 31, 2026 Compared to Three Months Ended December 31, 2025**

The following table summarizes our Condensed Consolidated Results of Operations for the three months ended March 31, 2026 and December 31, 2025 (in millions, except percentages):

	<b>Three Months Ended</b>		<b>Change</b>	<b>% Change</b>
	<b>March 31, 2026</b>	<b>December 31, 2025</b>		
<b>Operating revenues</b>				
Revenues (exclusive of reimbursable revenues)	\$ 430.1	\$ 502.2	\$ (72.1)	(14)%
Reimbursable revenues	35.3	35.2	0.1	— %
Total operating revenues	465.4	537.4	(72.0)	(13)%
<b>Operating expenses</b>				
Contract drilling expenses (exclusive of depreciation and reimbursable expenses)	340.4	380.3	(39.9)	(10)%
Reimbursable expenses	33.0	33.1	(0.1)	— %
Total contract drilling expenses (exclusive of depreciation)	373.4	413.4	(40.0)	(10)%
Depreciation	42.7	40.6	2.1	5 %
General and administrative	25.3	27.0	(1.7)	(6)%
Merger and integration expenses	13.6	—	13.6	NM
Other operating (income) loss	(2.8)	19.5	(22.3)	(114)%
Total operating expenses	452.2	500.5	(48.3)	(10)%
Equity in earnings of ARO	6.8	2.5	4.3	172 %
Operating income	20.0	39.4	(19.4)	(49)%
Other expense, net	(9.6)	(3.0)	(6.6)	220 %
Provision (benefit) for income taxes	28.4	(680.4)	708.8	(104)%
Net income (loss)	(18.0)	716.8	(734.8)	(103)%
Net loss attributable to noncontrolling interests	1.6	0.7	0.9	129 %
Net income (loss) attributable to Valaris	\$ (16.4)	\$ 717.5	\$ (733.9)	(102)%

NM - Not meaningful

Revenues decreased in the current quarter compared to the preceding quarter, partially driven by \$21.7 million of lower revenues from our two semisubmersible rigs, which completed their contracts in November 2025 and were warm stacked during the current quarter. For the remaining fleet, we had a net decrease of \$59.0 million from fewer operating days relative to the preceding quarter, largely attributable to VALARIS DS-17, VALARIS 106 and VALARIS 120, which were preparing and mobilizing for new contracts during the current quarter.

Contract drilling expense decreased in the current quarter compared to the preceding quarter, primarily due to lower operating costs of \$22.0 million for our two semisubmersible rigs. For the remaining fleet, we had lower personnel-related costs of \$7.4 million from fewer operating days and the deferral of costs associated with contract preparation activities in the current quarter, and lower claim costs of \$7.3 million. These decreases were partially offset by a \$7.5 million increase in insurance expenses to maintain coverage for war-related risks for certain rigs within our Jackups and Other segments which are located in the Middle East.

Merger and integration expenses were \$13.6 million for the current quarter and primarily related to professional fees incurred in connection with the pending Business Combination.

Other operating (income) loss includes non-cash losses on impairments and related gains on remeasurements of our assets which continue to be classified as held for sale. In connection with the retirements of VALARIS 102 and VALARIS 145 (collectively, the "Retired Jackups") and the classification of VALARIS DPS-1 as held for sale in 2025, we recognized non-cash losses on impairment of \$19.5 million in the preceding quarter. During the current quarter, we reassessed the fair value less costs to sell for VALARIS DPS-1 by utilizing a preliminary sales agreement and recognized a gain on remeasurement of \$2.8 million. See "[Note 5 - Property and Equipment](#)" to our condensed consolidated financial statements included in "[Item 1. Financial Statements](#)" for information regarding VALARIS DPS-1.

Other expense, net, increased primarily due to unfavorable foreign currency exchange rate fluctuations of \$3.5 million and lower interest income of \$1.7 million in the current quarter.

The consolidated effective tax rate, excluding the impact of discrete tax items, for the current quarter and preceding quarter was 25.4% and 679.5%, respectively. Discrete tax items during the current quarter were primarily related to the resolution of prior period matters, partially offset by changes in liabilities for unrecognized tax benefits with tax positions taken in prior years. The preceding quarter tax provision included \$690.7 million of tax benefit related to changes in deferred tax asset valuation allowances in certain operating jurisdictions and a \$6.6 million discrete tax benefit primarily attributable to rig impairments.

### **Three Months Ended March 31, 2026 Compared to Three Months Ended March 31, 2025**

The following table summarizes our Condensed Consolidated Results of Operations for the three months ended March 31, 2026 and 2025 (in millions, except percentages):

	<b>Three Months Ended</b>		<b>Change</b>	<b>% Change</b>
	<b>March 31, 2026</b>	<b>March 31, 2025</b>		
<b>Operating revenues</b>				
Revenues (exclusive of reimbursable revenues)	\$ 430.1	\$ 577.8	\$ (147.7)	(26)%
Reimbursable revenues	35.3	42.9	(7.6)	(18)%
Total operating revenues	465.4	620.7	(155.3)	(25)%
<b>Operating expenses</b>				
Contract drilling expenses (exclusive of depreciation and reimbursable expenses)	340.4	374.0	(33.6)	(9)%
Reimbursable expenses	33.0	41.0	(8.0)	(20)%
Total contract drilling expenses (exclusive of depreciation)	373.4	415.0	(41.6)	(10)%
Depreciation	42.7	33.1	9.6	29 %
General and administrative	25.3	24.4	0.9	4 %
Merger and integration expenses	13.6	—	13.6	NM
Other operating (income) loss	(2.8)	7.8	(10.6)	(136)%
Total operating expenses	452.2	480.3	(28.1)	(6)%
Equity in earnings of ARO	6.8	2.6	4.2	162 %
Operating income	20.0	143.0	(123.0)	(86)%
Other income (expense), net	(9.6)	11.3	(20.9)	(185)%
Provision for income taxes	28.4	193.5	(165.1)	(85)%
Net loss	(18.0)	(39.2)	21.2	(54)%
Net loss attributable to noncontrolling interests	1.6	1.3	0.3	23 %
Net loss attributable to Valaris	\$ (16.4)	\$ (37.9)	\$ 21.5	(57)%

NM - Not meaningful

Revenues decreased compared to the prior year period, partially driven by lower operating revenues of \$24.7 million for VALARIS 247, which completed its contract and was sold during the third quarter of 2025. For the remaining fleet, we had a net decrease of \$145.7 million from fewer operating days, largely attributable to certain floaters which have completed their contracts since the end of the prior year period and were either warm stacked or retired. These decreases were partially offset by a net increase of \$15.5 million from higher average daily revenues as a result of various rigs working under higher day rate contracts compared to the prior year period.

Contract drilling expense decreased primarily due to lower operating costs of \$41.8 million for certain of our floater rigs which have been warm stacked or retired since the prior year period and \$9.4 million for VALARIS 247, which was sold during the third quarter of 2025. These decreases were partially offset by a \$7.5 million increase in insurance expenses to maintain coverage for war-related risks for certain rigs within our Jackups and Other fleets which are located in the Middle East, and a net increase of \$7.3 million from higher repair and maintenance costs, largely attributable to VALARIS DS-10 and VALARIS DS-17, which were undergoing scheduled maintenance and upgrade projects in the current quarter.

Depreciation expense increased primarily due to new assets placed in service since the prior year period, including those related to rigs that underwent capital upgrades.

Merger and integration expenses were \$13.6 million for the current quarter and primarily related to professional fees incurred in connection with the pending Business Combination.

Other operating (income) loss includes non-cash losses on impairments and related gains on remeasurements of our assets which continue to be classified as held for sale. In connection with retirement and sale of VALARIS DPS-3, VALARIS DPS-5 and VALARIS DPS-6 (collectively, the "Retired Semis") in 2025, we recognized a non-cash loss on impairment of \$7.8 million during the prior year period. During the current quarter, we reassessed the fair value less costs to sell for VALARIS DPS-1 by utilizing a preliminary sales agreement and recognized a gain on remeasurement of \$2.8 million. See "[Note 5 - Property and Equipment](#)" to our condensed consolidated financial statements included in "[Item 1. Financial Statements](#)" for information regarding the Retired Semis and VALARIS DPS-1.

Other income (expense), net, decreased primarily due to \$27.0 million of non-recurring pre-tax gains related to the sales of VALARIS 75 and an office in Angola during the prior year period. This decrease was partially offset by favorable foreign currency exchange rate fluctuations relative to the prior year period of \$3.5 million.

The consolidated effective tax rate, excluding the impact of discrete tax items, for the current quarter and prior year period was 25.4% and 15.1%, respectively. Discrete tax items during the current quarter were primarily related to the resolution of prior period matters, partially offset by changes in liabilities for unrecognized tax benefits with tax positions taken in prior years. Discrete tax items during the prior year period were primarily attributable to the establishment of a \$168.8 million valuation allowance in connection with the retirement of the Retired Semis.

## Rig Counts, Utilization and Average Daily Revenue

The following table summarizes the total and active offshore drilling rigs for Valaris and ARO as of the following dates:

	March 31, 2026	December 31, 2025	March 31, 2025
<b>Total Fleet</b>			
Floaters <sup>(1)</sup>	15	15	18
Jackups <sup>(2)</sup>	24	24	27
Other <sup>(3)</sup>	7	7	7
Total Fleet - Valaris	46	46	52
ARO <sup>(4)</sup>	9	9	9
<b>Active Fleet <sup>(5)</sup></b>			
Floaters <sup>(6)</sup>	11	11	12
Jackups <sup>(7)</sup>	17	17	18
Other <sup>(3)</sup>	7	7	7
Active Fleet - Valaris	35	35	37
ARO <sup>(4)</sup>	9	9	9

<sup>(1)</sup> During the second quarter of 2025, VALARIS DPS-3, VALARIS DPS-5 and VALARIS DPS-6 were sold.

<sup>(2)</sup> During the second half of 2025, we sold VALARIS 247, VALARIS 102 and VALARIS 145.

<sup>(3)</sup> This represents the jackup rigs leased to ARO through bareboat charter agreements whereby substantially all operating costs are incurred by ARO. Rigs leased to ARO operate under long-term contracts with Saudi Aramco.

<sup>(4)</sup> This represents the jackup rigs owned by ARO, which are operating under long-term contracts with Saudi Aramco. This table does not include Kingdom 3 and Kingdom 4, which are newbuild jackups that are under construction in the Middle East.

<sup>(5)</sup> Active fleet represents rigs that are not preservation stacked or classified as held for sale and includes rigs that are in the process of being reactivated.

<sup>(6)</sup> During the fourth quarter of 2025, we classified VALARIS DPS-1 as held for sale, removing it from the active fleet.

<sup>(7)</sup> During the third quarter of 2025, we sold VALARIS 247.

We provide management services in the Gulf of America on two rigs owned by a third-party that are not included in the table above.

Operating results for our contract drilling services segment are largely dependent on two primary revenue metrics: utilization and day rates. The following table summarizes our and ARO's rig utilization and average daily revenue by reportable segment:

	Three Months Ended		
	March 31, 2026	December 31, 2025	March 31, 2025
<b><u>Rig Utilization - Total Fleet</u></b> <sup>(1)</sup>			
Floaters	33 %	45 %	57 %
Jackups	67 %	64 %	57 %
Other <sup>(2)</sup>	78 %	86 %	100 %
Total Valaris	58 %	63 %	64 %
ARO	79 %	84 %	87 %
<b><u>Rig Utilization - Active Fleet</u></b> <sup>(1)</sup>			
Floaters	45 %	57 %	81 %
Jackups	94 %	97 %	87 %
Other <sup>(2)</sup>	78 %	86 %	100 %
Total Valaris	76 %	82 %	88 %
ARO	79 %	84 %	87 %
<b><u>Average Daily Revenue</u></b> <sup>(3)</sup>			
Floaters	\$ 436,000	\$ 409,000	\$ 384,000
Jackups	135,000	139,000	128,000
Other <sup>(2)</sup>	66,000	53,000	44,000
Total Valaris	\$ 171,000	\$ 177,000	\$ 182,000
ARO	\$ 112,000	\$ 113,000	\$ 108,000

<sup>(1)</sup> Rig utilization for the total fleet and active fleet are derived by dividing the operating days by the number of days in the period for the total fleet and active fleet, respectively. Active fleet represents rigs that are not preservation stacked or classified as held for sale and includes rigs that are in the process of being reactivated. Operating days equals the total number of days that rigs have earned and recognized day rate revenue, including days associated with compensated downtime and mobilizations and excluding suspension periods. When revenue is deferred and amortized over a future period, for example, when we receive fees while mobilizing to commence a new contract or while being upgraded in a shipyard, the related days are excluded from operating days.

<sup>(2)</sup> Includes our two management services contracts and our rigs leased to ARO under bareboat charter contracts.

<sup>(3)</sup> Average daily revenue is derived by dividing Revenues (exclusive of reimbursable revenues), excluding contract termination fees, by the aggregate number of operating days.

## Operating Income by Segment

Our business consists of four operating segments: (1) Floaters, which includes our drillships and semisubmersible rigs, (2) Jackups, (3) ARO and (4) Other, which consists of management services on rigs owned by third parties and the activities associated with our arrangements with ARO under the bareboat charter arrangements (the "Lease Agreements"). Floaters, Jackups and ARO are also reportable segments.

Our onshore support costs included within Contract drilling expenses are not allocated to our operating segments for purposes of measuring segment operating income (loss) and as such, those costs are included in "Reconciling Items". Further, General and administrative expense, Depreciation expense and Merger and integration expenses incurred by our corporate office are not allocated to our operating segments for purposes of measuring segment operating income (loss) and are included in "Reconciling Items".

Because ARO is a 50/50 unconsolidated joint venture, its full operating results included below are not included within our consolidated results and thus are deducted under "Reconciling Items" and replaced with our equity in earnings of ARO. See "[Note 3 - Equity Method Investment in ARO](#)" to our condensed consolidated financial statements included in "[Item 1. Financial Statements](#)" for additional information.

