

VALARIS (NYSE: VAL)

Investor Presentation

FOCUSED || VALUE DRIVEN || RESPONSIBLE

August 2023

Forward-Looking Statements

Statements contained in this investor presentation that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include words or phrases such as "anticipate," "believe," "estimate," "expect," "intend," "likely," "plan," "project," "could," "may," "might," "should," "will" and similar words and specifically include statements regarding 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; 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; scheduled delivery dates for rigs; performance of our joint ventures, including our joint venture with 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; the availability, delivery, mobilization, contract commencement, availability, relocation or other movement of rigs and the timing thereof; rig reactivations; suitability of rigs for future contracts; divestitures of assets; general economic, market, business and industry conditions, including inflation and recessions, trends and outlook; general political conditions, including political tensions, conflicts and war (such as the ongoing conflict in Ukraine); cybersecurity attacks and threats; impacts and effects of public health crises, pandemics and epidemics, such as the COVID-19 pandemic; any exercise of our options for delivery of the VALARIS DS-13 and DS-14; future operations; increasing regulatory complexity; targets, progress, plans and goals related to environmental, social and governance ("ESG") matters; the outcome of tax disputes; assessments and settlements; and expense management. The forward-looking statements contained in this investor presentation are subject to numerous risks, uncertainties and assumptions that may cause actual results to vary materially from those indicated, including cancellation, suspension, renegotiation or termination of drilling contracts and programs; our ability to obtain financing, service our debt, fund capital expenditures and pursue other business opportunities; adequacy of sources of liquidity for us and our customers; future share repurchases; actions by regulatory authorities, or other third parties; actions by our security holders; internal control risk; commodity price fluctuations and volatility, customer demand, loss of a significant customer or customer contract, downtime and other risks associated with offshore rig operations; adverse weather, including hurricanes; changes in worldwide rig supply, including as a result of reactivations and newbuilds; and demand, competition and technology; supply chain and logistics challenges; consumer preferences for alternative fuels and forecasts or expectations regarding the global energy transition; increased scrutiny of our ESG targets, including our Scope 1 emissions intensity reduction target, initiatives and reporting and our ability to achieve such targets or initiatives; changes in customer strategy; future levels of offshore drilling activity; governmental action, civil unrest and political and economic uncertainties, including recessions, volatility affecting the banking system and financial markets, inflation and adverse changes in the level of international trade activity; terrorism, piracy and military action; risks inherent to shipyard rig reactivation, upgrade, repair, maintenance or enhancement; our ability to enter into, and the terms of, future drilling contracts; suitability of rigs for future contracts; the cancellation of letters of intent or letters of award or any failure to execute definitive contracts following announcements of letters of intent, letters of award or other expected work commitments; the outcome of litigation, legal proceedings, investigations or other claims or contract disputes; governmental regulatory, legislative and permitting requirements affecting drilling operations; our ability to attract and retain skilled personnel on commercially reasonable terms; environmental or other liabilities, risks or losses; compliance with our debt agreements and debt restrictions that may limit our liquidity and flexibility; cybersecurity risks and threats; and changes in foreign currency exchange rates. In addition to the numerous factors described above, you should also carefully read and consider "Item 1A. Risk Factors" in Part I and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II of our most recent annual report on Form 10-K, which is available on the Securities and Exchange Commission's website at www.sec.gov or on the Investor Relations section of our website at www.valaris.com. Each forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to update or revise any forward-looking statements, except as required by law.

Valaris is well positioned to deliver meaningful value to shareholders

Leading Offshore Driller

- Largest and highest specification fleet in the industry with exposure to both floaters and jackups
- Presence and scale in key offshore basins, with deep customer relationships
- Strong balance sheet provides capital allocation flexibility

Strong Industry Fundamentals

- Commodity supply and demand is highly constructive for our industry
- Offshore capex and demand for offshore drilling are expected to continue to increase
- Constrained rig supply dynamics are supportive of a sustained industry upcycle

Earnings and Cash Flow Growth

- Significant growth in earnings and cash flow expected over the next few years
- Attractive investments in our fleet in near-term expected to generate meaningful returns
- Intend to return all future free cash flow to shareholders, unless there is a better or more value accretive use for it

Leading Offshore Driller



Largest fleet of modern offshore drilling rigs in the industry







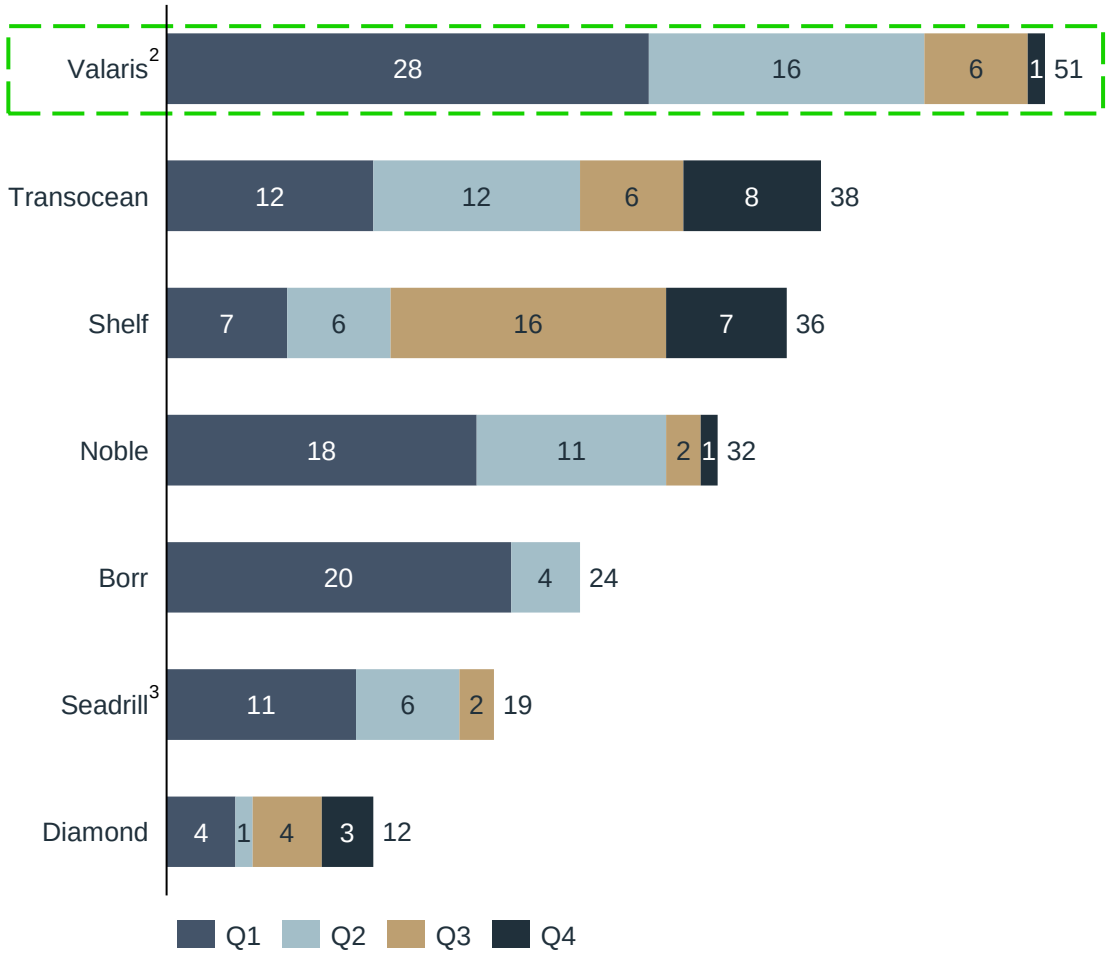




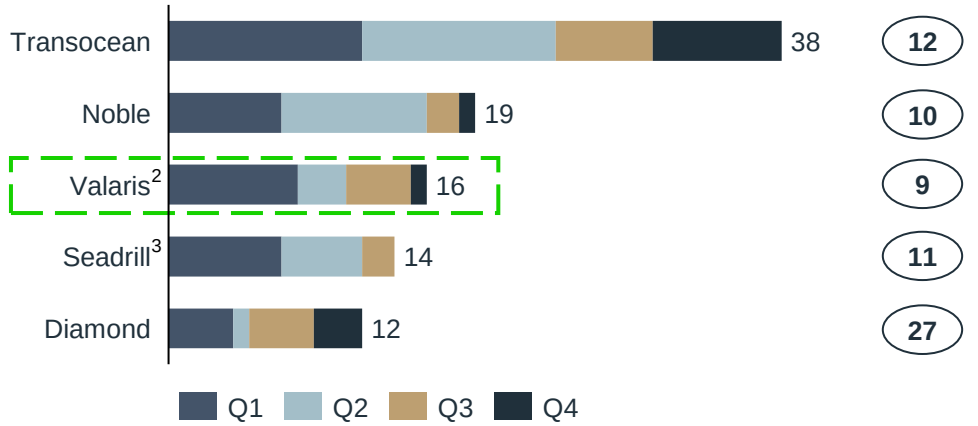
1 Excludes newbuild drillships, VALARIS DS-13 and DS-14, which Valaris has the option to purchase before year-end 2023
2 HD = Heavy Duty; SD = Standard Duty. Heavy duty jackups are well-suited for operations in tropical revolving storm areas

Largest fleet of high-specification assets

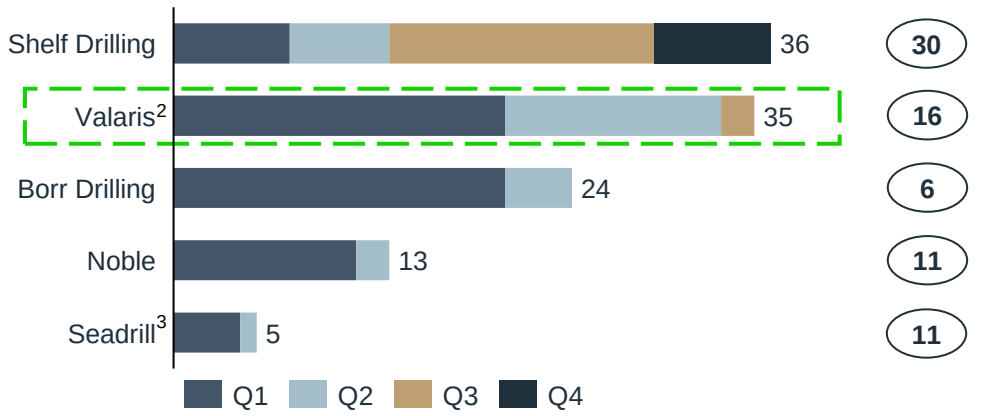
Fleet Quality of Major International Offshore Drillers



Floaters



Jackups



Source: S&P Global Petrodata as of July 2023; Rystad Energy. Rigs ranked into quartiles using Rystad Rig Score (Q1 = top quartile). Floaters and jackups ranked separately.
1 Average age includes delivered rigs only; 2 Excludes two drillships that Valaris has the option to purchase before year-end 2023. Includes nine jackup rigs leased to ARO Drilling;
3 Includes rigs owned by Seadrill Ltd

Strong customer relationships with major IOCs, NOCs and independents

Majors [1]

	Floaters	Jackups	Locations
bp	✓	✓	Latin America, Mediterranean, Southeast Asia
Chevron	✓		U.S. GOM
eni	✓	✓	Australia, Mexico, North Sea
Exxon	✓	✓	Australia, West Africa
Shell	✓	✓	North Sea, Southeast Asia, West Africa
TotalEnergies	✓		Brazil, West Africa

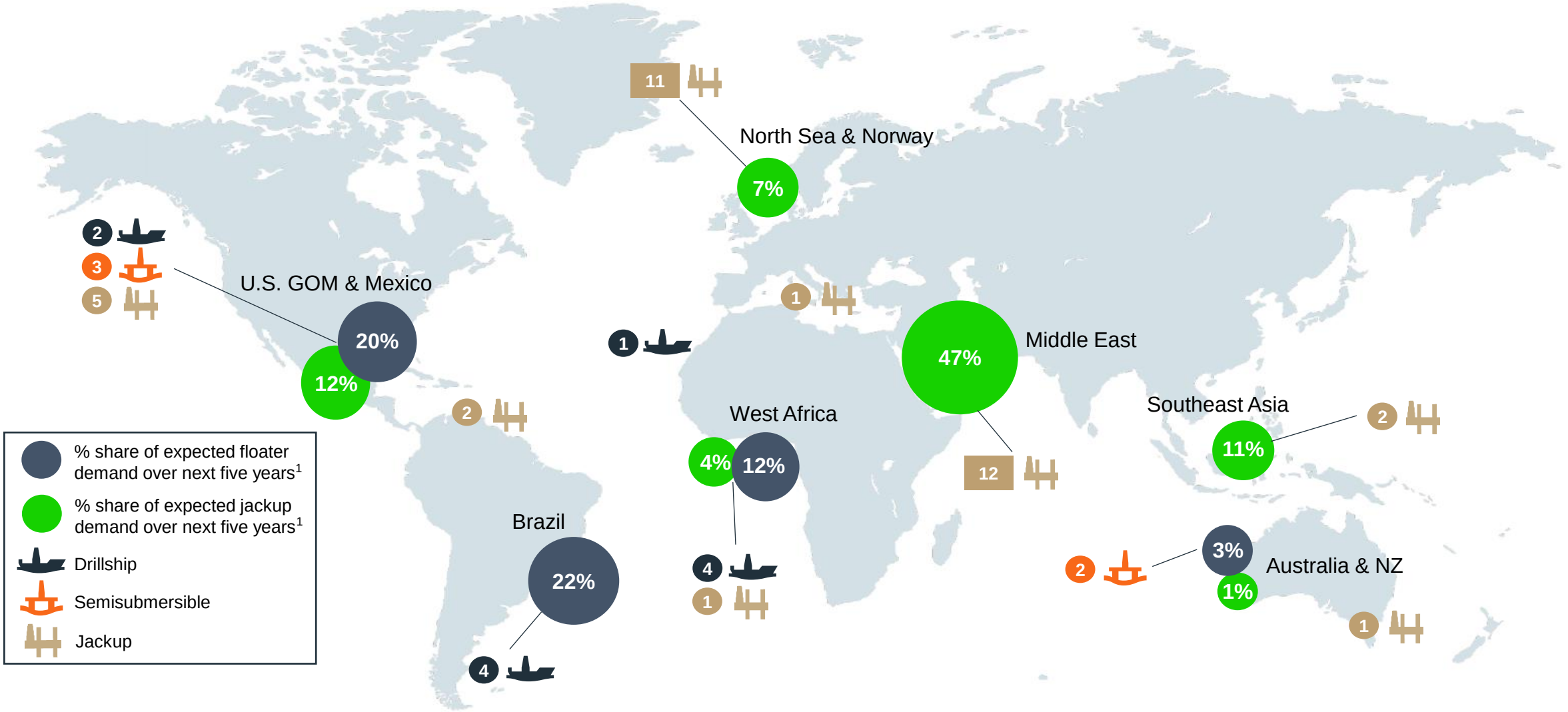
National Oil Companies and Other Select Customers [1]

	Floaters	Jackups	Locations
أرامكو السعودية saudi aramco		✓	Middle East
equinor	✓		Brazil
Harbour Energy		✓	North Sea
OXY Occidental	✓		U.S. GOM
BR PETROBRAS	✓		Brazil
Woodside	✓		Australia

VALARIS

1 All customers listed are within the top 15 customers within contract backlog as of August 1, 2023. Locations represent where rigs are currently contracted for each customer.

Focused on key basins expected to drive a large share of future demand



1 Demand by country/region represents rig years as a % of total rig years for floaters and jackups, excluding China and Iran, per Rystad Cube Dashboards as of July 2023
Note: Rigs that are currently stacked with a future contract are shown in the location of the future contract. Includes nine jackup rigs owned by Valaris that are leased to ARO Drilling in Saudi Arabia. Excludes nine jackup rigs owned by ARO Drilling (operating and under construction), two rigs that Valaris manages on behalf of a customer and two drillships that Valaris has the option to purchase by year-end 2023.

ARO Drilling joint venture provides strong presence in the largest jackup market in the world

- ARO is an unconsolidated 50/50 JV with Saudi Aramco that owns and operates jackups in Saudi Arabia, providing a strategic partnership with the largest customer for jackups in the world
- **50% Equity Ownership**
  - ARO currently operates 16 rigs for Saudi Aramco, with contract backlog of ~$1.5 billion as of June 30, 2023
  - 20-rig newbuild program backed by long-term contracts with Saudi Aramco
  - Newbuilds expected to be financed by third-party financing and ARO operating cash flow
- **$403M Shareholder Notes**
  - Valaris has shareholder notes receivable from ARO with a principal balance of $403M as of June 30, 2023
- **Leased Rigs**
  - 9 rigs owned by Valaris leased to ARO under bareboat charter agreements[1]
  - Provide high levels of utilization and stable cash flows