Segment information for the current quarter, preceding quarter and prior year period is as follows (in millions):

*Three Months Ended March 31, 2026*

	Floaters	Jackups	ARO	Other	Reconciling Items	Consolidated Total
<b>Operating revenues</b>						
Revenues (exclusive of reimbursable revenues)	\$ 192.6	\$ 195.8	\$ 127.4	\$ 41.7	\$ (127.4)	\$ 430.1
Reimbursable revenues	5.0	14.4	—	15.9	—	35.3
Total operating revenues	197.6	210.2	127.4	57.6	(127.4)	465.4
<b>Operating expenses</b>						
Contract drilling expenses (exclusive of depreciation and reimbursable expenses)	150.6	128.8	75.1	22.7	(36.8)	340.4
Reimbursable expenses	4.9	13.2	—	14.9	—	33.0
Total contract drilling expenses (exclusive of depreciation)	155.5	142.0	75.1	37.6	(36.8)	373.4
Depreciation	15.7	16.5	24.9	6.2	(20.6)	42.7
General and administrative	—	—	7.1	—	18.2	25.3
Merger and integration expenses	—	—	—	—	13.6	13.6
Other operating income	(2.8)	—	—	—	—	(2.8)
Total operating expenses	168.4	158.5	107.1	43.8	(25.6)	452.2
Equity in earnings of ARO	—	—	—	—	6.8	6.8
Operating income	\$ 29.2	\$ 51.7	\$ 20.3	\$ 13.8	\$ (95.0)	\$ 20.0

Three Months Ended December 31, 2025

	<b>Floaters</b>	<b>Jackups</b>	<b>ARO</b>	<b>Other</b>	<b>Reconciling Items</b>	<b>Consolidated Total</b>
<b>Operating revenues</b>						
Revenues (exclusive of reimbursable revenues)	\$ 255.4	\$ 208.8	\$ 139.6	\$ 38.0	\$ (139.6)	\$ 502.2
Reimbursable revenues	10.5	15.3	—	9.4	—	35.2
Total operating revenues	265.9	224.1	139.6	47.4	(139.6)	537.4
<b>Operating expenses</b>						
Contract drilling expenses (exclusive of depreciation and reimbursable expenses)	197.6	120.7	87.1	20.9	(46.0)	380.3
Reimbursable expenses	9.9	13.9	—	9.3	—	33.1
Total contract drilling expenses (exclusive of depreciation)	207.5	134.6	87.1	30.2	(46.0)	413.4
Depreciation	16.2	16.0	28.3	4.6	(24.5)	40.6
General and administrative	—	—	10.4	—	16.6	27.0
Other operating loss	15.8	3.7	—	—	—	19.5
Total operating expenses	239.5	154.3	125.8	34.8	(53.9)	500.5
Equity in earnings of ARO	—	—	—	—	2.5	2.5
Operating income	\$ 26.4	\$ 69.8	\$ 13.8	\$ 12.6	\$ (83.2)	\$ 39.4

Three Months Ended March 31, 2025

	<b>Floaters</b>	<b>Jackups</b>	<b>ARO</b>	<b>Other</b>	<b>Reconciling Items</b>	<b>Consolidated Total</b>
<b>Operating revenues</b>						
Revenues (exclusive of reimbursable revenues)	\$ 356.0	\$ 185.9	\$ 134.7	\$ 35.9	\$ (134.7)	\$ 577.8
Reimbursable revenues	8.9	27.7	—	6.3	—	42.9
Total operating revenues	364.9	213.6	134.7	42.2	(134.7)	620.7
<b>Operating expenses</b>						
Contract drilling expenses (exclusive of depreciation and reimbursable expenses)	204.0	116.7	85.6	16.0	(48.3)	374.0
Reimbursable expenses	8.3	26.4	—	6.3	—	41.0
Total contract drilling expenses (exclusive of depreciation)	212.3	143.1	85.6	22.3	(48.3)	415.0
Depreciation	14.2	12.7	29.5	2.8	(26.1)	33.1
General and administrative	—	—	6.3	—	18.1	24.4
Other operating loss	7.8	—	—	—	—	7.8
Total operating expenses	234.3	155.8	121.4	25.1	(56.3)	480.3
Equity in earnings of ARO	—	—	—	—	2.6	2.6
Operating income	\$ 130.6	\$ 57.8	\$ 13.3	\$ 17.1	\$ (75.8)	\$ 143.0

### ***Three Months Ended March 31, 2026 Compared to Three Months Ended December 31, 2025***

#### *Floaters*

Floater revenues decreased \$62.8 million, or 25%, for the current quarter compared to the preceding quarter, partially driven by \$21.7 million of lower revenues from our two semisubmersible rigs, which completed their contracts in November 2025 and were warm stacked during the current quarter. For the remaining fleet, we had a net decrease of \$45.2 million from fewer operating days, largely attributable to VALARIS DS-17, which was undergoing contract preparations through most of the current quarter before it commenced a new contract in late-March 2026. This decrease was partially offset by a net increase of \$4.1 million from higher average daily revenues in the current quarter, driven in part by VALARIS DS-9, which commenced a new contract at a higher day rate in the current quarter.

Floater contract drilling expense decreased \$47.0 million, or 24%, for the current quarter compared to the preceding quarter, partially driven by lower operating costs for our two semisubmersible rigs of \$22.0 million, lower personnel-related costs of \$10.6 million for the remaining fleet, primarily due to fewer operating days relative to the preceding quarter and the deferral of contract preparation costs in the current quarter, and \$4.7 million from lower claims costs.

Other operating (income) loss includes a non-cash loss on impairment of \$15.8 million in the preceding quarter related to the classification of VALARIS DPS-1 as held for sale and a related gain on remeasurement of \$2.8 million in the current quarter. See "[Note 5 - Property and Equipment](#)" to our condensed consolidated financial statements included in "[Item 1. Financial Statements](#)" for information regarding VALARIS DPS-1.

#### *Jackups*

Jackup revenues decreased \$13.0 million, or 6%, for the current quarter compared to the preceding quarter, primarily due to a net decrease of \$10.6 million from fewer operating days, largely driven by VALARIS 106 and VALARIS 120 as they mobilized between contracts during a portion of current quarter and a net decrease of \$7.6 million from lower average daily revenues, primarily attributable to VALARIS 123, which commenced a short-term contract for accommodation services at a lower day rate in the current quarter.

Jackup contract drilling expense increased \$8.1 million, or 7%, for the current quarter compared to the preceding quarter primarily due to a \$5.4 million increase in insurance expenses to maintain coverage for war-related risks for certain rigs which are located in the Middle East.

In connection with the retirement of the Retired Jackups in 2025, we recognized a non-cash loss on impairment of \$3.7 million in the preceding quarter, which is included within Other operating (income) loss.

#### *ARO*

The operating revenues of ARO reflect revenues earned under drilling contracts with Saudi Aramco for both the ARO-owned jackup rigs and the rigs leased from us. Contract drilling expenses are inclusive of the bareboat charter fees for the rigs leased from us. See "[Note 3 - Equity Method Investment in ARO](#)" to our condensed consolidated financial statements included in "[Item 1. Financial Statements](#)" for additional information on ARO.

ARO revenue decreased \$12.2 million, or 9%, for the current quarter compared to the preceding quarter, primarily due to a decrease of \$16.2 million from fewer operating days in the current quarter for certain rigs, including VALARIS 250 and VALARIS 116, which were undergoing scheduled maintenance projects in the current quarter. This decrease was partially offset by a \$6.0 million increase in revenue from VALARIS 76, which commenced a new contract in December 2025.

ARO contract drilling expense decreased \$12.0 million, or 14%, for the current quarter compared to the preceding quarter, primarily due to lower operating costs for rigs that were in the shipyard for scheduled projects of \$11.5 million, partially offset by incremental operating costs of \$2.8 million for VALARIS 76.

ARO general and administrative expense decreased \$3.3 million, or 32%, for the current quarter compared to the preceding quarter, primarily due to lower personnel-related costs relative to the preceding quarter.

*Other*

Other revenue increased \$3.7 million, or 10%, for the current quarter compared to the preceding quarter, primarily due to incremental lease revenue for VALARIS 76, which we leased to ARO and commenced operations late in the preceding quarter.

Other contract drilling expense increased \$1.8 million, or 9%, for the current quarter compared to the preceding quarter, primarily due to a \$2.1 million increase in insurance expenses to maintain coverage for war-related risks for VALARIS 250 and VALARIS 116, which are located in the Middle East.

***Three Months Ended March 31, 2026 Compared to Three Months Ended March 31, 2025***

*Floaters*

Floater revenues decreased \$163.4 million, or 46%, during the current quarter compared to the prior year period, primarily driven by a net decrease of \$174.4 million from fewer operating days, largely attributable to certain drillships and our semisubmersibles which have completed their contracts since the end of the prior year period and were either warm stacked or retired, and VALARIS DS-17, which was undergoing contract preparations in the current quarter before commencing a new contract in late-March 2026, compared to operating throughout the prior year period. This decrease was partially offset by a net increase of \$8.4 million from higher average daily revenues as a result of various rigs working under higher day rate contracts compared to the prior year period.

Floater contract drilling expense decreased \$53.4 million, or 26%, during the current quarter compared to the prior year period, primarily due to lower operating costs of \$41.8 million for certain drillships and our semisubmersibles which have been warm stacked or retired since the prior year period, and \$6.2 million from lower personnel-related expenses for VALARIS DS-17 while it was in the shipyard preparing for a contract that commenced late in the first quarter of 2026. These decreases were partially offset by increased repair and maintenance costs of \$5.7 million, largely attributable to VALARIS DS-10 and VALARIS DS-17, which were undergoing scheduled maintenance and upgrade projects in the current quarter.

Other operating (income) loss includes a non-cash loss on impairment of \$7.8 million in the prior year period in connection with the retirement of the Retired Semis and a gain on remeasurement of \$2.8 million in the current quarter related to VALARIS DPS-1, which is classified as held for sale at March 31, 2026. See "[Note 5 - Property and Equipment](#)" to our condensed consolidated financial statements included in "[Item 1. Financial Statements](#)" for information regarding the Retired Semis and VALARIS DPS-1.

### *Jackups*

Jackup revenues increased \$9.9 million, or 5%, during the current quarter compared to the prior year period, primarily due to a net increase of \$31.8 million from more operating days, largely attributable to VALARIS 144, which was mobilizing to Angola in the prior year period prior to commencing a new contract in April 2025. This increase was partially offset by a net decrease of \$24.7 million from VALARIS 247, which completed its contract and was sold during the third quarter of 2025.

Jackup contract drilling expense increased \$12.1 million, or 10%, during the current quarter compared to the prior year period, primarily due to a \$9.3 million increase from higher personnel-related costs as a result of more operating days, a \$6.2 million increase from higher amortization of mobilization costs, largely driven by rigs which mobilized for new contracts since the prior year period, and a \$5.4 million increase in insurance expenses to maintain coverage for war-related risks for certain rigs which are located in the Middle East. These increases were partially offset by lower operating costs of \$9.4 million for VALARIS 247.

Jackup depreciation expense increased \$3.8 million, or 30%, during the current quarter compared to the prior year period, primarily due to new assets placed in service for certain rigs that underwent capital upgrades.

### *ARO*

ARO revenue decreased \$7.3 million, or 5%, during the current quarter compared to the prior year period, primarily driven by a net decrease of \$31.0 million due to fewer operating days, largely driven by certain rigs, including VALARIS 250 and VALARIS 116, which were undergoing scheduled maintenance projects during the current quarter. This decrease was partially offset by a net increase of \$11.2 million from higher average daily revenues as a result of the commencement of five long-term contract extensions at higher day rates than those earned in the prior year period and incremental revenues of \$9.1 million from VALARIS 76, which commenced a new contract in December 2025.

ARO contract drilling expense decreased \$10.5 million, or 12%, during the current quarter compared to the prior year period, primarily due to lower operating costs of \$17.9 million for rigs which were undergoing scheduled maintenance projects in the current quarter, partially offset by incremental operating costs of \$4.3 million for VALARIS 76.

ARO depreciation expense decreased \$4.6 million, or 16%, comparing the two periods, primarily due to assets that were fully depreciated since the prior year period.

### *Other*

Other revenue increased \$5.8 million, or 16%, during the current quarter compared to the prior year period, primarily due to a net increase of \$8.3 million in lease revenue attributable to five long-term bareboat charter extensions at higher rates for our leased rigs to ARO since the end of the prior year period and \$3.0 million of incremental lease revenue from the commencement of operations for VALARIS 76 in December 2025. These increases were partially offset by a net decrease in lease revenue of \$8.1 million for VALARIS 250 and VALARIS 116, which were undergoing scheduled maintenance and contract upgrades during the current quarter.

Other contract drilling expense increased \$6.7 million, or 42%, during the current quarter compared to the prior year period, primarily due to a \$3.2 million increase in repair and maintenance costs, largely driven by scheduled maintenance and upgrade projects for VALARIS 250 and VALARIS 116, and a \$2.1 million increase in insurance expenses to maintain coverage for war-related risks for VALARIS 250 and VALARIS 116, which are located in the Middle East.

Other depreciation expense increased \$3.4 million, or 121%, during the current quarter compared to the prior year period, primarily due to capital upgrades placed in service for VALARIS 76 since the end of the prior year period.

## Other Income (Expense)

The following table summarizes other income (expense) (in millions):

	Three Months Ended		
	March 31, 2026	December 31, 2025	March 31, 2025
Interest expense, net	\$ (24.3)	\$ (24.8)	\$ (24.3)
Interest income	17.0	18.7	14.4
Net foreign currency exchange gains (losses)	(1.7)	1.8	(5.2)
Net gain (loss) on sale of property	(1.6)	1.2	27.1
Net periodic pension and retiree medical income (loss)	0.9	(0.2)	(0.2)
Other, net	0.1	0.3	(0.5)
	\$ (9.6)	\$ (3.0)	\$ 11.3

### *Three Months Ended March 31, 2026 Compared to Three Months Ended December 31, 2025*

Net foreign currency exchange losses were \$1.7 million in the current quarter compared to gains of \$1.8 million in the preceding quarter, primarily driven by unfavorable exchange rate movements in Brazilian real, partially offset by favorable exchange rate movement in euros and British pounds relative to the preceding quarter.

### *Three Months Ended March 31, 2026 Compared to Three Months Ended March 31, 2025*

Net gains on sale of property decreased \$28.7 million during the current quarter compared to the prior year period, primarily due to the sale of VALARIS 75 and an office in Angola during the prior year period, which resulted in non-recurring pre-tax gains of \$23.0 million and \$4.0 million, respectively. See "[Note 5 - Property and Equipment](#)" to our condensed consolidated financial statements included in "[Item 1. Financial Statements](#)" for information regarding these asset sales.

Net foreign currency exchange losses were \$1.7 million during the current quarter compared to \$5.2 million in the prior year period, primarily driven by favorable exchange rate movements in euros and British pounds, partially offset by unfavorable exchange rate movement in Brazilian real relative to the prior year period.

## LIQUIDITY AND CAPITAL RESOURCES

### Liquidity

We expect to fund our short-term liquidity needs, including contractual obligations and anticipated capital expenditures, as well as working capital requirements, from cash and cash equivalents and cash flows from operations. Additionally, we have liquidity available under our senior secured revolving credit agreement, which matures in 2028 (the "2028 Credit Agreement"). We expect to fund our long-term liquidity needs, including contractual obligations and anticipated capital expenditures, from cash and cash equivalents, cash flows from operations, as well as cash which may be received from the distribution of earnings from ARO. We may rely on the issuance of debt and/or equity securities in the future to supplement our liquidity needs, subject to certain restrictions provided within the Business Combination Agreement. However, the Indenture governing our 2030 Second Lien Notes, as defined below, dated as of April 19, 2023 (the "Indenture"), and the 2028 Credit Agreement contain covenants that limit our ability to incur additional indebtedness.

Our cash and cash equivalents as of March 31, 2026 and December 31, 2025 were \$578.3 million and \$599.4 million, respectively. We have no debt principal payments due until 2030 and had \$375.0 million available for borrowing, including up to \$150.0 million for the issuance of letters of credit, under the 2028 Credit Agreement as of April 30, 2026. See below and "[Note 8 - Debt](#)" to our condensed consolidated financial statements included in "[Item 1. Financial Statements](#)" for additional information on the 2028 Credit Agreement and the 8.375% Second Lien Notes due 2030.