ARO DRILLING
أرامكو روان للحفر

Income Statement Highlights

	2022
Revenue	$460M
EBITDA	**$99M**

Balance Sheet Highlights

	Q2 2023
Cash	$101M
Shareholder Notes	$822M
Third-Party Debt	Zero

VALARIS

1 Excludes VALARIS 76, which will be leased to ARO upon completion of its existing contract

Reduce emissions from our own operations and partner with customers

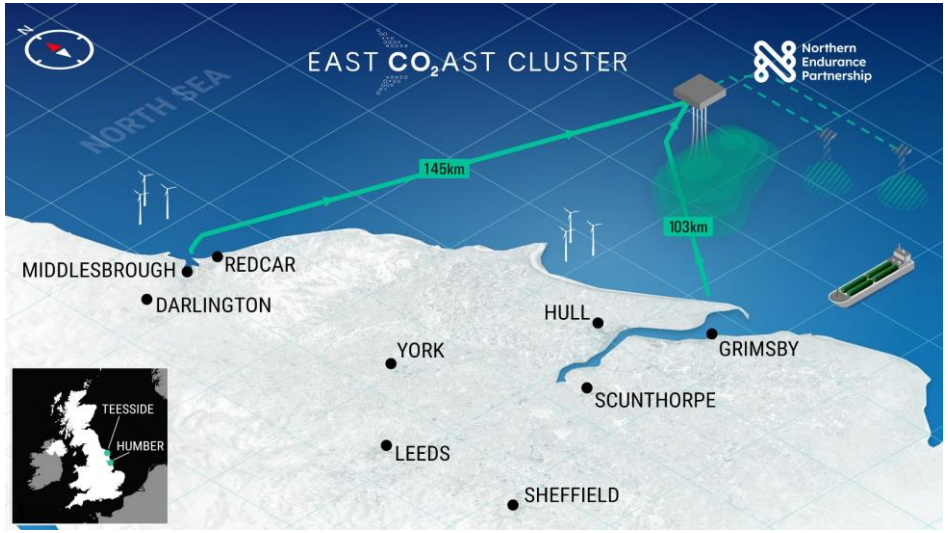
Reduce Emissions from our own Operations

- Target to reduce emissions intensity by 10% to 20% by 2030 compared to a 2019 baseline
- Four focus areas identified to achieve this target:
  1. Energy Efficient Practices
  2. Energy-Saving Upgrades and Procedures
  3. Biofuel Blends
  4. Jackup Rig Electrification

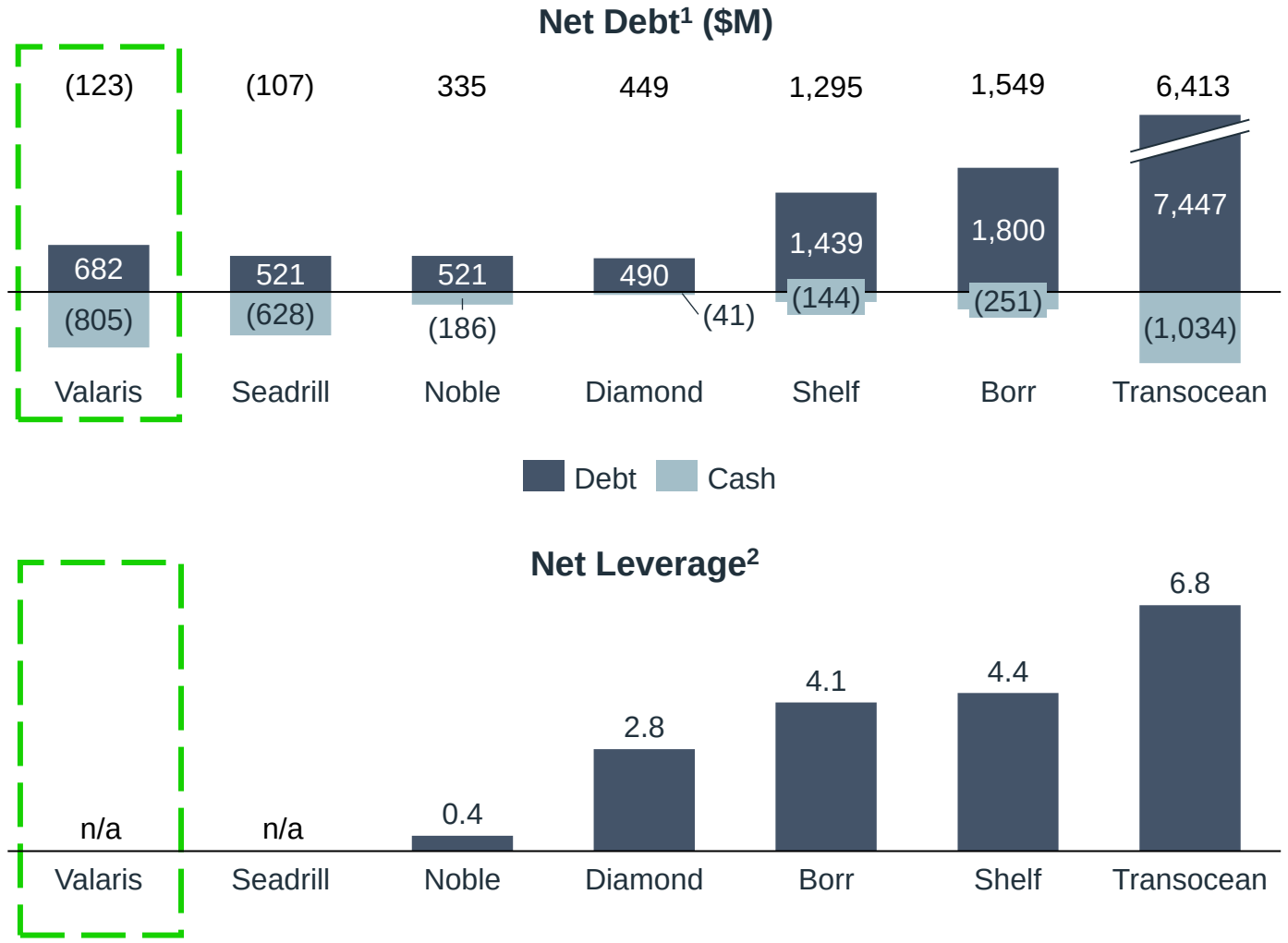
Partner with Customers on their Energy Transition Efforts

- Carbon capture and storage (CCS)
  - VALARIS 247 contracted to perform CCS project offshore Australia
  - VALARIS Norway worked on the Northern Endurance Partnership project in the UK North Sea
  - VALARIS 123 worked on the Porthos CO2 project in preparation for CO2 transport and storage offshore the Netherlands
  - VALARIS 72 and 92 have performed plug and abandonment work on multiple reservoirs in the UK North Sea potentially suitable for CCS





Strong balance sheet provides capital allocation flexibility



- Refinancing and revolving credit facility transaction, executed in April 2023, enhances capital structure
  - New $375M revolving credit facility
  - New $700M 2L notes replace prior $550M 1L notes
- $1.2 billion[3] of liquidity
  - Provides ability to support rig reactivations and pursue other attractive growth opportunities
  - Enhances capital allocation flexibility, including our ability to return capital to shareholders
  - Share repurchase authorization of $300M; intend to repurchase $200M by year-end 2023
- Conservative approach to leverage, with only tranche of debt being $700M senior secured 2L notes due 2030 (8.375%)
  - Annual cash interest expense of ~$59M

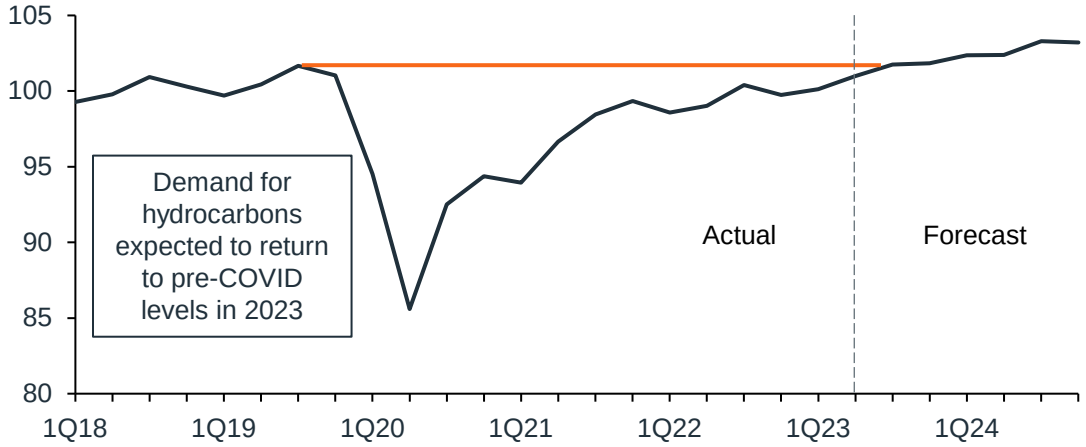
1 Debt and cash per most recent quarterly filings; Seadrill net debt shown pro forma for acquisition of Aquadrill;
2 Net leverage calculated using 2023 mean EBITDA estimate per FactSet as of July 26, 2023;
3 Includes restricted cash balance of $18 million as of June 30, 2023.