### Cash Flows and Capital Expenditures

Absent periods where we have significant financing or investing transactions or activities, such as debt or equity issuances, share repurchases, debt repayments, business combinations or asset sales, our primary sources and uses of cash are driven by cash generated from or used in operations and capital expenditures. Our net cash provided by operating activities and capital expenditures were as follows (in millions):

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Net cash provided by operating activities	\$ 75.0	\$ 155.9
Capital expenditures	\$ (100.9)	\$ (100.2)

During the three months ended March 31, 2026, we generated \$75.0 million of cash flow from operating activities primarily due to operating income for the period of \$20.0 million and other changes in working capital. In addition, we received approximately \$8.0 million of U.S. income tax refunds in the current quarter and collected \$5.0 million of cash proceeds related to the prior year sale of VALARIS 75. Our primary use of cash was \$100.9 million for maintenance and upgrades of our drilling rigs.

During the three months ended March 31, 2025, we generated \$155.9 million of cash flow from operating activities primarily due to operating income for the period of \$143.0 million and approximately \$26.0 million of tax refunds received from the Australian tax authority during the first quarter of 2025, partially offset by other changes in working capital. An additional source of cash was \$14.0 million of cash proceeds related to the sale of VALARIS 75. Our primary uses of cash were \$100.2 million for maintenance and upgrades of our drilling rigs.

Based on our current projections, we expect capital expenditures during 2026 to approximate \$425.0 million to \$475.0 million primarily relating to maintenance and upgrade projects, including contract-specific capital expenditures. Depending on market conditions, contracting activity and future opportunities, we may make additional capital expenditures to upgrade rigs for customer requirements and acquire additional rigs, subject to certain restrictions within the Business Combination Agreement.

We review from time to time possible acquisition opportunities relating to our business, which may include the acquisition of rigs or other businesses. The timing, size or success of any acquisition efforts and the associated potential capital commitments are unpredictable and uncertain. We may seek to fund all or part of any such efforts with cash on hand and proceeds from debt and/or equity issuances and may issue equity directly to the sellers. Our ability to obtain capital for additional projects to implement our growth strategy over the longer term will depend on our future operating performance, restrictions to incur additional debt in the Indenture and the 2028 Credit Agreement, financial condition and, more broadly, on the availability of equity and debt financing. Capital availability will be affected by prevailing conditions in our industry, the global economy, the global financial markets and other factors, many of which are beyond our control. In addition, any additional debt service requirements we take on could be based on higher interest rates and shorter maturities and could impose a significant burden on our results of operations and financial condition, and the issuance of additional equity securities could result in significant dilution to shareholders.

## Financing and Capital Resources

### 2030 Second Lien Notes

In 2023, the Company and Valaris Finance Company LLC (“Valaris Finance,” together, the “Issuers”), issued and sold \$1.1 billion in aggregate principal amount of 8.375% Senior Secured Second Lien Notes due 2030 (the “2030 Second Lien Notes”). The 2030 Second Lien Notes mature on April 30, 2030 and bear an interest rate of 8.375% per annum. Interest is payable semi-annually in arrears on April 30 and October 30 of each year. See “[Note 8 - Debt](#)” to our condensed consolidated financial statements included in “[Item 1. Financial Statements](#)” for additional information on the 2030 Second Lien Notes.

### 2028 Credit Agreement

The 2028 Credit Agreement provides for commitments permitting borrowings of up to \$375.0 million (which may be increased, subject to the satisfaction of certain conditions and the agreement of lenders to provide such additional commitments, by an additional \$200.0 million pursuant to the terms of the 2028 Credit Agreement) and includes a \$150.0 million sublimit for the issuance of letters of credit. See “[Note 8 - Debt](#)” to our condensed consolidated financial statements included in “[Item 1. Financial Statements](#)” for additional information on the 2028 Credit Agreement.

### Investment in ARO and Notes Receivable from ARO

We expect to receive cash from ARO in the future, both from the maturity of our Notes Receivable from ARO and from the distribution of earnings from ARO.

The distribution of earnings to the joint-venture partners is at the discretion of the ARO board of managers, consisting of 50/50 membership of managers appointed by Saudi Aramco and managers appointed by us, with approval required by both shareholders. The timing and amount of any cash distributions to the joint-venture partners cannot be predicted with certainty and will be influenced by various factors, including the liquidity position and capital allocation priorities of ARO. ARO has not made a cash distribution of earnings to its partners since its formation. ARO had cash and cash equivalents of \$90.4 million as of March 31, 2026.

The Notes Receivable from ARO, which are governed by the laws of Saudi Arabia, mature during 2027 and 2028. We expect to agree to extend the maturity of the Notes Receivable from ARO to facilitate its capital allocation priorities, in particular its newbuild jackup program. Notwithstanding any extension of the maturity, in the event that ARO is unable to repay the Notes Receivable from ARO when they become due, we would require the prior consent of our joint venture partner to enforce ARO’s payment obligations.

See “[Note 3 - Equity Method Investment in ARO](#)” to our condensed consolidated financial statements included in “[Item 1. Financial Statements](#)” for additional information on our investment in ARO and Notes Receivable from ARO.

The following table summarizes the maturity schedule of our Notes Receivable from ARO as of March 31, 2026 (in millions):

<b>Maturity Date</b>	<b>Principal Amount</b>
October 2027	\$ 227.3
October 2028	173.4
<b>Total</b>	<b>\$ 400.7</b>

### *Share Repurchase Program*

Our board of directors has authorized a share repurchase program under which we may purchase up to \$600.0 million of our outstanding common shares, subject to certain restrictions provided in our debt agreements and the Business Combination Agreement. As of March 31, 2026, we had approximately \$175.0 million available for share repurchases pursuant to the Share Repurchase Program. There were no share repurchases under this program during the three months ended March 31, 2026 and 2025. See "[Note 9 - Shareholders' Equity](#)" to our condensed consolidated financial statements included in "[Item 1. Financial Statements](#)" for additional information on our share repurchase program.

### *Other Commitments*

We have other commitments that we are contractually obligated to fulfill with cash under certain circumstances. As of March 31, 2026, we were contingently liable for an aggregate amount of \$35.3 million under outstanding letters of credit, which guarantee our performance as it relates to our drilling contracts, contract bidding, customs duties, tax appeals and other obligations in various jurisdictions. Obligations under these letters of credit are not normally called, as we typically comply with the underlying performance requirements. As of March 31, 2026, we had collateral deposits in the amount of \$15.1 million with respect to these agreements.

In connection with our 50/50 unconsolidated joint venture, we have a potential obligation to fund ARO for newbuild jackup rigs. The Shareholder Agreement specifies that ARO shall purchase 20 newbuild jackup rigs. The joint venture partners intend for the newbuild jackup rigs to be financed from available cash on hand and from ARO's operations and/or funds available from third-party financing. The first two newbuild jackups, Kingdom 1 and Kingdom 2, were delivered and commenced operations in 2023 and 2024, respectively. In October 2023, ARO entered into a \$359.0 million term loan to finance the remaining payments due upon delivery of the two rigs and for general corporate purposes. The term loan matures in eight years following the related drawdown under the term loan and requires equal quarterly amortization payments during the term, with a 50% balloon payment due at maturity. Our Notes Receivable from ARO are subordinated and junior in right of payment to both ARO's term loan and credit facility. ARO has a revolving credit facility which provides for borrowings of up to \$150.0 million. As of March 31, 2026, there were no amounts outstanding under this facility.

In October 2024 and November 2025, ARO ordered the third and fourth newbuild jackups, Kingdom 3 and Kingdom 4, respectively, for a purchase price of approximately \$300.0 million each. ARO paid a 25% down payment from cash on hand in 2024 upon ordering Kingdom 3 and made installment payments aggregating \$62.6 million through March 31, 2026 related to the 25% down payment from cash on hand for Kingdom 4, with the remaining down payment balance payable in monthly installments in April and May 2026. ARO expects these newly ordered jackup rigs to be financed from cash on hand or from operations or funds available from third-party financing. In the event ARO has insufficient cash or is unable to obtain third-party financing, each partner may periodically be required to make additional capital contributions to ARO, up to a maximum aggregate contribution of \$1.25 billion from each partner to fund the newbuild program. Beginning with the delivery of the second newbuild, each partner's commitment is reduced by the lesser of the actual cost of each newbuild rig or \$250.0 million, on a proportionate basis. Following the delivery of Kingdom 2, our commitment to fund the newbuild program has been reduced to \$1.1 billion. See "[Note 3 - Equity Method Investment in ARO](#)" to our condensed consolidated financial statements included in "[Item 1. Financial Statements](#)" for additional information on ARO.

### *Tax Assessments*

In February 2024, one of our Malaysian subsidiaries received an unfavorable court decision regarding a tax assessment for the 2012-2017 tax years totaling approximately MYR117.0 million (approximately \$29.0 million converted at current quarter-end exchange rates), including a late payment penalty. In July 2024, we received a payment demand from the Malaysian tax authority for the full assessment amount. In order to further contest the assessment, we made payments of approximately \$8.0 million and \$18.0 million in 2025 and 2024, respectively, for aggregate total payments of \$26.0 million. These payments are included within Other assets in the Condensed Consolidated Balance Sheets. We have not recorded a liability for uncertain tax positions as of March 31, 2026, related to this assessment based on a more-likely-than-not threshold. We believe our tax returns are materially correct as filed and will vigorously contest this assessment.

In December 2024, we reached a settlement agreement with the Australian tax authorities regarding tax assessments which related to the examination of certain of our tax returns for the years 2011 through 2016. In connection with this agreement, during the first quarter of 2025, we received refunds (including interest) totaling A\$42.0 million (approximately \$26.0 million at then-current exchange rates).

### *Divestitures*

Our business strategy has been to focus on ultra-deepwater floater and premium jackup operations and de-emphasize other assets and operations that no longer meet our standards for economic returns. While taking into account certain restrictions on the sales of assets under our debt agreements and within the Business Combination Agreement, as part of our strategy, we may act opportunistically from time to time to monetize assets to enhance shareholder value and improve our liquidity profile, in addition to reduce holding costs by selling or disposing of lower-specification or non-core rigs. See "Note 8 - Debt" to our consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2025 for additional information on certain restrictions on the sales of assets.

In the fourth quarter of 2025, we approved a plan to retire VALARIS DPS-1, a semisubmersible rig within our Floaters segment, and reclassified the rig from Property and equipment, net to Assets held for sale on our Consolidated Balance Sheets at that time. VALARIS DPS-1 remained classified as held for sale as of March 31, 2026 and was subsequently sold for recycling and removed from service in April 2026 for cash proceeds of \$10.1 million.

See "[Note 5 – Property and Equipment](#)" to our condensed consolidated financial statements included in "[Item 1. Financial Statements](#)" for further information regarding these divestitures.

## **MARKET RISK**

### *Interest Rate Risk*

Our outstanding debt at March 31, 2026 consisted of our \$1.1 billion aggregate principal amount of 2030 Second Lien Notes. We are subject to interest rate risk on our fixed-interest rate borrowings. Fixed rate debt, where the interest rate is fixed over the life of the instrument, exposes us to changes in market interest rates impacting the fair value of the debt.

Our 2028 Credit Agreement provides for commitments permitting borrowings of up to \$375.0 million at March 31, 2026. As the interest rates for such borrowings are at variable rates, we are subject to interest rate risk. As of March 31, 2026, we had no outstanding borrowings under the 2028 Credit Agreement.

Our Notes Receivable from ARO bear interest based on the one-year term SOFR rate, set as of the end of the year prior to the applicable year, plus 2.10%. As the Notes Receivable from ARO bear interest on the applicable SOFR rate determined at the end of the preceding year, the rate governing our interest income in 2026 has already been determined. A hypothetical 1% decrease to SOFR would decrease interest income for the year ended December 31, 2026 by \$4.0 million based on the principal amount outstanding at March 31, 2026 of \$400.7 million.

#### *Foreign Currency Risk*

Our functional currency is the U.S. dollar. As is customary in the oil and gas industry, a majority of our revenues and expenses are denominated in U.S. dollars; however, a portion of the revenues earned and expenses incurred by certain of our subsidiaries are denominated in currencies other than the U.S. dollar. We are exposed to foreign currency exchange risk to the extent the amount of our monetary assets denominated in the foreign currency differs from our obligations in the foreign currency or revenue earned differs from costs incurred in the foreign currency. We do not currently hedge our foreign currency risk.

### **CRITICAL ACCOUNTING POLICIES**

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America requires us to make estimates, judgments and assumptions that affect the amounts reported in our condensed consolidated financial statements and accompanying notes. Our significant accounting policies are included in Note 1 to our audited consolidated financial statements for the year ended December 31, 2025, included in our annual report on Form 10-K filed with the SEC on February 20, 2026. These policies, along with our underlying judgments and assumptions made in their application, have a significant impact on our condensed consolidated financial statements.

We identify our critical accounting policies as those that are the most pervasive and important to the portrayal of our financial position and operating results and that require the most difficult, subjective and/or complex judgments regarding estimates in matters that are inherently uncertain. Our critical accounting policies are those related to property and equipment, income taxes and pension and other post-retirement benefits. For a discussion of the critical accounting policies and estimates that we use in the preparation of our condensed consolidated financial statements, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates" in Part II of our annual report on Form 10-K for the year ended December 31, 2025.

#### **New Accounting Pronouncements**

See "[Note 1](#) - Unaudited Condensed Consolidated Financial Statements" to our condensed consolidated financial statements included in "[Item 1](#). Financial Statements" for information on new accounting pronouncements.

#### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

Information required under this Item 3. has been incorporated herein from "[Item 2](#). Management's Discussion and Analysis of Financial Condition and Results of Operations - Market Risk."

#### **Item 4. Controls and Procedures**

**Evaluation of Disclosure Controls and Procedures** – We have established disclosure controls and procedures to ensure that the information required to be disclosed by us in the reports that we file under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and made known to the officers who certify the Company’s financial reports and to other members of senior management and the board of directors as appropriate to allow timely decisions regarding required disclosure.

Based on their evaluation as of March 31, 2026, our management, with the participation of our principal executive officer and principal financial officer, have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are effective.

**Changes in Internal Controls** – There were no material changes in our internal control over financial reporting during the quarter ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II - OTHER INFORMATION

### Item 1. *Legal Proceedings*

#### *Environmental Matters*

We are currently subject to pending notices of assessment relating to spills of drilling fluids, oil, brine, chemicals, grease or fuel from drilling rigs operating offshore Brazil from 2008 to 2017, pursuant to which the governmental authorities have assessed, or are anticipated to assess, fines. We have contested these notices and appealed certain adverse decisions and are awaiting decisions in these cases. Although we do not expect final disposition of these assessments to have a material adverse effect on our financial position, operating results and cash flows, there can be no assurance as to the ultimate outcome of these assessments. A \$0.5 million liability related to these matters was included in Accrued liabilities and other on our Condensed Consolidated Balance Sheet as of March 31, 2026 included in "[Item 1. Financial Statements.](#)"

#### *Other Matters*

In addition to the foregoing, we are named defendants or parties in certain other lawsuits, claims or proceedings incidental to our business and are involved from time to time as parties to governmental investigations or proceedings, including matters related to taxation, arising in the ordinary course of business. Although the outcome of such lawsuits or other proceedings cannot be predicted with certainty and the amount of any liability that could arise with respect to such lawsuits or other proceedings cannot be predicted accurately, we do not expect these matters to have a material adverse effect on our financial position, operating results or cash flows.

### Item 1A. *Risk Factors*

There are numerous factors that affect our business and results of operations, many of which are beyond our control. In addition to the other information presented in this quarterly report, you should 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 annual report on Form 10-K for the year ended December 31, 2025, which contains descriptions of significant risks that may cause our actual results of operations in future periods to differ materially from those currently anticipated or expected.

### Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

Our board of directors has authorized a share repurchase program of up to \$600.0 million. The share repurchase program does not have a fixed expiration, may be modified, suspended or discontinued at any time and is subject to compliance with applicable covenants and restrictions under our financing agreements and the Business Combination Agreement. The amount remaining for purchase was approximately \$175.0 million as of March 31, 2026.

### Item 5. *Other Information*

During the three months ended March 31, 2026, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

**Item 6. Exhibits**

<b>Exhibit Number</b>	<b>Exhibit</b>
2.1	<a href="#">Business Combination Agreement, dated as of February 9, 2026, between Transocean Ltd. and Valaris Limited (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed on February 10, 2026, File No. 18097).</a>
+*10.1	<a href="#">2026 Form of Non-Employee Director Award Agreement</a>
+*10.2	<a href="#">2026 Form of RSU Award Agreement</a>
+*10.3	<a href="#">2026 Form of PSU Award Agreement</a>
*31.1	<a href="#">Certification of the Chief Executive Officer of Registrant Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
*31.2	<a href="#">Certification of the Chief Financial Officer of Registrant Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
**32.1	<a href="#">Certification of the Chief Executive Officer of Registrant Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
**32.2	<a href="#">Certification of the Chief Financial Officer of Registrant Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
*101.INS	XBRL Instance Document - The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
*101.SCH	Inline XBRL Taxonomy Extension Schema Document
*101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
*101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
*101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
*101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
*104	The cover page of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2026, formatted in Inline XBRL (included with Exhibit 101 attachments).

\* Filed herewith.

\*\* Furnished herewith.

+ Management contract or compensatory plan and arrangement required to be filed as an exhibit pursuant to Item 6 of this report.

## SIGNATURES

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 thereunto duly authorized.

### Valaris Limited

Date: May 5, 2026

/s/ CHRISTOPHER T. WEBER

Christopher T. Weber  
Senior Vice President and Chief  
Financial Officer

/s/ MELISSA BARRON

Melissa Barron  
Controller  
(principal accounting officer)

**VALARIS LIMITED**  
**2021 MANAGEMENT INCENTIVE PLAN**  
**NON-EMPLOYEE DIRECTOR**  
**NOTICE AND ACCEPTANCE OF RESTRICTED STOCK UNIT AWARD**

You have been granted the following award (the “Award”) of Restricted Stock Units (“RSUs”) and Dividend Equivalents pursuant to the Valaris Limited 2021 Management Incentive Plan (as the same may be amended, the “Plan”). Each RSU represents the right to receive one common share, par value \$0.01 per share, of Valaris Limited, an exempted company incorporated under the laws of the Bermuda (the “Company”) or the cash value of one Share as set forth in the Agreement (as defined below).

Name of Grantee:  (the “Grantee”)  
Total Number of RSUs Granted:   
An equivalent number of tandem Dividend Equivalents are granted in conjunction with the grant of RSUs.  
Date of Grant:  (the “Grant Date”)  
Vesting Schedule: [Subject to the Grantee’s continuous service as a director of the Company through each such date (each, a “Vesting Date”), the RSUs shall vest in three installments as follows:  RSUs on the first anniversary of the Grant Date;  RSUs on the second anniversary of the Grant Date; and  RSUs on the third anniversary of the Grant Date.]

[Subject to the Grantee’s continuous service as a director of the Company through such date (the “Vesting Date”), the RSUs shall vest in full on the earlier of (i) the first anniversary of the Grant Date or (ii) the next Annual Meeting of the Company’s Shareholders that follows the Grant Date.]

The terms of the Award referenced herein are subject to the provisions of this Notice and Acceptance of Restricted Stock Unit Award (the “Grant Notice”), the attached Non-Employee Director Restricted Stock Unit Award Agreement Terms and Conditions (including any applicable country-specific provisions contained in any Appendix attached thereto) (the “Terms and Conditions,” and together with this Grant Notice, the “Agreement”), and the Plan. Capitalized terms not otherwise defined in the Agreement shall have the meanings given to them given to them in the Plan.

The Terms and Conditions are provided herewith. The Plan and Plan prospectus are available to you through the Corporate Compensation Department in Houston and may be accessed on the Merrill Lynch Benefits OnLine® website.

Except as otherwise set forth in the Agreement, any RSUs granted hereunder that have not vested under the Vesting Schedule will be forfeited if and when you cease to be a director of the Company.

By signing this Grant Notice, you hereby agree to accept the above Award pursuant to the provisions of the Plan and the Agreement.

VALARIS LIMITED

By: \_\_\_\_\_

Name:

Title:

ACCEPTED AND AGREED

By: \_\_\_\_\_

Name:

Date:

**VALARIS LIMITED**  
**2021 MANAGEMENT INCENTIVE PLAN**  
**NON-EMPLOYEE DIRECTOR RESTRICTED STOCK UNIT AWARD**  
**TERMS AND CONDITIONS**

Valaris Limited, an exempted company incorporated under the laws of the Bermuda (the “Company”), has adopted the Valaris Limited 2021 Management Incentive Plan (as the same may be amended, the “Plan”). Capitalized terms not otherwise defined in the Agreement shall have the meaning given to such terms in the Plan. In furtherance of the purposes of the Plan, and pursuant thereto, the Award of RSUs and Dividend Equivalents has been granted under the Plan to the Grantee as described in the Grant Notice, which must be executed by the Grantee to reflect the Grantee’s acceptance of the Award and the terms of the Agreement. The Company and the Grantee may be individually referred to herein as “Party” or collectively as “Parties.”

1. Grant of RSUs and Dividend Equivalents

Subject to the terms, conditions and restrictions set forth in the Plan and those specified herein, the Company hereby grants the number of Restricted Stock Units (“RSUs”) and tandem Dividend Equivalents specified in the Grant Notice to the Grantee (the RSUs together with the Dividend Equivalents are the “Award”). Subject to Section 3(f) hereof, each RSU represents an unsecured promise of the Company to deliver one common share of the Company, par value \$0.01 per share (“Share”) or the cash value of one Share as set forth in Section 3(d) to the Grantee pursuant to the terms and conditions of the Plan and the Agreement. Each tandem Dividend Equivalent represents a right to receive cash payments equivalent to the amount of cash dividends declared and paid on one Share after the Grant Date and before the Dividend Equivalent expires. RSUs and Dividend Equivalents are used solely as units of measurement, and are not Shares; the Grantee is not, and has no rights as, a shareholder of the Company by virtue of receiving the Award unless and until the RSUs are converted to Shares and transferred to the Grantee, as set forth herein.

2. Transfer Restrictions

The Grantee shall not sell, assign, transfer, exchange, pledge, encumber, gift, devise, hypothecate or otherwise dispose of (collectively, “Transfer”) any RSUs or Dividend Equivalents granted hereunder other than by will or by the laws of descent and distribution. Any purported Transfer of RSUs or Dividend Equivalents in breach of the Agreement shall be void and ineffective, and shall not operate to Transfer any interest or title in the purported transferee.

3. Vesting and Settlement of RSUs and Dividend Equivalents

(a) Vesting of RSUs and Dividend Equivalents. Subject to these Terms and Conditions, the Grantee’s interest in the RSUs and tandem Dividend Equivalents granted hereunder shall vest on each vesting date set out in the Grant Notice (each, a “Vesting Date”); provided that the Grantee is still a director of the

Company and has continuously been a director of the Company from the Grant Date through the applicable Vesting Date, except as provided in Section 4. All RSUs that do not become vested as of the end of the vesting period shall be forfeited. Any Dividend Equivalents subject to the Agreement shall expire at the time the RSU with respect to which the Dividend Equivalent is in tandem (i) is vested and paid or, to the extent permitted by the Company deferred, (ii) is forfeited, or (iii) expires.

- (b) Settlement of RSUs; No Deferral Election. With respect to any RSUs that vest hereunder that are not subject to a Deferral Election (as defined below), the Grantee shall become entitled to the number of Shares which have become vested as of each Vesting Date. Subject to Section 4 below, such Shares shall be delivered to or on behalf of the Grantee in exchange for vested RSUs on or prior to the 60th calendar day immediately following the applicable Vesting Date, and if applicable, shall be subject to any further transfer or other restrictions as may be required by a securities law or other applicable law as determined by the Company.
- (c) Settlement of RSUs; Deferral Election in Effect. With respect to any RSUs that vest hereunder that are subject to a validly made election to defer the settlement thereof on a form provided by the Company (a “Deferral Election”), the Grantee shall become entitled to the number of Shares which have become vested as of each Vesting Date; however, subject to Section 4 below (including with respect to a termination of the Grantee’s directorship in connection with a Change in Control (as defined below)), such Shares shall be delivered to or on behalf of the Grantee in exchange for vested RSUs within 30 calendar days of the designated payment date set forth in the Deferral Election, and if applicable, shall be subject to any further transfer or other restrictions as may be required by a securities law or other applicable law as determined by the Company.
- (d) Cash Settlement. Notwithstanding the foregoing, if the Grantee has made a valid election to cash settle any portion of the RSUs that vest hereunder on a form provided by the Company (a “Cash Election”), then in lieu of Shares, the Grantee shall receive a cash payment on the otherwise applicable settlement date equal to the Fair Market Value of the Shares underlying the RSUs that are subject to such Cash Election, with the remainder of the RSUs that vest hereunder settled in shares as outlined above. For purposes of this Section 3(d), the Fair Market Value shall be determined as of the date immediately preceding the settlement date.
- (e) Payment of Dividend Equivalents; Voting Rights. Payments with respect to any Dividend Equivalents subject to the Agreement shall accrue in a bookkeeping account of the Company and be paid, without interest, upon settlement of the associated RSU. All rights with respect to, or in connection with, the RSUs shall be exercisable during the Grantee’s lifetime only by the Grantee. The Grantee shall not be entitled to any voting rights with respect to the RSUs.

- (f) Adjustments. As provided in the Plan, in the event of any change in the number of Shares issued and outstanding by reason of any share dividend or split, reverse share split, recapitalization, consolidation, combination or exchange of shares or similar corporate change, then the number of RSUs granted under the Agreement shall be proportionately increased or reduced, as applicable, so as to prevent the enlargement or dilution of the Grantee's rights and duties hereunder. The determination of the Committee regarding such adjustments shall be final and binding.

4. Accelerated Vesting and Forfeiture Events

- (a) Change in Control. If the Grantee's directorship is terminated in connection with a Change in Control, the Grantee shall vest in a number of RSUs and tandem Dividend Equivalents equal to (i) the total number of RSUs and tandem Dividend Equivalents granted hereunder multiplied by a fraction, the numerator of which is the number of days elapsed from the Grant Date through the termination date and the denominator of which is [1095] or [the total number of days from the Grant date through the earlier of (a) the first anniversary of the Grant Date and (b) the next Annual Meeting of the Company's Shareholders that follows the Grant Date], less (ii) any RSUs and tandem Dividend Equivalents granted hereunder that had previously vested. All the vested RSUs and tandem Dividend Equivalents shall be settled within 30 days after consummation of such Change in Control. As used herein, "Change in Control" means (i) a change in the ownership of the Company, which occurs on the date that any one person, or more than one person acting as a group, acquires ownership of Shares that, together with Shares held by such person or persons acting in concert, constitutes more than fifty percent (50%) of the total voting power of the Shares; (ii) a majority of the members of the Board is replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of appointment or election; or (iii) a sale of all or substantially all of the assets of Company. Additionally, with respect to any RSUs and Dividend Equivalents that constitute a deferral of compensation under Section 409A of the Code, any such transaction must also constitute a "change in control event" within the meaning of Treasury Regulation §1.409A-3(i)(5).

Notwithstanding the foregoing, a "Change in Control" of the Company will not be deemed to have occurred by virtue of the consummation of any transaction or series of related transactions immediately following which the beneficial owners of the voting Shares immediately before such transaction or series of transactions continue to have a majority of the direct or indirect ownership in one or more entities which, singly or together, immediately following such transaction or series of transactions, either (A) own all or substantially all of the assets of the Company as constituted immediately prior to such transaction or series of transactions, or (B) are the ultimate parent with direct or indirect ownership of all

of the voting Shares after such transaction or series of transactions. For further clarification, a “Change in Control” of the Company will not be deemed to have occurred by virtue of the consummation of any transaction or series of related transactions effected for the purpose of changing the place of incorporation or form of organization of the Company or the ultimate parent of the Company and its subsidiaries.

- (b) Termination Following Corporate Transaction. If the Grantee’s directorship is terminated in connection with a merger, consolidation, business combination or other similar corporate transaction that is not a Change in Control, the Grantee shall vest in a number of RSUs and tandem Dividend Equivalents equal to (i) the total number of RSUs and tandem Dividend Equivalents granted hereunder multiplied by a fraction, the numerator of which is the number of days elapsed from the Grant Date through the termination date and the denominator of which is [1095] or [the total number of days from the Grant date through the earlier of (a) the first anniversary of the Grant Date and (b) the next Annual Meeting of the Company’s Shareholders that follows the Grant Date], less (ii) any RSUs and tandem Dividend Equivalents granted hereunder that had previously vested. Such termination date shall be the “Vesting Date” and the RSUs shall be settled as set forth in Section 3(b) or 3(c), as applicable.
- (c) Termination Due to Cause; Termination to Join a Competitor. If the Grantee’s directorship is terminated for Cause (as defined in the Plan) or the director terminates his or her service on the Board to join a competitor of the Company (as determined in the sole discretion of the Committee), all of the then outstanding RSUs and tandem Dividend Equivalents, whether or not vested, shall be immediately forfeited and cancelled as of such termination of directorship date, and shall not vest or be paid in any respect, without the necessity of any notice or other further action.
- (d) Other Terminations. If the Grantee’s directorship is terminated for any reason except as otherwise provided above in this Section 4, all of the then unvested RSUs shall be immediately forfeited and cancelled as of the termination of directorship date, and shall not vest in any respect, without the necessity of any notice or other further action. All vested RSUs and associated Dividend Equivalents shall be settled as set forth in Section 3 above.

5. Grantee’s Representations

Notwithstanding any provision hereof to the contrary, the Grantee hereby agrees and represents that the Grantee will not acquire any Shares or cash in lieu of Shares, and that the Company will not be obligated to issue any Shares or cash in lieu of Shares to the Grantee hereunder, if the issuance of such Shares or cash constitutes a violation by the Grantee or the Company of any law or regulation of any governmental authority. Any determination in this regard that is made by the Committee, in good faith, shall be final

and binding. The rights and obligations of the Company and the Grantee hereunder are subject to all applicable laws and regulations.

6. Tax Consequences; No Advice Regarding Grant

The vesting of the RSUs, the issuance of Shares or payment of cash with respect to vested RSUs, and the payment of Dividend Equivalents will likely have tax consequences. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding participation in the Plan or the acquisition or sale of the Shares that may be issued under the Agreement. THE GRANTEE IS HEREBY ADVISED TO CONSULT WITH THE GRANTEE'S OWN PERSONAL TAX, LEGAL AND FINANCIAL ADVISERS REGARDING THE GRANTEE'S PARTICIPATION IN THE PLAN AND ANY TAX OR OTHER CONSEQUENCES ASSOCIATED WITH THIS AWARD.