Strong Industry Fundamentals

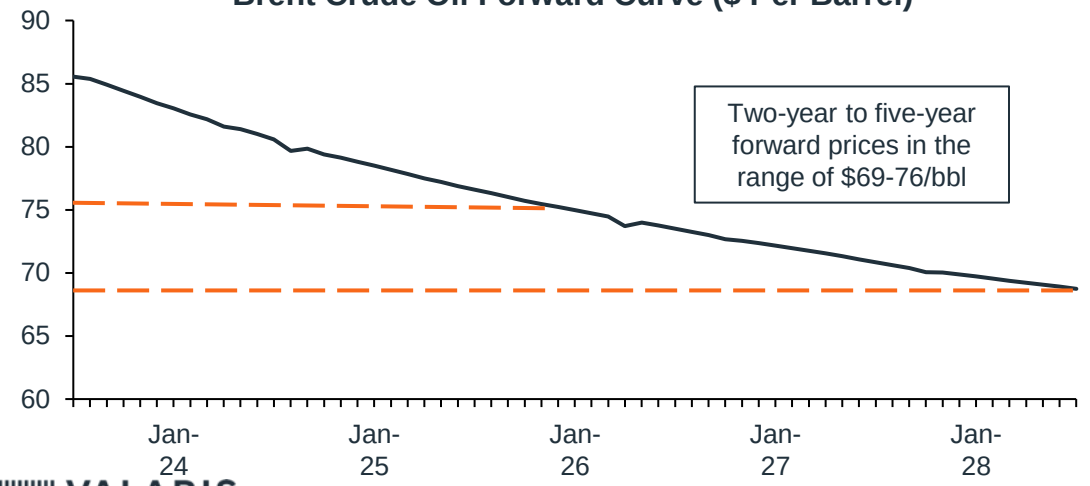


Commodity supply and demand is constructive for our industry

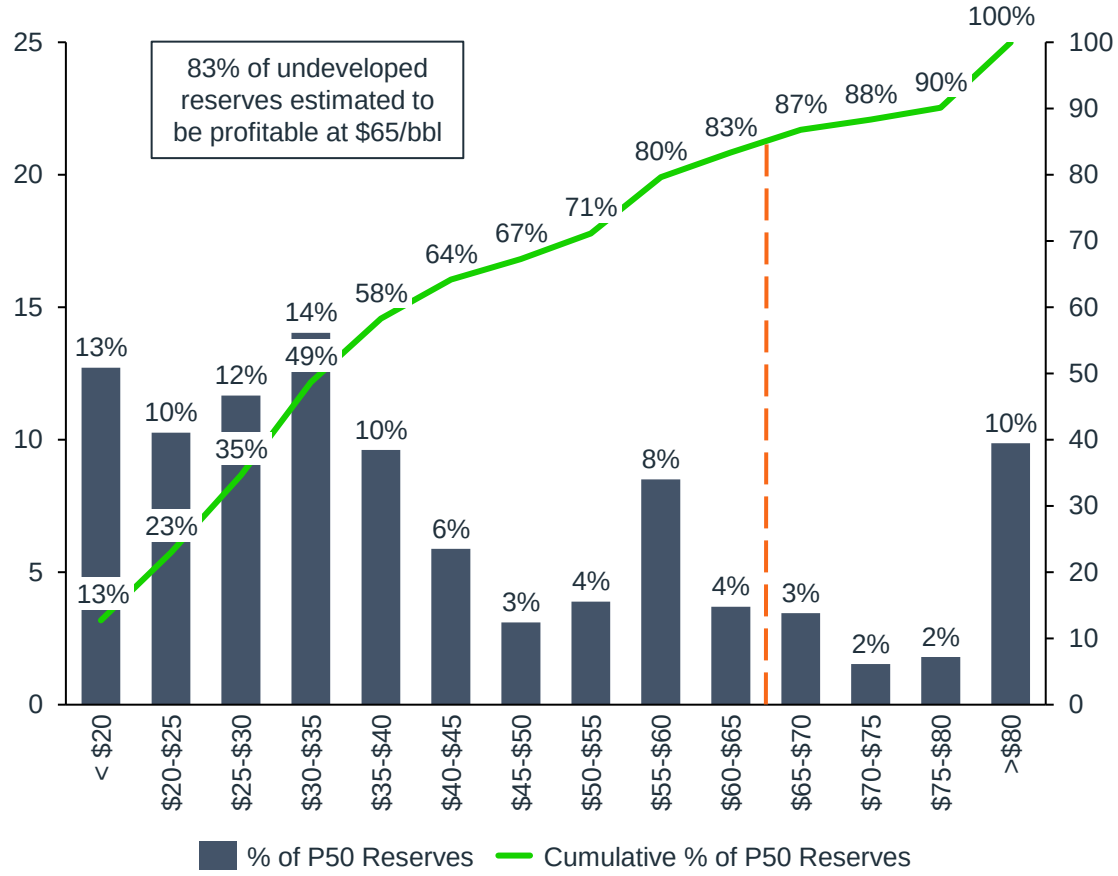
Global Liquid Fuels Consumption (Million Barrels Per Day)



Brent Crude Oil Forward Curve ($ Per Barrel)



Offshore Breakeven Oil Prices for Undeveloped Reserves

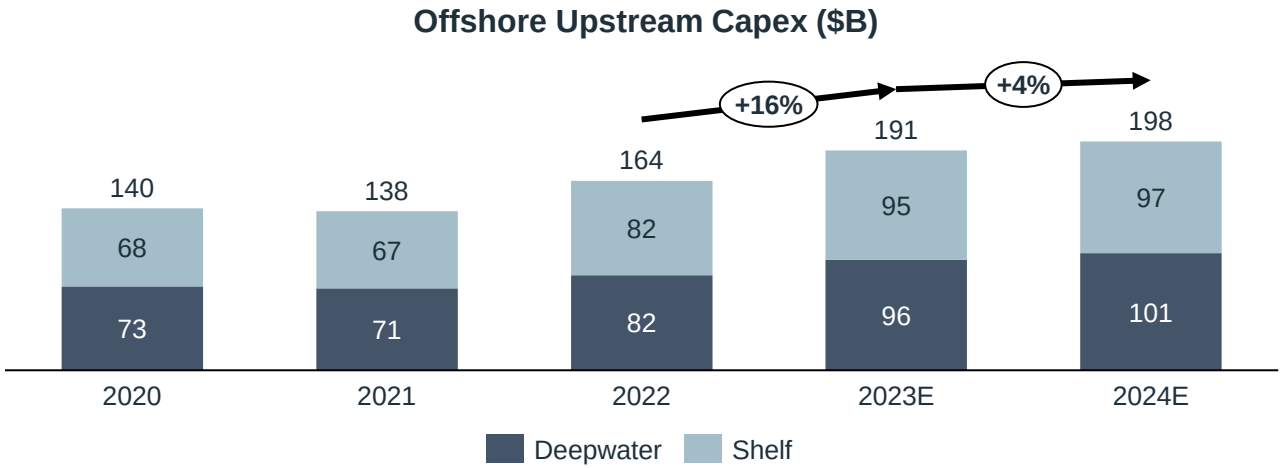


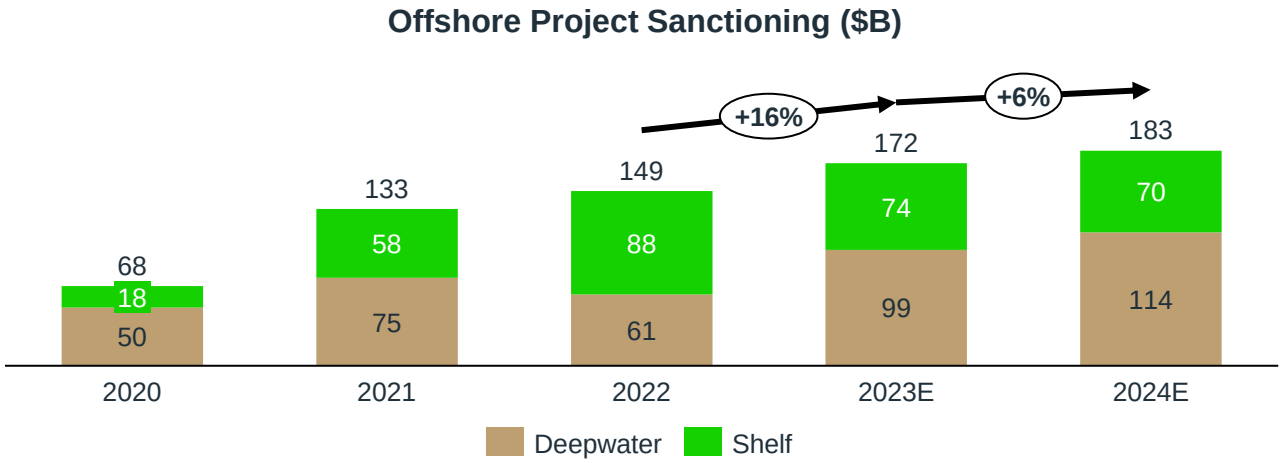
P50 reserves: reserves volume with a probability of recovery of between 50% and 90%