7. Code Section 409A Compliance

This Agreement is intended to be interpreted and applied so that the payments and benefits set forth herein shall, as applicable, comply with or be exempt from the requirements of Code Section 409A, and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to the fullest extent possible to reflect and implement such intent. Notwithstanding anything in this Agreement to the contrary and to the extent the payments and benefits set forth herein are subject to Code Section 409A, a termination of service shall not be deemed to have occurred for purposes of any provision of this Agreement unless such termination is also a "separation from service" within the meaning of Code Section 409A. Notwithstanding any provision in this Agreement to the contrary, if on his or her termination of service, the Grantee is deemed to be a "specified employee" within the meaning of Code Section 409A, any payments or benefits due upon such termination of service that constitute a "deferral of compensation" within the meaning of Code Section 409A and which do not otherwise qualify under the exemptions under Treas. Reg. § 1.409A-1 (including, without limitation, the short-term deferral exemption and the permitted payments under Treas. Reg. § 1.409A-1(b)(9)(iii)(A)), shall be delayed and paid or provided to the Grantee on the earlier of a date within 10 days after the date that is six (6) months after the Grantee's separation from service or, if earlier, the date of the Grantee's death.

8. Data Privacy

The Grantee hereby acknowledges that the Grantee's personal data as described in the Agreement and any other Award materials, may be collected, used and/or transferred in electronic or other form by and among, as applicable, the Company and its affiliates, for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that the Company may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, compensation, job title, any shares or directorships held in the

Company or an affiliate, details of all Awards or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the exclusive purpose of implementing, administering and managing the Plan (individually and collectively, "Data").

The Grantee understands that Data will be transferred to Merrill Lynch and Computershare or such other stock plan service providers as may be selected by the Company in the future, which are assisting the Company with the implementation, administration and management of the Plan. The Grantee understands that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country may have different data privacy laws and protections than the Grantee's home country. The Grantee authorizes the Company, Merrill Lynch, Computershare and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan.

9. Electronic Delivery and Participation

The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

10. Miscellaneous

- (a) No Fractional Shares. All provisions of the Agreement concern whole Shares. If the application of any provision hereunder would yield a fractional Share, such fractional Share shall be rounded to the nearest whole Share.
- (b) No Directorship Rights. No provision of the Agreement or the Plan shall be construed to give the Grantee any right to remain a director of the Company, or to continue to provide services as a director, or in any manner to affect the right of the Board or the Company's shareholders to terminate the Grantee's Services at any time, with or without Cause.
- (c) Notices. Any notice, instruction, authorization, request or demand required hereunder shall be in writing, and shall be delivered either by personal delivery, by telegram, telex, telecopy or similar facsimile means, by certified or registered mail, return receipt requested, or by courier or delivery service, addressed to the Company at its then current main corporate address (Attention: Corporate Secretary), and to the Grantee at his or her address indicated on the Company's

records, or at such other address and number as a Party has previously designated by written notice given to the other Party in the manner hereinabove set forth. Notices shall be deemed given when received, if sent by facsimile means (confirmation of such receipt by confirmed facsimile transmission being deemed receipt of communications sent by facsimile means); and when delivered and receipted for (or upon the date of attempted delivery where delivery is refused), if hand-delivered, sent by express courier or delivery service, or sent by certified or registered mail, return receipt requested.

- (d) Amendment, Termination and Waiver. The Agreement may be amended, modified, terminated or superseded; provided that any such action that materially impairs any rights or materially increases any obligations under the Award with respect to the Grantee may only be made with the consent of the Grantee. Any waiver of the terms or conditions hereof shall be made only by a written instrument executed and delivered by the Party waiving compliance. Any waiver granted by the Company shall be effective only if executed and delivered by a duly authorized executive officer of the Company who is not the Grantee. The failure of any Party at any time or times to require performance of any provisions hereof shall in no manner affect the right to enforce the same. No waiver by any Party of any term or condition herein, or the breach thereof, in one or more instances shall be deemed to be, or construed as, a further or continuing waiver of any such condition or breach or a waiver of any other condition or the breach of any other term or condition.
- (e) Severability. It is the desire of the Parties hereto that the Agreement be enforced to the maximum extent permitted by law, and should any provision contained herein be held unenforceable by a court of competent jurisdiction, the Parties hereby agree and consent that such provision shall be reformed to create a valid and enforceable provision to the maximum extent permitted by law; provided, however, if such provision cannot be reformed, it shall be deemed ineffective and deleted herefrom without affecting any other provision of the Agreement. The Agreement should be construed by limiting and reducing it only to the minimum extent necessary to be enforceable under then applicable law.
- (f) Governing Law; Jurisdiction. Except to the extent preempted by any applicable federal law, this Agreement will be construed and administered in accordance with the laws of Texas.
- (g) Imposition of Other Requirements. The Company reserves the right to (i) impose other requirements regarding participation in the Plan, with respect to the Agreement and on any Shares acquired under the Plan, to the extent that the Company determines it is necessary or advisable in order to (A) comply with applicable laws, including, the country where the Grantee resides, or (B) facilitate the administration of the Plan, and (ii) require the Grantee to sign any additional

agreements or undertakings that are reasonably necessary to accomplish the foregoing.

- (h) The Grantee's Acknowledgment. The Grantee represents and acknowledges that (i) the Grantee is knowledgeable and sophisticated as to business matters, including the subject matter of the Agreement, (ii) the Grantee has read the Agreement and understands its terms and conditions, (iii) the Grantee has had ample opportunity to discuss the Agreement with the Grantee's legal counsel, if so desired, prior to execution of the Agreement, and (iv) no strict rules of construction shall apply for or against the drafter of the Agreement or any other Party.
- (i) Survival of Certain Provisions. Wherever appropriate to the intention of the Parties, the respective rights and obligations of the Parties hereunder shall survive any termination or expiration of the Agreement or the termination of the Grantee's directorship.
- (j) Successors and Assigns. The Agreement shall bind, be enforceable by, and inure to the benefit of, the Parties and their permitted successors and assigns as determined under the terms of the Agreement and the Plan.
- (k) Counterparts. The Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

**VALARIS LIMITED**  
**2021 MANAGEMENT INCENTIVE PLAN**  
**NOTICE AND ACCEPTANCE OF RESTRICTED STOCK UNIT AWARD**

You have been granted the following award (the “Award”) of Restricted Stock Units (“RSUs”) and Dividend Equivalents pursuant to the Valaris Limited 2021 Management Incentive Plan (as the same may be amended, the “Plan”). Each RSU represents the right to receive one common share, par value \$0.01 per share, of Valaris Limited, an exempted company incorporated under the laws of the Bermuda (the “Company”).

Name of Grantee: [ ] (the “Grantee”)

Total Number of RSUs Granted: [ ]  
An equivalent number of tandem Dividend Equivalents are granted in conjunction with the grant of RSUs.

Date of Grant: [ ] (the “Grant Date”)

Vesting Schedule: [ ] (the “Vesting Date”)

The terms of the Award referenced herein are subject to the provisions of this Notice and Acceptance of Restricted Stock Unit Award (the “Grant Notice”), the attached Restricted Stock Unit Award Agreement Terms and Conditions (the “Terms and Conditions,” and together with this Grant Notice, the “Agreement”), and the Plan. Capitalized terms not otherwise defined in the Agreement shall have the meanings given to them given to them in the Plan.

The Terms and Conditions are provided herewith. The Plan and Plan prospectus are available to you through the Corporate Compensation Department in Houston and may be accessed on the Merrill Lynch Benefits OnLine® website.

Except as otherwise set forth in the Agreement, any RSUs granted hereunder that have not vested under the Vesting Schedule will be forfeited if and when you cease to be an employee of the Company Group.

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By signing this Grant Notice, you hereby agree to accept the above Award pursuant to the provisions of the Plan and the Agreement.

VALARIS LIMITED

By:  
Name:  
Title:

ACCEPTED AND AGREED

By:  
Name:  
Date:

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**VALARIS LIMITED**  
**2021 MANAGEMENT INCENTIVE PLAN**  
**RESTRICTED STOCK UNIT AWARD**  
**TERMS AND CONDITIONS**

Valaris Limited, an exempted company incorporated under the laws of the Bermuda (the “Company”), has adopted the Valaris Limited 2021 Management Incentive Plan (as the same may be amended, the “Plan”). Capitalized terms not otherwise defined in the Agreement shall have the meaning given to such terms in the Plan. In furtherance of the purposes of the Plan, and pursuant thereto, the Award of RSUs and Dividend Equivalents has been granted under the Plan to the Grantee as described in the Grant Notice, which must be executed by the Grantee to reflect the Grantee’s acceptance of the Award and the terms of the Agreement. The Company and the Grantee may be individually referred to herein as “Party” or collectively as “Parties.”

- 1) Grant of RSUs and Dividend Equivalents. Subject to the terms, conditions and restrictions set forth in the Plan and those specified herein, the Company hereby grants the number of Restricted Stock Units (“RSUs”) and tandem Dividend Equivalents specified in the Grant Notice to the Grantee (the RSUs together with the Dividend Equivalents are the “Award”). Subject to Section 3(d) hereof, each RSU represents an unsecured promise of the Company to issue to the Grantee (and accordingly a right of the Grantee to acquire) one common share of the Company, par value \$0.01 per share (“Share”) pursuant to the terms and conditions of the Plan and the Agreement. Each tandem Dividend Equivalent represents a right to receive cash payments equivalent to the amount of cash dividends declared and paid on one Share after the Grant Date and before the Dividend Equivalent expires. RSUs and Dividend Equivalents are used solely as units of measurement, and are not Shares; the Grantee is not, and has no rights as, a shareholder of the Company by virtue of receiving the Award unless and until the RSUs are converted to Shares and transferred to the Grantee, as set forth herein.
- 2) Transfer Restrictions. The Grantee shall not sell, assign, transfer, exchange, pledge, encumber, gift, devise, hypothecate or otherwise dispose of (collectively, “Transfer”) any RSUs or Dividend Equivalents granted hereunder other than by will or by the laws of descent and distribution. Any purported Transfer of RSUs or Dividend Equivalents in breach of the Agreement shall be void and ineffective and shall not operate to Transfer any interest or title in the purported transferee.
- 3) Vesting and Settlement of RSUs and Dividend Equivalents.
  - a) Vesting of RSUs and Dividend Equivalents. Subject to these Terms and Conditions, the Grantee’s interest in the RSUs and tandem Dividend Equivalents granted hereunder shall vest on each Vesting Date set out in the Grant Notice, provided that the Grantee is still an employee of the Company Group and has continuously been an employee of the Company Group from the Grant Date through the applicable Vesting Date, except as provided in Section 4. All RSUs that do not become vested as of the end of the vesting period shall be forfeited. Any Dividend Equivalents subject to the Agreement shall expire at the time the RSU with respect to which the Dividend Equivalent is in tandem (i) is vested and paid, (ii) is forfeited, or (iii) expires.

- b) Settlement of RSUs. With respect to any RSUs that vest hereunder, the Grantee shall become entitled to the number of Shares which have become vested as of each Vesting Date. Subject to Section 4 below, such Shares shall be issued to or on behalf of the Grantee in exchange for such vested RSUs on or prior to the 60th calendar day immediately following the applicable Vesting Date, and if applicable, shall be subject to any further transfer or other restrictions as may be required by a securities law or other applicable law as determined by the Company.
- c) Payment of Dividend Equivalents; Voting Rights. Payments with respect to any Dividend Equivalents subject to the Agreement shall accrue in a bookkeeping account of the Company and be paid, without interest, upon settlement of the associated RSU. All rights with respect to, or in connection with, the RSUs shall be exercisable during the Grantee's lifetime only by the Grantee. The Grantee shall not be entitled to any voting rights with respect to the RSUs.
- d) Adjustments. As provided in the Plan, in the event of any change in the number of Shares issued and outstanding by reason of any share dividend or split, reverse share split, recapitalization, consolidation, combination or exchange of shares or similar corporate change or in the event of any extraordinary dividends, spin-off or similar reorganization, the number of RSUs granted under the Agreement shall be proportionately increased or reduced, as applicable, so as to prevent the enlargement or dilution of the Grantee's rights and duties hereunder. The determination of the Committee regarding such adjustments shall be final and binding.
- 4) Accelerated Vesting and Forfeiture Events.
- a) Termination without Cause; Resignation for Good Reason; Retirement; Disability; Death. If the Grantee's continuous service is terminated (i) as a result of the Grantee's Retirement (as defined below) at least 12 months following the Grant Date, (ii) by the Company without Cause (as defined in Appendix 1) or by the Grantee for Good Reason (as defined in Appendix 1), in each case, at any time whether prior to or following a Change in Control (as defined below) or (iii) as a result of the Grantee's Disability or death at any time, then the Grantee shall vest in a number of RSUs and tandem Dividend Equivalents equal to (a) the total number of RSUs and tandem Dividend Equivalents granted hereunder multiplied by a fraction, the numerator of which is the number of days elapsed from the Grant Date through the termination date and the denominator of which is 1095 days, less (b) any RSUs and tandem Dividend Equivalents granted hereunder that had previously vested. Settlement of all such vested RSUs and tandem Dividend Equivalents shall be accelerated with underlying Shares issued to or on behalf of the Grantee in exchange for such vested RSUs on or prior to the 60th calendar day immediately following the date of such termination of continuous service, and if applicable, subject to any further transfer or other restrictions as may be required by a securities law or other applicable law as determined by the Company.

As used herein, "Retirement" means Grantee's termination of continuous service after the date on which the Grantee has (i) attained age 55 and completed at least 10 years of

continuous service with the Company Group; or (ii) attained age 65; provided that the Grantee has provided the Committee with at least six months' advanced written notice of such termination of continuous service.

- b) Termination Due to Cause; Violation of Restrictive Covenants. If the Grantee's continuous service is terminated for Cause or the Grantee materially violates any of the Restrictive Covenants set forth in Section 5 hereof at any time prior to full settlement of this Award: (i) all of the then outstanding RSUs and tandem Dividend Equivalents, whether or not vested, shall be immediately forfeited and cancelled as of the date of such termination, and shall not vest or be paid in any respect, without the necessity of any notice or other further action; and (ii) the Grantee shall be obligated to return to the Company any Shares previously issued under this Award or the economic value of such Shares if no longer held by the Grantee within 30 days following receipt of written demand from the Board.
- c) Other Terminations. If the Grantee's continuous service is terminated for any reason except as otherwise provided above in this Section 4, all of the then unvested RSUs shall be immediately forfeited and cancelled as of the date of such termination and shall not vest in any respect, without the necessity of any notice or other further action. All vested RSUs and associated Dividend Equivalents shall be settled as set forth in Section 3 above.
- d) Change in Control. As used herein, "Change in Control" means (i) a change in the ownership of the Company, which occurs on the date that any one person, or more than one person acting as a group, acquires ownership of Shares that, together with Shares held by such person or persons acting in concert, constitutes more than fifty percent (50%) of the total voting power of the Shares; (ii) a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of appointment or election; or (iii) a sale of all or substantially all of the assets of Company. Additionally, with respect to any RSUs and Dividend Equivalents that constitute a deferral of compensation under Section 409A of the Code, any such transaction must also constitute a "change in control event" within the meaning of Treasury Regulation §1.409A-3(i)(5).

Notwithstanding the foregoing, a "Change in Control" of the Company will not be deemed to have occurred by virtue of the consummation of any transaction or series of related transactions immediately following which the beneficial owners of the voting Shares immediately before such transaction or series of transactions continue to have a majority of the direct or indirect ownership in one or more entities which, singly or together, immediately following such transaction or series of transactions, either (A) own all or substantially all of the assets of the Company as constituted immediately prior to such transaction or series of transactions, or (B) are the ultimate parent with direct or indirect ownership of all of the voting Shares after such transaction or series of transactions. For further clarification, a "Change in Control" of the Company will not be deemed to have occurred by virtue of the consummation of any transaction or series of

related transactions effected for the purpose of changing the place of incorporation or form of organization of the Company or the ultimate parent of the Company and its subsidiaries.

- e) Superseding Effect. For the avoidance of doubt, the Grantee expressly acknowledges and agrees that the terms and conditions of this Section 4 solely govern the treatment of this Award in connection with a Change in Control and/or any termination of the Grantee's continuous service and therefore expressly supersede any provisions regarding the treatment of equity awards included in any individual change in control agreement, and any other plan, agreement, arrangement or policy with any member of the Company Group.
- 5) Restrictive Covenants. The Grantee acknowledges and agrees the Grantee shall continue to be bound by and obligated to comply with the terms of any restrictive covenant, intellectual property, or confidentiality agreement that the Grantee has executed in connection with the Grantee's employment with the Company Group and the provisions of this Section 5 are in addition to, and not in lieu of such agreements. The restrictions contained in this Section 5 are a material condition to this Award and the Grantee acknowledges that he or she would not have received the Award absent his or her Agreement to be bound by the restrictions in this Section 5.
- a) *Confidentiality*. During the course of the Grantee's employment with the Company, the Company has (i) disclosed or entrusted to the Grantee, and provided the Grantee with access to, Confidential Information (as defined below), (ii) placed the Grantee in a position to develop business goodwill belonging to the Company Group, and (iii) disclosed or entrusted to the Grantee business opportunities to be developed for the Company Group. The Grantee acknowledges that the Confidential Information has been developed or acquired by the Company Group through the expenditure of substantial time, effort and money and provides the Company Group with an advantage over competitors who do not know or use the Confidential Information. The Grantee further acknowledges and agrees that the nature of the Confidential Information obtained during his or her continuous service would make it difficult, if not impossible, for the Grantee to perform in a similar capacity for a business competitive with the Company Group without disclosing or utilizing Confidential Information. The Grantee shall hold in confidence and not directly or indirectly disclose, use, copy or make lists of any Confidential Information, except to the extent necessary to carry out his or her duties on behalf of the Company Group. The Grantee agrees to give to the Company notice of any and all attempts to compel disclosure of any Confidential Information within one business day of being informed that such disclosure is being, or will be, compelled. Such written notice shall include a description of the Confidential Information to be disclosed, the court, government agency, or other forum through which the disclosure is sought, and the date by which the Confidential Information is to be disclosed, and shall contain a copy of the subpoena, order or other process used to compel disclosure. For the avoidance of doubt, the provisions of this subsection shall not apply to (A) any disclosure or use authorized by the Company or required by applicable law, (B) any information that is or becomes

generally available to the public (other than as a result of the Grantee's unauthorized disclosure), and (C) reporting to the Company's management or directors or to the government or a regulator conduct you believe to be in violation of the law or the Company's Code of Conduct or responding truthfully to questions or requests for information to the government, a regulator or in a court of law in connection with a legal or regulatory investigation or proceeding.

As used herein, "Confidential Information" means information (whether or not recorded in documentary form, or stored on any magnetic or optical disk or memory) relating to the business, products, affairs and finances of the Company Group for the time being confidential to the Company Group, and trade secrets including, without limitation, technical data and know-how relating to the business of the Company Group or any of their respective business contacts, including in particular (by way of illustration only and without limitation): (i) information relating to the business of exploring, acquiring, developing, exploiting and disposing of oil and natural gas resources (regardless of when conceived, made, developed or acquired); (ii) information relating to the business or prospective business, current or projected plans or internal affairs of the Company Group; (iii) information relating to the current or prospective marketing or sales of any products or services of the Company Group, including non-public lists of customers' and suppliers' names, addresses and contacts; sales targets and statistics; market share and pricing information; marketing surveys; research and reports; non-public advertising and promotional material; strategies; and financial and sales data; (iv) information relating to any actual or prospective business strategies of the Company Group; (v) information relating to any actual acquisitions, investments or corporate opportunities or prospective acquisition, investment targets or corporate opportunities; (vi) know-how, trade secrets, unpublished information relating to the Company Group's intellectual property and to the creation, production or supply of any products or services of the Company Group; (vii) information to which the Company Group owes an obligation of confidence to a third party (including, without limitation, customers, clients, suppliers, partners, joint venturers and professional advisors of the Company Group); and (viii) other commercial, financial or technical information relating to the business or prospective business of the Company Group, or to any past, current or prospective client, customer, supplier, licensee, officer or employee, agent of the Company Group, or any member or person interested in the share capital or assets of the Company Group, and any other person to whom the Company Group may provide or from whom they may receive information (whether marked confidential or not).

- b) *Non-Compete*. In exchange for this Award and the Company's provision to the Grantee of Confidential Information and to protect the Company Group's legitimate business interests, the Grantee hereby agrees that during and for a period of 12 months after his or her termination of continuous service with the Company Group (the "Restricted Period"), the Grantee will not, without the prior written consent of the Committee, directly or indirectly, provide services to, or own any interest in, manage, operate, control, or participate in the ownership, management, operation or control of, any entity (other than any member of the Company Group) that is primarily engaged in the business of

providing contracted offshore drilling rigs in any country (or its territorial waters) in which the Company Group has offices, establishes offices or has definitive plans to locate an office (including as an employee or consultant); provided, however, that notwithstanding the foregoing, (i) the Grantee may own, directly or indirectly, solely as a passive investment, securities of any entity traded on a national securities exchange if the Grantee is not a controlling person of, or a member of a group which controls, such entity and does not, directly or indirectly, own 5% or more of any class of securities of such entity; and (ii) the Grantee shall not be prevented from providing services to, or owning any interest in, managing, operating, controlling, or participating in the ownership, management, operation or control of, any entity (other than any member of the Company Group) that is primarily engaged in the business of providing contracted offshore drilling rigs in any country (or its territorial waters) with which the Grantee was neither involved nor concerned during the 12 months prior to termination of his continuous service with the Company Group.

- c) *Non-Solicitation.* The Grantee hereby agrees that during the Restricted Period the Grantee will not, directly or indirectly, induce or attempt to induce, or cause or solicit any officer, manager, contractor or employee of the Company Group who was in a senior, sales, research and development or management capacity or who was otherwise in possession of Confidential Information and who reported to or had material contact with the Grantee during the 12 months prior to termination of his continuous service with the Company Group to cease their relationship with the Company Group or hire or engage any such officer, manager, contractor or employee of the Company Group, or in any way materially interfere with the relationship between the Company Group, on the one hand, and any such officer, manager, contractor or employee, on the other hand. Notwithstanding the foregoing, nothing in this Agreement shall prohibit the Grantee from making a general, public solicitation for employment, or using an employee recruiting or search firm to conduct a search, that does not specifically target employees or consultants of the Company Group so long as no persons who were at any time during the 12-month period prior to the commencement of such solicitation, employees or consultants of the Company Group are hired or otherwise engaged as a result of such general solicitations or search firm efforts. The Grantee hereby agrees that during the Restricted Period, the Grantee will not, directly or indirectly, induce, or attempt to induce, cause or solicit any customer, client or supplier of the Company Group who was in a senior, sales, research and development or management capacity or who was otherwise in possession of Confidential Information and who reported to or had material contact with the Grantee during the 12 months prior to termination of his continuous service with the Company Group to reduce or cease doing business with the Company Group, or in any way knowingly interfere with the relationship between any customer, client or supplier of the Company Group, on the one hand, and any member of the Company Group, on the other hand.
- d) *No Disparaging Comments.* The Grantee shall refrain from any criticisms or disparaging comments about the Company Group; provided, however, that nothing in this Agreement shall apply to or restrict in any way the communication of information to any

governmental law enforcement agency that is required by compulsion of law. The Grantee acknowledges that in executing this Agreement, he or she has knowingly, voluntarily, and intelligently waived any free speech, free association, free press or First Amendment to the United States Constitution (including, without limitation, any counterpart or similar provision or right under any other state constitution which may be deemed to apply) and rights to disclose, communicate, or publish disparaging information or comments concerning or related to the Company Group; provided, however, nothing in this Agreement shall be deemed to prevent the Grantee from testifying fully and truthfully in response to a subpoena from any court or from responding to an investigative inquiry from any governmental agency.

- 6) Grantee's Representations. Notwithstanding any provision hereof to the contrary, the Grantee hereby agrees and represents that the Grantee will not acquire any Shares, and that the Company will not be obligated to issue any Shares to the Grantee hereunder, if the issuance of such Shares constitutes a violation by the Grantee or the Company of any law or regulation of any governmental authority. Any determination in this regard that is made by the Committee, in good faith, shall be final and binding. The rights and obligations of the Company and the Grantee hereunder are subject to all applicable laws and regulations.
- 7) Tax Consequences; No Advice Regarding Grant. The vesting of the RSUs, the issuance of Shares with respect to vested RSUs, and the payment of Dividend Equivalents will likely have tax consequences. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding participation in the Plan or the acquisition or sale of the Shares that may be issued under the Agreement. THE GRANTEE IS HEREBY ADVISED TO CONSULT WITH THE GRANTEE'S OWN PERSONAL TAX, LEGAL AND FINANCIAL ADVISERS REGARDING THE GRANTEE'S PARTICIPATION IN THE PLAN AND ANY TAX OR OTHER CONSEQUENCES ASSOCIATED WITH THIS AWARD.
- 8) Code Section 409A Compliance. This Agreement is intended to be interpreted and applied so that the payments and benefits set forth herein shall, as applicable, comply with or be exempt from the requirements of Code Section 409A, and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to the fullest extent possible to reflect and implement such intent. Notwithstanding anything in this Agreement to the contrary and to the extent the payments and benefits set forth herein are subject to Code Section 409A, a termination of continuous service shall not be deemed to have occurred for purposes of any provision of this Agreement unless such termination is also a "separation from service" within the meaning of Code Section 409A. Notwithstanding any provision in this Agreement to the contrary, if on his or her termination of service, the Grantee is deemed to be a "specified employee" within the meaning of Code Section 409A, any payments or benefits due upon such termination of service that constitute a "deferral of compensation" within the meaning of Code Section 409A and which do not otherwise qualify under the exemptions under Treas. Reg. § 1.409A-1 (including without limitation, the short-term deferral exemption and the permitted payments under Treas. Reg. § 1.409A-1(b)(9)(iii)(A)), shall be delayed and paid or provided to the Grantee on the earlier of a date within 10 days after the

date that is six (6) months after the Grantee's separation from service or, if earlier, the date of the Grantee's death.

- 9) UK Tax Matters. The Grantee agrees to indemnify the Company and its affiliates to the fullest extent permitted by law in respect of any secondary class 1 (employer) national insurance contributions ("Employer NICs") arising in respect of the grant, vesting, settlement or exercise of the RSUs, the issuance, acquisition or disposal of common shares of the Company in respect of the RSUs and any other matter relating to the Award, the RSUs or such common shares (each a "Taxable Event"). At the request of the Company, the Grantee shall elect, to the extent permitted by law, and using a form approved by HM Revenue & Customs, that the whole or any part of the liability for Employer NICs arising as a result of a Taxable Event shall be transferred to the Grantee.
- 10) Data Privacy. The Grantee hereby acknowledges that the Grantee's personal data as described in the Agreement and any other Award materials, may be collected, used and/or transferred in electronic or other form by and among, as applicable, the Company and its affiliates, for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that the Company may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, compensation, job title, any shares or directorships held in the Company or an affiliate, details of all Awards or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the exclusive purpose of implementing, administering and managing the Plan (individually and collectively, "Data").
- The Grantee understands that Data will be transferred to Merrill Lynch and Computershare or such other stock plan service providers as may be selected by the Company in the future, which are assisting the Company with the implementation, administration and management of the Plan. The Grantee understands that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country may have different data privacy laws and protections than the Grantee's home country. The Grantee authorizes the Company, Merrill Lynch, Computershare and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan.
- 11) Electronic Delivery and Participation. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

12) Miscellaneous.

- a) No Fractional Shares. All provisions of the Agreement concern whole Shares. If the application of any provision hereunder would yield a fractional Share, such fractional Share shall be rounded to the nearest whole Share.
- b) No Employment Rights. No provision of the Agreement or the Plan shall be construed to give the Grantee any right to remain an employee of the Company Group, or to continue to provide services to the Company Group, or in any manner to affect the right of the Company to terminate the Grantee's Services at any time, with or without Cause.
- c) Notices. Any notice, instruction, authorization, request or demand required hereunder shall be in writing, and shall be delivered either by personal delivery, by telegram, telex, telecopy or similar facsimile means, by certified or registered mail, return receipt requested, or by courier or delivery service, addressed to the Company at its then current main corporate address (Attention: Corporate Secretary), and to the Grantee at his or her address indicated on the Company's records, or at such other address and number as a Party has previously designated by written notice given to the other Party in the manner hereinabove set forth. Notices shall be deemed given when received, if sent by facsimile means (confirmation of such receipt by confirmed facsimile transmission being deemed receipt of communications sent by facsimile means); and when delivered and received for (or upon the date of attempted delivery where delivery is refused), if hand-delivered, sent by express courier or delivery service, or sent by certified or registered mail, return receipt requested.
- d) Amendment, Termination and Waiver. The Agreement may be amended, modified, terminated or superseded; provided that any such action that materially impairs any rights or materially increases any obligations under the Award with respect to the Grantee may only be made with the consent of the Grantee. Any waiver of the terms or conditions hereof shall be made only by a written instrument executed and delivered by the Party waiving compliance. Any waiver granted by the Company shall be effective only if executed and delivered by a duly authorized executive officer of the Company who is not the Grantee. The failure of any Party at any time or times to require performance of any provisions hereof shall in no manner affect the right to enforce the same. No waiver by any Party of any term or condition herein, or the breach thereof, in one or more instances shall be deemed to be, or construed as, a further or continuing waiver of any such condition or breach or a waiver of any other condition or the breach of any other term or condition.
- e) Severability. It is the desire of the Parties hereto that the Agreement be enforced to the maximum extent permitted by law, and should any provision contained herein be held unenforceable by a court of competent jurisdiction, the Parties hereby agree and consent that such provision shall be reformed to create a valid and enforceable provision to the maximum extent permitted by law; provided, however, if such provision cannot be reformed, it shall be deemed ineffective and deleted herefrom without affecting any other provision of the Agreement. The Agreement should be construed by limiting and

reducing it only to the minimum extent necessary to be enforceable under then applicable law.