VALARIS

Source: EIA Short-Term Energy Outlook, July 2023; FactSet as of July 30, 2023; Rystad U Cube, July 2023

Offshore upstream capex and new project sanctioning are expected to increase



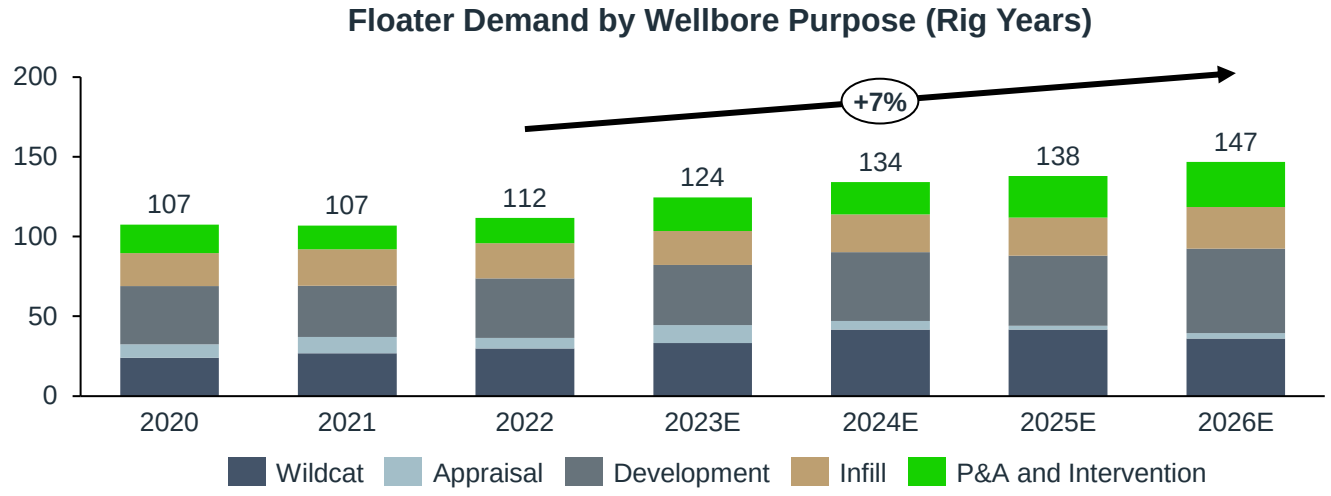


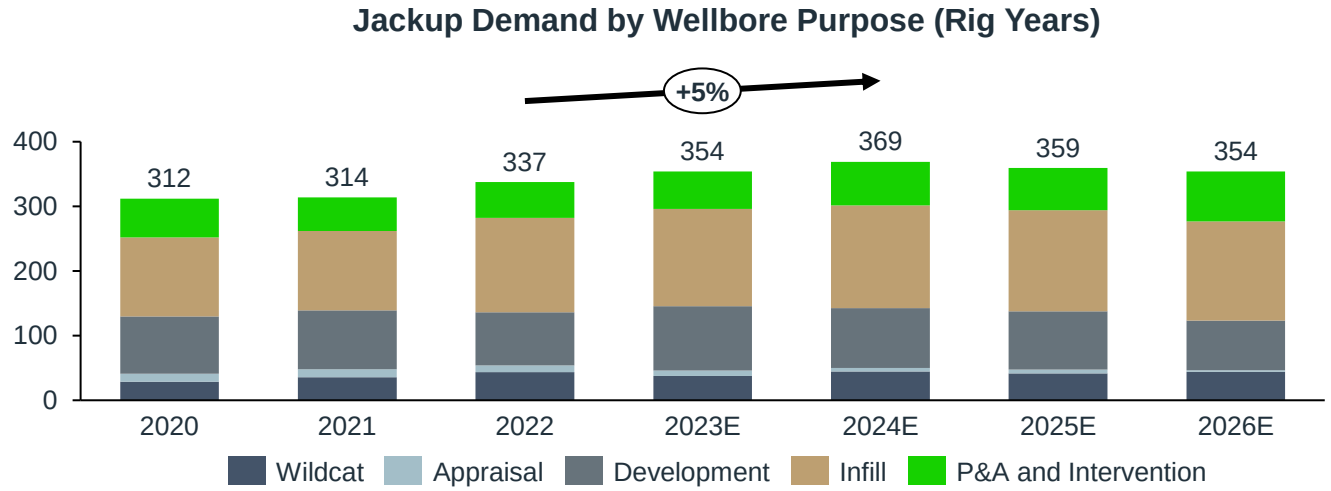
- Record free cash flows in 2022 for exploration and production companies and attractive project economics are expected to drive increased investment in offshore projects over the next few years
- Offshore upstream capex is expected to increase by 16% in 2023, with further growth expected in 2024
- Growth in offshore spending expected in both deepwater and shelf (shallow water)
- Offshore project approvals are also expected to increase meaningfully through the end of 2024, and are anticipated to be at their highest levels in more than a decade

VALARIS

Source: Rystad UCube as of July 2023

Demand for offshore drilling is expected to increase over the next several years



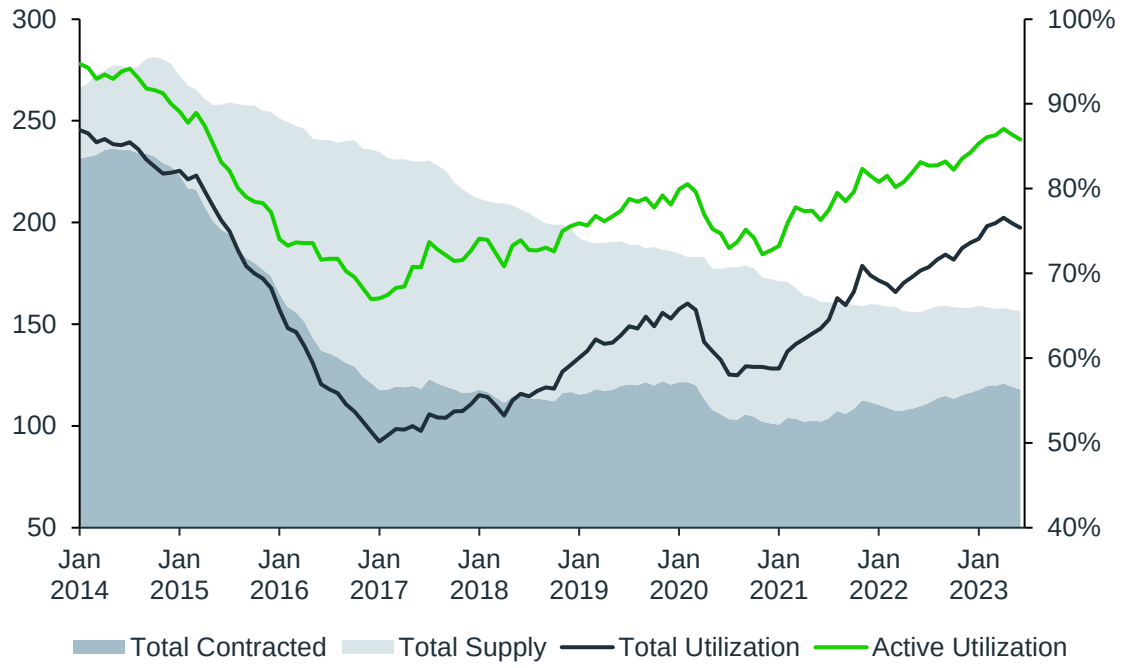


- Floater demand is expected to increase at a compound annual growth rate (CAGR) of 7% through 2026
- Approximately two-thirds of floater demand through 2026 is expected to be for exploration (wildcat), appraisal and development drilling
- This is a strong signal of customers' conviction on the economics for deepwater projects and is positive for longer-term demand for these rigs
- Jackup demand is anticipated to increase further through 2024 as operators with exposure to shorter cycle barrels are expected to ramp up production to benefit from high commodity prices
- The primary driver of jackup demand is different than for floaters, with more than 40% of all demand through 2026 expected to come from infill drilling