- f) Governing Law; Jurisdiction. Except to the extent preempted by any applicable federal law, this Agreement will be construed and administered in accordance with the laws of Texas.
- g) Imposition of Other Requirements. The Company reserves the right to (i) impose other requirements regarding participation in the Plan, with respect to the Agreement and on any Shares acquired under the Plan, to the extent that the Company determines it is necessary or advisable in order to (A) comply with applicable laws, including, the country where the Grantee resides, or (B) facilitate the administration of the Plan, and (ii) require the Grantee to sign any additional agreements or undertakings that are reasonably necessary to accomplish the foregoing.
- h) The Grantee's Acknowledgment. The Grantee represents and acknowledges that (i) the Grantee is knowledgeable and sophisticated as to business matters, including the subject matter of the Agreement, (ii) the Grantee has read the Agreement and understands its terms and conditions, (iii) the Grantee has had ample opportunity to discuss the Agreement with the Grantee's legal counsel, if so desired, prior to execution of the Agreement, and (iv) no strict rules of construction shall apply for or against the drafter of the Agreement or any other Party.
- i) Survival of Certain Provisions. Wherever appropriate to the intention of the Parties, the respective rights and obligations of the Parties hereunder shall survive any termination or expiration of the Agreement or the termination of the Grantee's continuous service with the Company Group.
- j) Successors and Assigns. The Agreement shall bind, be enforceable by, and inure to the benefit of, the Parties and their permitted successors and assigns as determined under the terms of the Agreement and the Plan.
- k) Counterparts. The Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

**VALARIS LIMITED**  
**2021 MANAGEMENT INCENTIVE PLAN**  
**NOTICE AND ACCEPTANCE OF PERFORMANCE STOCK UNIT AWARD**

You have been granted the following award (the “Award”) of performance-based Restricted Stock Units (“PSUs”) and Dividend Equivalents pursuant to the Valaris Limited 2021 Management Incentive Plan (as the same may be amended, the “Plan”). Each PSU represents the right to receive one common share, par value \$0.01 per share, of Valaris Limited, an exempted company incorporated under the laws of the Bermuda (the “Company”).

Name of Grantee:  (the “Grantee”)

Target Number of PSUs Granted:

An equivalent number of tandem Dividend Equivalents are granted in conjunction with the grant of PSUs.

Date of Grant:  (the “Grant Date”)

Vesting Schedule:  (the “Vesting Date”)

Performance Period:

The terms of the Award referenced herein are subject to the provisions of this Notice and Acceptance of Performance Stock Unit Award (the “Grant Notice”), the attached Performance Stock Unit Award Agreement Terms and Conditions (the “Terms and Conditions,” and together with this Grant Notice, the “Agreement”), and the Plan. Capitalized terms not otherwise defined in the Agreement shall have the meanings given to them given to them in the Plan.

The Terms and Conditions are provided herewith. The Plan and Plan prospectus are available to you through the Corporate Compensation Department in Houston and may be accessed on the Merrill Lynch Benefits OnLine® website.

Except as otherwise set forth in the Agreement, any PSUs granted hereunder that have not vested under the Vesting Schedule will be forfeited if and when you cease to be an employee of the Company Group.

By signing this Grant Notice, you hereby agree to accept the above Award pursuant to the provisions of the Plan and the Agreement.

VALARIS LIMITED

By:  
Name:  
Title:

ACCEPTED AND AGREED

By:  
Name:  
Date:

**VALARIS LIMITED**  
**2021 MANAGEMENT INCENTIVE PLAN**  
**PERFORMANCE STOCK UNIT AWARD**  
**TERMS AND CONDITIONS**

Valaris Limited, an exempted company incorporated under the laws of the Bermuda (the “Company”), has adopted the Valaris Limited 2021 Management Incentive Plan (as the same may be amended, the “Plan”). Capitalized terms not otherwise defined in the Agreement shall have the meaning given to such terms in the Plan. In furtherance of the purposes of the Plan, and pursuant thereto, the Award of PSUs and Dividend Equivalents has been granted under the Plan to the Grantee as described in the Grant Notice, which must be executed by the Grantee to reflect the Grantee’s acceptance of the Award and the terms of the Agreement. The Company and the Grantee may be individually referred to herein as “Party” or collectively as “Parties.”

- 1) Grant of PSUs and Dividend Equivalents. Subject to the terms, conditions and restrictions set forth in the Plan and those specified herein, the Company hereby grants the number of performance-based Restricted Stock Units (“PSUs”) and tandem Dividend Equivalents specified in the Grant Notice to the Grantee (the PSUs together with the Dividend Equivalents are the “Award”). Subject to Section 3(d) hereof, each PSU represents an unsecured promise of the Company to issue to the Grantee (and accordingly a right of the Grantee to acquire) one common share of the Company, par value \$0.01 per share (“Share”) pursuant to the terms and conditions of the Plan and the Agreement. Each tandem Dividend Equivalent represents a right to receive cash payments equivalent to the amount of cash dividends declared and paid on one Share after the Grant Date and before the Dividend Equivalent expires. PSUs and Dividend Equivalents are used solely as units of measurement, and are not Shares; the Grantee is not, and has no rights as, a shareholder of the Company by virtue of receiving the Award unless and until the PSUs are converted to Shares and transferred to the Grantee, as set forth herein.
- 2) Transfer Restrictions. The Grantee shall not sell, assign, transfer, exchange, pledge, encumber, gift, devise, hypothecate or otherwise dispose of (collectively, “Transfer”) any PSUs or Dividend Equivalents granted hereunder other than by will or by the laws of descent and distribution. Any purported Transfer of PSUs or Dividend Equivalents in breach of the Agreement shall be void and ineffective and shall not operate to Transfer any interest or title in the purported transferee.
- 3) Vesting and Settlement of PSUs and Dividend Equivalents.
  - a) Vesting of PSUs and Dividend Equivalents. Subject to these Terms and Conditions, the Grantee’s interest in the PSUs and tandem Dividend Equivalents granted hereunder shall vest on the Vesting Date set out in the Grant Notice, provided that the Grantee is still an employee of the Company Group and has continuously been an employee of the Company Group from the Grant Date through the Vesting Date, except as provided in Section 4. All PSUs that have not become vested as of the Vesting Date shall be forfeited. Any Dividend Equivalents subject to the Agreement shall expire at the time the PSU with

respect to which the Dividend Equivalent is in tandem (i) is vested and paid, (ii) is forfeited, or (iii) expires.

- b) Settlement of PSUs. Subject to Section 4 below, with respect to any PSUs earned hereunder, the Grantee shall become entitled to the number of Shares which have become vested as of the Vesting Date. Subject to Section 4 below, such Shares shall be issued to or on behalf of the Grantee in exchange for such vested PSUs on or prior to the 60th calendar day immediately following the Vesting Date, and if applicable, shall be subject to any further transfer or other restrictions as may be required by a securities law or other applicable law as determined by the Company.
  - c) Payment of Dividend Equivalents; Voting Rights. Payments with respect to any Dividend Equivalents subject to the Agreement shall accrue in a bookkeeping account of the Company and be paid, without interest, upon settlement of the associated PSU. All rights with respect to, or in connection with, the PSUs shall be exercisable during the Grantee's lifetime only by the Grantee. The Grantee shall not be entitled to any voting rights with respect to the PSUs.
  - d) Adjustments. As provided in the Plan, in the event of any change in the number of Shares issued and outstanding by reason of any share dividend or split, reverse share split, recapitalization, consolidation, combination or exchange of shares or similar corporate change or in the event of any extraordinary dividends, spin-off or similar reorganization, the number of PSUs granted under the Agreement and the applicable performance targets shall be proportionately increased or reduced, as applicable, so as to prevent the enlargement or dilution of the Grantee's rights and duties hereunder. The determination of the Committee regarding such adjustments shall be final and binding.
- 4) Accelerated Vesting and Forfeiture Events.
- a) Termination without Cause; Resignation for Good Reason; Retirement; Disability; Death. If the Grantee's continuous service is terminated (i) as a result of the Grantee's Retirement (as defined below) at least 12 months following the Grant Date, (ii) by the Company without Cause (as defined in Appendix 2) or by the Grantee for Good Reason (as defined in Appendix 2), in each case, more than three months prior to or more than 24 months following a Change in Control (as defined below) or (iii) as a result of the Grantee's Disability or death at any time (each, a "Non-CIC Qualifying Termination"), then the Grantee shall vest following the completion of the Performance Period on the Vesting Date in a number of PSUs and tandem Dividend Equivalents equal to the final number of PSUs and tandem Dividend Equivalents actually earned or deemed earned hereunder during the Performance Period multiplied by a fraction, the numerator of which is the number of days elapsed from the Grant Date through the termination date and the denominator of which is 1095 days. Settlement of such PSUs and tandem Dividend Equivalents shall not be accelerated and shall occur in accordance with Section 3 above, subject to Section 4(c).

As used herein, “Retirement” means Grantee’s termination of continuous service after the date on which the Grantee has (i) attained age 55 and completed at least 10 years of continuous service with the Company Group; or (ii) attained age 65; provided that the Grantee has provided the Committee with at least six months’ advanced written notice of such termination of continuous service.

- b) Termination Due to Cause; Violation of Restrictive Covenants. If the Grantee’s continuous service is terminated for Cause or the Grantee materially violates any of the Restrictive Covenants set forth in Section 5 hereof at any time prior to full settlement of this Award: (i) all then outstanding PSUs and tandem Dividend Equivalents, whether or not vested, shall be immediately forfeited and cancelled as of the date of such termination, and shall not vest or be paid in any respect, without the necessity of any notice or other further action; and (ii) the Grantee shall be obligated to return to the Company any Shares previously issued under this Award or the economic value of such Shares if no longer held by the Grantee within 30 days following receipt of written demand from the Board.
- c) Change in Control. In the event that a Change in Control occurs, the performance objectives set forth in Appendix 1 attached hereto shall be deemed achieved at the target level, and shall no longer apply. If the Grantee’s continuous service is terminated by the Company without Cause or by the Grantee for Good Reason, in each case, within three months prior to or 24 months following a Change in Control (each, a “CIC Qualifying Termination”), the Grantee shall vest on the later of (i) the date of the CIC Qualifying Termination and (ii) the date of the Change in Control, in the target number of PSUs and tandem Dividend Equivalents granted hereunder, which shall be settled on or prior to the 30th calendar day following such later date, and if applicable, subject to any further transfer or other restrictions as may be required by a securities law or other applicable law as determined by the Company.

Notwithstanding anything to the contrary set forth under Section 4(a), in the event that both a Non-CIC Qualifying Termination and a Change in Control occur during the Performance Period, the Grantee shall vest on the later of (i) the date of the Non-CIC Qualifying Termination and (ii) the date of the Change in Control, in a number of PSUs and tandem Dividend Equivalents as determined under Section 4(a). Settlement of such vested PSUs and tandem Dividend Equivalents shall be accelerated with the underlying Shares issued to or on behalf of the Grantee in exchange for such vested PSUs on or prior to the 60th calendar day following such later date, and if applicable, subject to any further transfer or other restrictions as may be required by a securities law or other applicable law as determined by the Company.

As used herein, “Change in Control” means (i) a change in the ownership of the Company, which occurs on the date that any one person, or more than one person acting as a group, acquires ownership of Shares that, together with Shares held by such person or persons acting in concert, constitutes more than fifty percent (50%) of the total voting power of the Shares; (ii) a majority of the members of the Board is replaced during any

12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of appointment or election; or (iii) a sale of all or substantially all of the assets of Company. Additionally, with respect to any PSUs and Dividend Equivalents that constitute a deferral of compensation under Section 409A of the Code, any such transaction must also constitute a “change in control event” within the meaning of Treasury Regulation §1.409A-3(i)(5).

Notwithstanding the foregoing, a “Change in Control” of the Company will not be deemed to have occurred by virtue of the consummation of any transaction or series of related transactions immediately following which the beneficial owners of the voting Shares immediately before such transaction or series of transactions continue to have a majority of the direct or indirect ownership in one or more entities which, singly or together, immediately following such transaction or series of transactions, either (A) own all or substantially all of the assets of the Company as constituted immediately prior to such transaction or series of transactions, or (B) are the ultimate parent with direct or indirect ownership of all of the voting Shares after such transaction or series of transactions. For further clarification, a “Change in Control” of the Company will not be deemed to have occurred by virtue of the consummation of any transaction or series of related transactions effected for the purpose of changing the place of incorporation or form of organization of the Company or the ultimate parent of the Company and its subsidiaries.

- d) Other Terminations. If the Grantee’s continuous service is terminated for any reason except as otherwise provided above in this Section 4, all of the then unvested PSUs shall be immediately forfeited and cancelled as of the date of such termination and shall not vest in any respect, without the necessity of any notice or other further action. All vested PSUs and associated Dividend Equivalents shall be settled as set forth in Section 3 above.
  - e) Superseding Effect. For the avoidance of doubt, the Grantee expressly acknowledges and agrees that the terms and conditions of this Section 4 solely govern the treatment of this Award in connection with a Change in Control and/or any termination of the Grantee’s continuous service and therefore expressly supersede any provisions regarding the treatment of equity awards included in any individual change in control agreement, and any other plan, agreement, arrangement or policy with any member of the Company Group.
- 5) Restrictive Covenants. The Grantee acknowledges and agrees the Grantee shall continue to be bound by and obligated to comply with the terms of any restrictive covenant, intellectual property, or confidentiality agreement that the Grantee has executed in connection with the Grantee’s employment with the Company Group and the provisions of this Section 5 are in addition to, and not in lieu of such agreements. The restrictions contained in this Section 5 are a material condition to this Award and the Grantee acknowledges that he or she would not have received the Award absent his or her Agreement to be bound by the restrictions in this Section 5.

- a) *Confidentiality*. During the course of the Grantee's employment with the Company, the Company has (i) disclosed or entrusted to the Grantee, and provided the Grantee with access to, Confidential Information (as defined below), (ii) placed the Grantee in a position to develop business goodwill belonging to the Company Group, and (iii) disclosed or entrusted to the Grantee business opportunities to be developed for the Company Group. The Grantee acknowledges that the Confidential Information has been developed or acquired by the Company Group through the expenditure of substantial time, effort and money and provides the Company Group with an advantage over competitors who do not know or use the Confidential Information. The Grantee further acknowledges and agrees that the nature of the Confidential Information obtained during his or her continuous service would make it difficult, if not impossible, for the Grantee to perform in a similar capacity for a business competitive with the Company Group without disclosing or utilizing Confidential Information. The Grantee shall hold in confidence and not directly or indirectly disclose, use, copy or make lists of any Confidential Information, except to the extent necessary to carry out his or her duties on behalf of the Company Group. The Grantee agrees to give to the Company notice of any and all attempts to compel disclosure of any Confidential Information within one business day of being informed that such disclosure is being, or will be, compelled. Such written notice shall include a description of the Confidential Information to be disclosed, the court, government agency, or other forum through which the disclosure is sought, and the date by which the Confidential Information is to be disclosed, and shall contain a copy of the subpoena, order or other process used to compel disclosure. For the avoidance of doubt, the provisions of this subsection shall not apply to (A) any disclosure or use authorized by the Company or required by applicable law, (B) any information that is or becomes generally available to the public (other than as a result of the Grantee's unauthorized disclosure), and (C) reporting to the Company's management or directors or to the government or a regulator conduct you believe to be in violation of the law or the Company's Code of Conduct or responding truthfully to questions or requests for information to the government, a regulator or in a court of law in connection with a legal or regulatory investigation or proceeding.