Source: Rystad Cube Dashboards as of July 2023

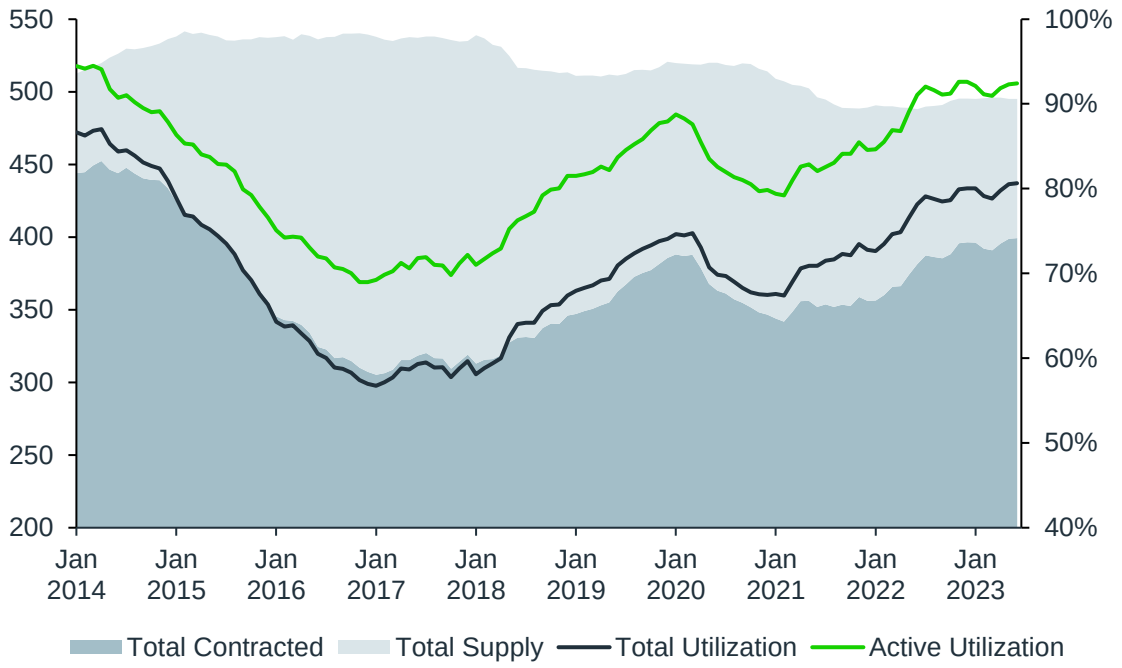
Significant supply rationalization over the past several years has improved market balance

Benign Environment Floater Supply and Utilization



- Benign environment floater supply has declined by 44% to 156 from a peak of 281 in late 2014
- Majority of current supply are modern assets. Only 16% of current supply is > 20 years of age

Jackup Supply and Utilization



- Jackup supply has declined by 9% to 495 from a peak of 542 in early 2015
- 33% of current supply is > 30 years of age with limited useful lives remaining

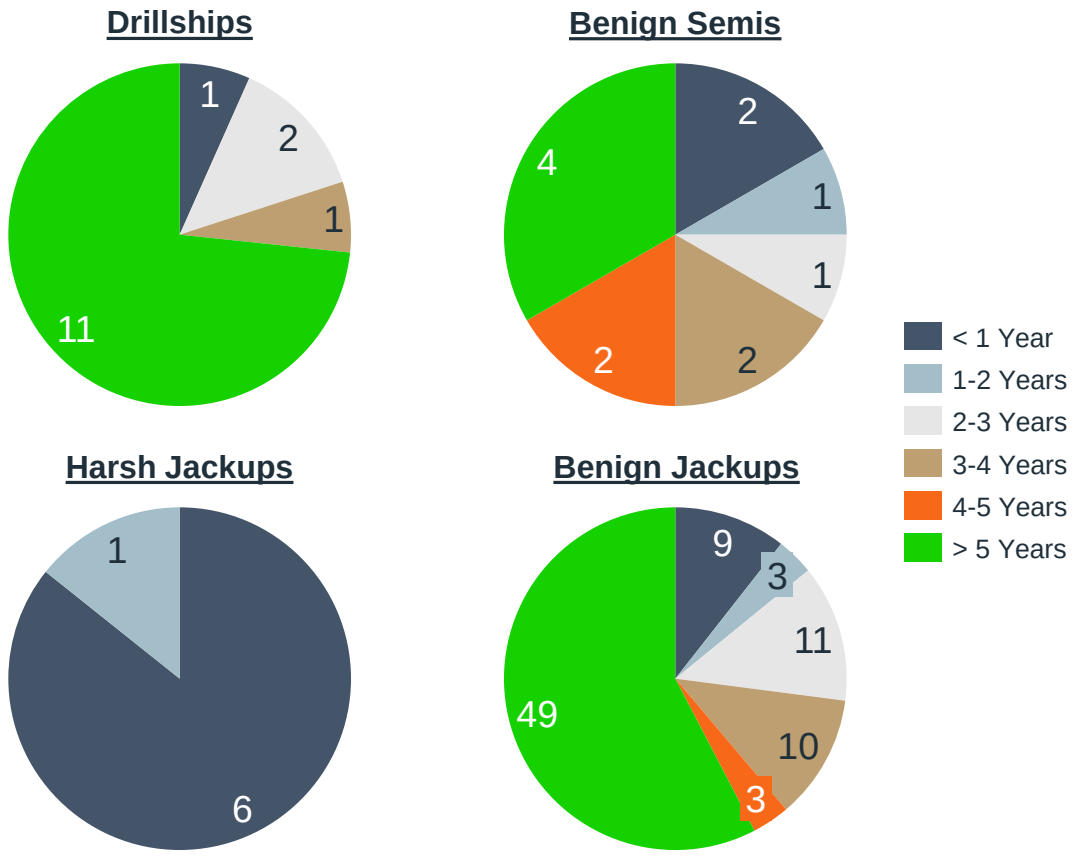
VALARIS

Source: S&P Global Petrodata as of July 2023. Market category field used to categorize rigs as benign or harsh environment.

Active utilization currently >90% for drillships and benign environment jackups

Delivered Rigs	6/7G Drillships[1]	6/7G Benign Semis[2]	Harsh Jackups[2]	Benign Jackups[2]
Contracted	73	24	27	376
Available [3]	6	6	7	22
Active Fleet	79	30	34	398
Cold Stacked [4]	9	6	-	63
Total Fleet	88	36	34	461
Active Utilization	92%	80%	79%	94%
Total Utilization	83%	67%	79%	82%
Newbuilds	12	3	5	15

Time Stacked – Available and Cold Stacked Rigs



Source: S&P Global Petrodata, July 2023
1 6th and 7th generation drillships and benign semissubmersibles as classified by S&P Global Petrodata
2 Market category field used to categorize rigs as harsh or benign environment
3 Idle rigs categorized as “Available” if they are considered “Marketed” in S&P Global Petrodata and included in rig supply for active utilization
4 Idle rigs categorized as “Cold Stacked” if they are considered “Not Marketed” in S&P Global Petrodata and excluded from rig supply for active utilization

Supply dynamics are supportive of a sustained upcycle

Floaters



- Benign environment floater supply has declined by 44% to 156 from a peak of 281 in late 2014
- Available capacity is shrinking:
  - Only 10 competitive[1] warm or cold stacked drillships remaining, including VALARIS DS-11
  - Only 8 newbuild drillships in South Korean shipyards remaining, including VALARIS DS-13 & DS-14
- These rigs expected to be reactivated/delivered only when demand supports incremental supply
- Given high expected costs and lack of shipyard capacity, another newbuild cycle is unlikely

Jackups



- Jackup supply has declined by 9% to 495 from a peak of 542 in early 2015 and 33% of current supply is > 30 years of age with limited useful lives remaining
- Many of the ~90 warm and cold stacked jackups are not competitive:
  - 60 are > 30 years of age | 62 have been stacked > three years
  - 71 are in the bottom half of global fleet rankings
  - Only 10 stacked rigs are not included in any of the above three categories
- Available jackup supply in the shipyards continues to decline

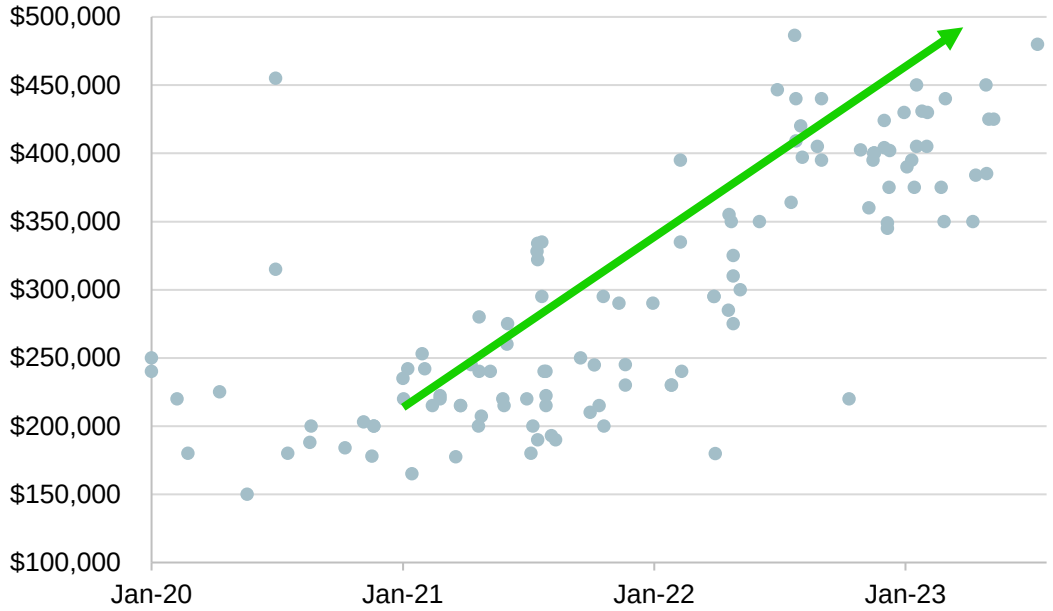
VALARIS

Source: S&P Global Petrodata as of July 2023

1 Competitive drillships includes drillships in the top half of global fleet rankings. Includes 10 of the 15 total warm or cold stacked 6th or 7th generation drillships. Excludes two rigs expected to be used for non-drilling activities based on an announcement by another drilling contractor.

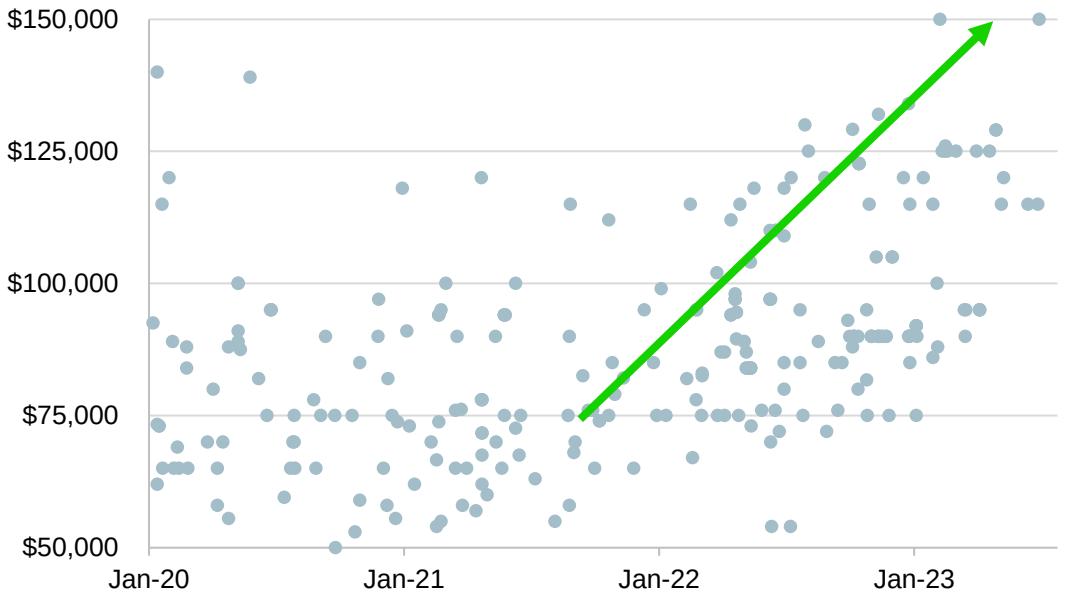
Day rates have increased meaningfully since early 2021

Day Rates for 6th & 7th Generation Drillship Fixtures [1]



- Average day rates have more than doubled since early 2021
- Leading-edge day rates are $450K/day+
- Active utilization for 6th and 7th generation drillships > 90%

Day Rates for Benign Environment Jackup Fixtures [2]



- Average day rates have nearly doubled since early 2021
- Leading-edge day rates in certain regions are $150K/day+
- Active utilization for benign jackups > 90%

VALARIS

Source: S&P Global Petrodata as of July 2023; Valaris analysis.
1 6th & 7th generation drillships per S&P Global Petrodata. Excludes priced options. Excludes fixtures awarded for work in India.
2 Excludes priced options. Excludes fixtures awarded for work in India and harsh environment locations, e.g., Norway and the North Sea.

Earnings and Cash Flow Growth



Significant earnings and cash flow growth expected over the next few years

Rigs Recontracting at Higher Day Rates

- Most of Valaris' floater fleet currently on legacy day rate contracts in the low to mid $200s
- Leading edge floater day rates are in the mid to high $400s
- Eight floaters expected to recontract at meaningfully higher market rates by year-end 2025

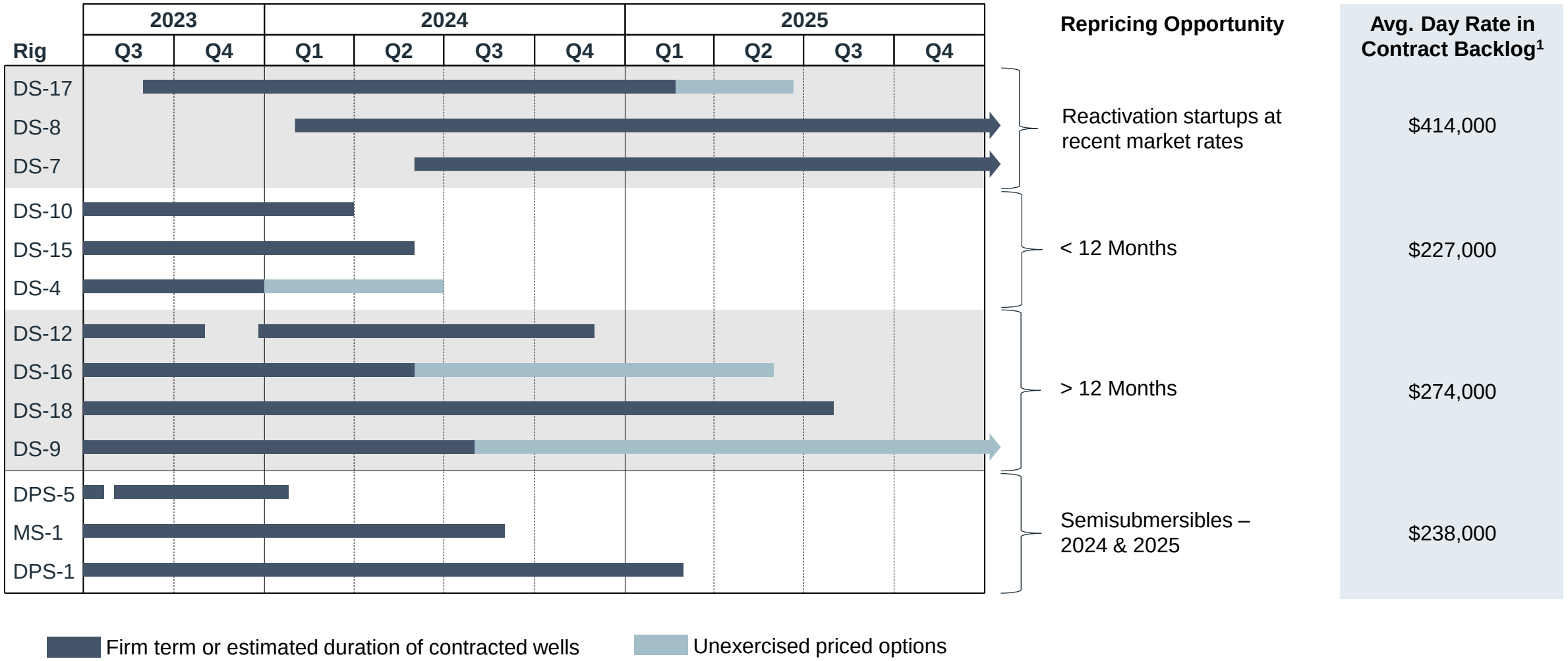
Impact of Recent and Ongoing Reactivations

- VALARIS DS-7, DS-8 and DS-17 all expected to commence contracts in next twelve months
- Well-positioned for follow on work in key floater basins offshore Brazil and West Africa

Additional Operating Leverage

- One uncontracted stacked drillship – VALARIS DS-11
- Attractive purchase options for newbuild drillships VALARIS DS-13 and DS-14
- Investments in our fleet in near-term expected to generate meaningful returns

Earnings from floater fleet expected to increase meaningfully as rigs reprice to market rates



1 Average day rate in contract backlog for groups of rigs as of August 1, 2023, calculated using firm term or estimated duration of contracted wells only (excludes options not yet exercised). Includes operating day rate, but excludes lump sum fees, e.g. for mobilization or capital upgrades.