As used herein, "Confidential Information" means information (whether or not recorded in documentary form, or stored on any magnetic or optical disk or memory) relating to the business, products, affairs and finances of the Company Group for the time being confidential to the Company Group, and trade secrets including, without limitation, technical data and know-how relating to the business of the Company Group or any of their respective business contacts, including in particular (by way of illustration only and without limitation): (i) information relating to the business of exploring, acquiring, developing, exploiting and disposing of oil and natural gas resources (regardless of when conceived, made, developed or acquired); (ii) information relating to the business or prospective business, current or projected plans or internal affairs of the Company Group; (iii) information relating to the current or prospective marketing or sales of any products or services of the Company Group, including non-public lists of customers' and suppliers' names, addresses and contacts; sales targets and statistics; market share and pricing information; marketing surveys; research and reports; non-public advertising and

promotional material; strategies; and financial and sales data; (iv) information relating to any actual or prospective business strategies of the Company Group; (v) information relating to any actual acquisitions, investments or corporate opportunities or prospective acquisition, investment targets or corporate opportunities; (vi) know-how, trade secrets, unpublished information relating to the Company Group's intellectual property and to the creation, production or supply of any products or services of the Company Group; (vii) information to which the Company Group owes an obligation of confidence to a third party (including, without limitation, customers, clients, suppliers, partners, joint venturers and professional advisors of the Company Group); and (viii) other commercial, financial or technical information relating to the business or prospective business of the Company Group, or to any past, current or prospective client, customer, supplier, licensee, officer or employee, agent of the Company Group, or any member or person interested in the share capital or assets of the Company Group, and any other person to whom the Company Group may provide or from whom they may receive information (whether marked confidential or not).

- b) *Non-Compete*. In exchange for this Award and the Company's provision to the Grantee of Confidential Information and to protect the Company Group's legitimate business interests, the Grantee hereby agrees that during and for a period of 12 months after his or her termination of continuous service with the Company Group (the "Restricted Period"), the Grantee will not, without the prior written consent of the Committee, directly or indirectly, provide services to, or own any interest in, manage, operate, control, or participate in the ownership, management, operation or control of, any entity (other than any member of the Company Group) that is primarily engaged in the business of providing contracted offshore drilling rigs in any country (or its territorial waters) in which the Company Group has offices, establishes offices or has definitive plans to locate an office (including as an employee or consultant); provided, however, that notwithstanding the foregoing, (i) the Grantee may own, directly or indirectly, solely as a passive investment, securities of any entity traded on a national securities exchange if the Grantee is not a controlling person of, or a member of a group which controls, such entity and does not, directly or indirectly, own 5% or more of any class of securities of such entity; and (ii) the Grantee shall not be prevented from providing services to, or owning any interest in, managing, operating, controlling, or participating in the ownership, management, operation or control of, any entity (other than any member of the Company Group) that is primarily engaged in the business of providing contracted offshore drilling rigs in any country (or its territorial waters) with which the Grantee was neither involved nor concerned during the 12 months prior to termination of his continuous service with the Company Group.
- c) *Non-Solicitation*. The Grantee hereby agrees that during the Restricted Period the Grantee will not, directly or indirectly, induce or attempt to induce, or cause or solicit any officer, manager, contractor or employee of the Company Group who was in a senior, sales, research and development or management capacity or who was otherwise in possession of Confidential Information and who reported to or had material contact with the Grantee during the 12 months prior to termination of his continuous service with the Company

Group to cease their relationship with the Company Group or hire or engage any such officer, manager, contractor or employee of the Company Group, or in any way materially interfere with the relationship between the Company Group, on the one hand, and any such officer, manager, contractor or employee, on the other hand. Notwithstanding the foregoing, nothing in this Agreement shall prohibit the Grantee from making a general, public solicitation for employment, or using an employee recruiting or search firm to conduct a search, that does not specifically target employees or consultants of the Company Group so long as no persons who were at any time during the 12- month period prior to the commencement of such solicitation, employees or consultants of the Company Group are hired or otherwise engaged as a result of such general solicitations or search firm efforts. The Grantee hereby agrees that during the Restricted Period, the Grantee will not, directly or indirectly, induce, or attempt to induce, cause or solicit any customer, client or supplier of the Company Group who was in a senior, sales, research and development or management capacity or who was otherwise in possession of Confidential Information and who reported to or had material contact with the Grantee during the 12 months prior to termination of his continuous service with the Company Group to reduce or cease doing business with the Company Group, or in any way knowingly interfere with the relationship between any customer, client or supplier of the Company Group, on the one hand, and any member of the Company Group, on the other hand.

- d) *No Disparaging Comments.* The Grantee shall refrain from any criticisms or disparaging comments about the Company Group; provided, however, that nothing in this Agreement shall apply to or restrict in any way the communication of information to any governmental law enforcement agency that is required by compulsion of law. The Grantee acknowledges that in executing this Agreement, he or she has knowingly, voluntarily, and intelligently waived any free speech, free association, free press or First Amendment to the United States Constitution (including, without limitation, any counterpart or similar provision or right under any other state constitution which may be deemed to apply) and rights to disclose, communicate, or publish disparaging information or comments concerning or related to the Company Group; provided, however, nothing in this Agreement shall be deemed to prevent the Grantee from testifying fully and truthfully in response to a subpoena from any court or from responding to an investigative inquiry from any governmental agency.
- 6) Clawback. The PSUs granted under this Agreement, and any Shares issued or other payments made in respect thereof, shall be subject to any recoupment policy that the Company may adopt from time to time, to the extent any such policy is applicable to you and to such compensation including, but not limited to, the Valaris Limited Clawback Policy, designed to comply with the requirements of Rule 10D-1 promulgated under the U.S. Securities Exchange Act of 1934, as amended, as well as any recoupment provisions required under applicable law. For purposes of the foregoing, you expressly and explicitly authorize (x) the Company to issue instructions, on your behalf, to any brokerage firm and/or third party administrator engaged by the Company to hold your Shares and other amounts acquired under the Plan to re-convey, transfer or otherwise return such Shares and/or other amounts to

the Company and (y) the Company's recovery of any covered compensation through any method of recovery that the Company deems appropriate, including without limitation by reducing any amount that is or may become payable to you. You further agree to comply with any request or demand for repayment by any affiliate of the Company in order to comply with such policies or applicable law. To the extent that the terms of this Agreement and any Company recoupment policy conflict, the terms of the recoupment policy shall prevail.

- 7) Grantee's Representations. Notwithstanding any provision hereof to the contrary, the Grantee hereby agrees and represents that the Grantee will not acquire any Shares, and that the Company will not be obligated to issue any Shares to the Grantee hereunder, if the issuance of such Shares constitutes a violation by the Grantee or the Company of any law or regulation of any governmental authority. Any determination in this regard that is made by the Committee, in good faith, shall be final and binding. The rights and obligations of the Company and the Grantee hereunder are subject to all applicable laws and regulations.
- 8) Tax Consequences; No Advice Regarding Grant. The vesting of the PSUs, the issuance of Shares with respect to vested PSUs, and the payment of Dividend Equivalents will likely have tax consequences. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding participation in the Plan or the acquisition or sale of the Shares that may be issued under the Agreement. THE GRANTEE IS HEREBY ADVISED TO CONSULT WITH THE GRANTEE'S OWN PERSONAL TAX, LEGAL AND FINANCIAL ADVISERS REGARDING THE GRANTEE'S PARTICIPATION IN THE PLAN AND ANY TAX OR OTHER CONSEQUENCES ASSOCIATED WITH THIS AWARD.
- 9) Code Section 409A Compliance. This Agreement is intended to be interpreted and applied so that the payments and benefits set forth herein shall, as applicable, comply with or be exempt from the requirements of Code Section 409A, and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to the fullest extent possible to reflect and implement such intent. Notwithstanding anything in this Agreement to the contrary and to the extent the payments and benefits set forth herein are subject to Code Section 409A, a termination of continuous service shall not be deemed to have occurred for purposes of any provision of this Agreement unless such termination is also a "separation from service" within the meaning of Code Section 409A. Notwithstanding any provision in this Agreement to the contrary, if on his or her termination of service, the Grantee is deemed to be a "specified employee" within the meaning of Code Section 409A, any payments or benefits due upon such termination of service that constitute a "deferral of compensation" within the meaning of Code Section 409A and which do not otherwise qualify under the exemptions under Treas. Reg. § 1.409A-1 (including without limitation, the short-term deferral exemption and the permitted payments under Treas. Reg. § 1.409A-1(b)(9)(iii)(A)), shall be delayed and paid or provided to the Grantee on the earlier of a date within 10 days after the date that is six (6) months after the Grantee's separation from service or, if earlier, the date of the Grantee's death.

- 10) UK Tax Matters. The Grantee agrees to indemnify the Company and its affiliates to the fullest extent permitted by law in respect of any secondary class 1 (employer) national insurance contributions (“Employer NICs”) arising in respect of the grant, vesting, settlement or exercise of the PSUs, the issuance, acquisition or disposal of common shares of the Company in respect of the PSUs and any other matter relating to the Award, the PSUs or such common shares (each a “Taxable Event”). At the request of the Company, the Grantee shall elect, to the extent permitted by law, and using a form approved by HM Revenue & Customs, that the whole or any part of the liability for Employer NICs arising as a result of a Taxable Event shall be transferred to the Grantee.
- 11) Data Privacy. The Grantee hereby acknowledges that the Grantee’s personal data as described in the Agreement and any other Award materials, may be collected, used and/or transferred in electronic or other form by and among, as applicable, the Company and its affiliates, for the exclusive purpose of implementing, administering and managing the Grantee’s participation in the Plan. The Grantee understands that the Company may hold certain personal information about the Grantee, including, but not limited to, the Grantee’s name, home address and telephone number, date of birth, social insurance number or other identification number, compensation, job title, any shares or directorships held in the Company or an affiliate, details of all Awards or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Grantee’s favor, for the exclusive purpose of implementing, administering and managing the Plan (individually and collectively, “Data”).
- The Grantee understands that Data will be transferred to Merrill Lynch and Computershare or such other stock plan service providers as may be selected by the Company in the future, which are assisting the Company with the implementation, administration and management of the Plan. The Grantee understands that the recipients of Data may be located in the United States or elsewhere, and that the recipients’ country may have different data privacy laws and protections than the Grantee’s home country. The Grantee authorizes the Company, Merrill Lynch, Computershare and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Grantee’s participation in the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee’s participation in the Plan.
- 12) Electronic Delivery and Participation. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

13) Miscellaneous.

- a) No Fractional Shares. All provisions of the Agreement concern whole Shares. If the application of any provision hereunder would yield a fractional Share, such fractional Share shall be rounded to the nearest whole Share.
- b) No Employment Rights. No provision of the Agreement or the Plan shall be construed to give the Grantee any right to remain an employee of the Company Group, or to continue to provide services to the Company Group, or in any manner to affect the right of the Company to terminate the Grantee's Services at any time, with or without Cause.
- c) Notices. Any notice, instruction, authorization, request or demand required hereunder shall be in writing, and shall be delivered either by personal delivery, by telegram, telex, telecopy or similar facsimile means, by certified or registered mail, return receipt requested, or by courier or delivery service, addressed to the Company at its then current main corporate address (Attention: Corporate Secretary), and to the Grantee at his or her address indicated on the Company's records, or at such other address and number as a Party has previously designated by written notice given to the other Party in the manner hereinabove set forth. Notices shall be deemed given when received, if sent by facsimile means (confirmation of such receipt by confirmed facsimile transmission being deemed receipt of communications sent by facsimile means); and when delivered and received for (or upon the date of attempted delivery where delivery is refused), if hand-delivered, sent by express courier or delivery service, or sent by certified or registered mail, return receipt requested.
- d) Amendment, Termination and Waiver. The Agreement may be amended, modified, terminated or superseded; provided that any such action that materially impairs any rights or materially increases any obligations under the Award with respect to the Grantee may only be made with the consent of the Grantee. Any waiver of the terms or conditions hereof shall be made only by a written instrument executed and delivered by the Party waiving compliance. Any waiver granted by the Company shall be effective only if executed and delivered by a duly authorized executive officer of the Company who is not the Grantee. The failure of any Party at any time or times to require performance of any provisions hereof shall in no manner affect the right to enforce the same. No waiver by any Party of any term or condition herein, or the breach thereof, in one or more instances shall be deemed to be, or construed as, a further or continuing waiver of any such condition or breach or a waiver of any other condition or the breach of any other term or condition.
- e) Severability. It is the desire of the Parties hereto that the Agreement be enforced to the maximum extent permitted by law, and should any provision contained herein be held unenforceable by a court of competent jurisdiction, the Parties hereby agree and consent that such provision shall be reformed to create a valid and enforceable provision to the maximum extent permitted by law; provided, however, if such provision cannot be reformed, it shall be deemed ineffective and deleted herefrom without affecting any other provision of the Agreement. The Agreement should be construed by limiting and

reducing it only to the minimum extent necessary to be enforceable under then applicable law.

- f) Governing Law; Jurisdiction. Except to the extent preempted by any applicable federal law, this Agreement will be construed and administered in accordance with the laws of Texas.
- g) Imposition of Other Requirements. The Company reserves the right to (i) impose other requirements regarding participation in the Plan, with respect to the Agreement and on any Shares acquired under the Plan, to the extent that the Company determines it is necessary or advisable in order to (A) comply with applicable laws, including, the country where the Grantee resides, or (B) facilitate the administration of the Plan, and (ii) require the Grantee to sign any additional agreements or undertakings that are reasonably necessary to accomplish the foregoing.
- h) The Grantee's Acknowledgment. The Grantee represents and acknowledges that (i) the Grantee is knowledgeable and sophisticated as to business matters, including the subject matter of the Agreement, (ii) the Grantee has read the Agreement and understands its terms and conditions, (iii) the Grantee has had ample opportunity to discuss the Agreement with the Grantee's legal counsel, if so desired, prior to execution of the Agreement, and (iv) no strict rules of construction shall apply for or against the drafter of the Agreement or any other Party.
- i) Survival of Certain Provisions. Wherever appropriate to the intention of the Parties, the respective rights and obligations of the Parties hereunder shall survive any termination or expiration of the Agreement or the termination of the Grantee's continuous service with the Company Group.
- j) Successors and Assigns. The Agreement shall bind, be enforceable by, and inure to the benefit of, the Parties and their permitted successors and assigns as determined under the terms of the Agreement and the Plan.
- k) Counterparts. The Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

**CERTIFICATION**

I, Anton Dibowitz, certify that:

1. I have reviewed this report on Form 10-Q for the fiscal quarter ending March 31, 2026 of Valaris Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 5, 2026

/s/ Anton Dibowitz

Anton Dibowitz  
Director, President and Chief Executive  
Officer

**CERTIFICATION**

I, Christopher T. Weber, certify that:

1. I have reviewed this report on Form 10-Q for the fiscal quarter ending March 31, 2026 of Valaris Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 5, 2026

/s/ Christopher T. Weber  
Christopher T. Weber  
Senior Vice President and Chief  
Financial Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Valaris Limited (the "Company") on Form 10-Q for the period ending March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Anton Dibowitz, Director, President and Chief Executive Officer (principal executive officer) of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (the "Act"), that, to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act"); and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

*/s/ Anton Dibowitz*

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Anton Dibowitz  
Director, President and Chief Executive Officer  
May 5, 2026

The foregoing certification is being furnished solely pursuant to § 906 of the Act and Rule 13a-14(b) promulgated under the Exchange Act and is not being filed as part of the Report or as a separate disclosure document.

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Valaris Limited (the "Company") on Form 10-Q for the period ending March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Christopher T. Weber, Senior Vice President and Chief Financial Officer (principal financial officer) of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (the "Act"), that, to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act");  
and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christopher T. Weber

Christopher T. Weber  
Senior Vice President and Chief Financial Officer  
May 5, 2026

The foregoing certification is being furnished solely pursuant to § 906 of the Act and Rule 13a-14(b) promulgated under the Exchange Act and is not being filed as part of the Report or as a separate disclosure document.