Drillship reactivations provide a compelling return at current market rates

Reactivation Overview

- Disciplined approach to reactivations – rigs only reactivated for opportunities expected to provide a meaningful return over initial contract term
- Reactivation economics for ~2.5-year VALARIS DS-7 contract are compelling
- Further operating leverage to the ultra-deepwater market
  - One remaining uncontracted stacked drillship (DS-11)
  - Attractive purchase options on a further two drillships (DS-13 and DS-14)
  - Current estimate for an additional reactivation is ~$100 million
- Proven ability to win work for preservation stacked assets. Seven long-term floater contracts awarded since mid-2021

Reactivation Example

VALARIS DS-7	3Q23
Reactivation Costs	~$90M
Customer-Specific and Other Capex	~$10M
Total Cost[1]	~$100M
Effective Day Rate[2]	~$428,000
Expected Annualized Rig-Level EBITDA	**$95-100M**
Payback Period	**< 1 Year**

1 Expected gross cost to reactivate the rig. Meaningful upfront payment from customer reduces the net investment cost.
2 Expected total day rate to be recognized as revenue across contract duration, including operating day rate and meaningful upfront payment for mobilization

Additional operating leverage from attractive purchase options on two newbuild drillships

Given the strong market outlook, we intend to exercise the purchase options for DS-13 and DS-14

- Among the highest specification drillships in the global fleet
- Both rigs equipped with two BOPs – preferred by customers globally
- Strong customer interest – expect that most, if not all, stacked and newbuild drillships will be required to meet growing future demand
- $119 million shipyard price for DS-13 represents a ~60% discount to a comparable asset, with two BOPs, at current estimates[1]
- $218 million shipyard price for DS-14 represents a ~30% discount to a comparable asset, with two BOPs, at current estimates[1]
- Will only reactivate the rigs once we have secured attractive contracts
- These investments are expected to generate strong returns

VALARIS DS-13 and DS-14



Key Technical Specifications

Asset Type	7th Generation Drillships
BOP Status	Dual Equipped
Rated Drilling Depth	40,000 Feet
Hookload	2.5 Million lbs
Thruster Capacity	5.5 MW

VALARIS

1 Based on average estimate from Fearnley Offshore for other stranded newbuilds of ~$300 million, including cost of a second BOP estimated at ~$50 million

Significant earnings potential and cash flow from Valaris fleet

Total Rigs	Rigs Under Contract or with Future Contract	Illustrative Annual Earnings and Cash Flow from Valaris Fleet[1]			
		Illustrative Scenario	**A**	**B**	**C**
11	10	6th / 7th Gen Drillship Day Rates	$400K	$450K	$500K
5	3	Benign Semisubmersible Day Rates	$300K	$350K	$400K
12	9	HD Ultra-Harsh & Harsh Jackup Day Rates[2]	$125K	$150K	$175K
21	16	Modern HD & SD Jackup Day Rates[2]	$100K	$125K	$150K
49	38	Fleet Utilization	70%	75%	80%
		Operating Margin[3]	**~$1,100M**	**~$1,690M**	**~$2,330M**
		Onshore Costs (G&A and Support)[4]	~$240M	~$240M	~$240M
		EBITDAR[5]	**~$860M**	**~$1,450M**	**~$2,090M**
		Other Cash Uses[6]	~$400M	~$500M	~$600M
		Free Cash Flow	**~$460M**	**~$950M**	**~$1,490M**

VALARIS

1 This slide is not intended to reflect guidance, but rather illustrative scenarios using a range of day rates and levels of utilization. Calculations are based on the total number of rigs in each asset category. Excludes two standard duty legacy jackups on the basis that these rigs will likely be retired upon completion of current contracts. 2 HD = Heavy Duty; SD = Standard Duty. Heavy duty jackups are well-suited for operations in tropical revolving storm areas. 3 Daily operating costs are based on current handrail operating costs for the fleet excluding additional services. Assumes full operating cost for 50% of idle periods and preservation stack cost for 50% of idle periods. 4 Onshore support costs based on 2023 guidance as of August 2023. 5 EBITDAR is earnings before interest, tax, depreciation, amortization and reactivation costs. 6 Other cash uses include estimates for cash interest, cash taxes and maintenance and enhancement capital expenditures, but exclude changes in working capital.

Value-driven approach to capital allocation

1 Maintain a Strong Balance Sheet

- Provides capital allocation flexibility
- Recent refinancing and revolving credit facility transaction enhanced capital structure and liquidity

2 Pursue Accretive Investments in our Fleet and/or Strategic Growth Opportunities

- Near-term investments in our fleet expected to generate attractive returns
- 7 floater reactivations completed or in progress and intend to exercise 2 newbuild options
- Pursue strategic growth opportunities if value-enhancing and accretive to our shareholders

3 Return Cash Flow to Shareholders

- **Intend to return all future free cash flow to shareholders, unless there is a better or more value accretive use for it**
- $300 million share repurchase authorization. 2023 share repurchase target of $200 million
- > $90 million of shares repurchased year-to-date July 2023

Valaris is well positioned to deliver meaningful value to shareholders

Leading Offshore Driller

- Largest and highest specification fleet in the industry with exposure to both floaters and jackups
- Presence and scale in key offshore basins, with deep customer relationships
- Strong balance sheet provides capital allocation flexibility

Strong Industry Fundamentals

- Commodity supply and demand is highly constructive for our industry
- Offshore capex and demand for offshore drilling are expected to continue to increase
- Constrained rig supply dynamics are supportive of a sustained industry upcycle

Earnings and Cash Flow Growth

- Significant growth in earnings and cash flow expected over the next few years
- Attractive investments in our fleet in near-term expected to generate meaningful returns
- Intend to return all future free cash flow to shareholders, unless there is a better or more value accretive use for it

Appendix



Contract Backlog as of August 1, 2023

Contract Backlog [1] [2]

($ millions)	2023	2024	2025+	Total
Drillships	$ 300.4	$ 741.7	$ 642.8	$ 1,684.9
Semis	115.0	144.1	13.3	272.4
Floaters	**$ 415.4**	**$ 885.8**	**$ 656.1**	**$ 1,957.3**
HD - Ultra-Harsh & Harsh	$ 110.1	$ 163.0	$ 34.3	$ 307.4
HD & SD - Modern	101.0	129.4	136.4	366.8
SD - Legacy	21.3	56.9	40.2	118.4
Jackups	**$ 232.4**	**$ 349.3**	**$ 210.9**	**$ 792.6**
Other [3]	**$ 72.5**	**$ 112.0**	**$ 106.9**	**$ 291.4**
Total	**$ 720.3**	**$ 1,347.1**	**$ 973.9**	**$ 3,041.3**

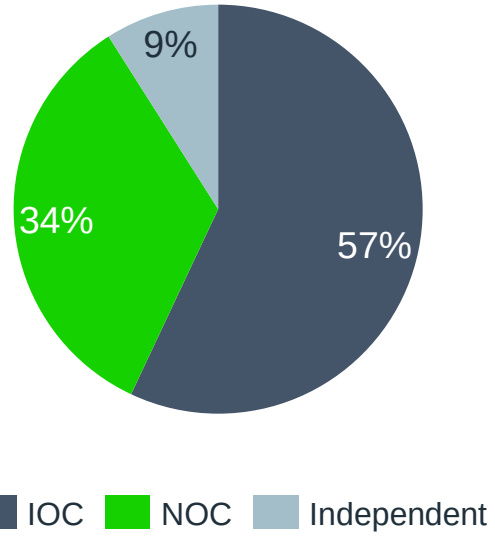
ARO Drilling [4]

	2023	2024	2025+	Total
Owned Rigs	$ 103.4	$ 246.6	$ 336.3	$ 686.3
Leased Rigs	130.0	352.2	332.8	815.0
Total	**$ 233.4**	**$ 598.8**	**$ 669.1**	**$ 1,501.3**

Contracted Days [1] [2]	2023	2024	2025+
Drillships	1,142	2,189	1,655
Semis	459	627	59
Floaters	**1,601**	**2,816**	**1,714**
HD - Ultra-Harsh & Harsh	985	1,314	264
HD & SD - Modern	1,107	1,304	1,115
SD - Legacy	283	716	423
Jackups	**2,375**	**3,334**	**1,802**
Other [3]	**1,673**	**3,669**	**3,128**
Total	**5,649**	**9,819**	**6,644**

Average Dayrates	2023	2024	2025+
Drillships	$ 263,000	$ 339,000	$ 388,000
Semis	250,000	230,000	225,000
Floaters	**$ 259,000**	**$ 315,000**	**$ 383,000**
HD - Ultra-Harsh & Harsh	$ 112,000	$ 124,000	$ 130,000
HD & SD - Modern	91,000	99,000	122,000
SD - Legacy	75,000	79,000	95,000
Jackups	**$ 98,000**	**$ 105,000**	**$ 117,000**

Contract Backlog by Customer Type



(1) Contract backlog, contracted days and average day rates as of August 1, 2023. (2) Contract backlog and average day rates exclude certain types of non-recurring revenues such as lump sum mobilization payments. Contract backlog and contracted days include backlog and days when a rig is under suspension. Average day rates are adjusted to exclude suspension backlog and days. (3) Other represents contract backlog and contracted days related to bareboat charter agreements and management services contracts. (4) ARO Drilling contract backlog as of August 1, 2023. HD = Heavy Duty; SD = Standard Duty. Heavy duty jackups are well-suited for operations in tropical revolving storm areas

3Q 2023 and Full Year 2023 Guidance as of August 2, 2023

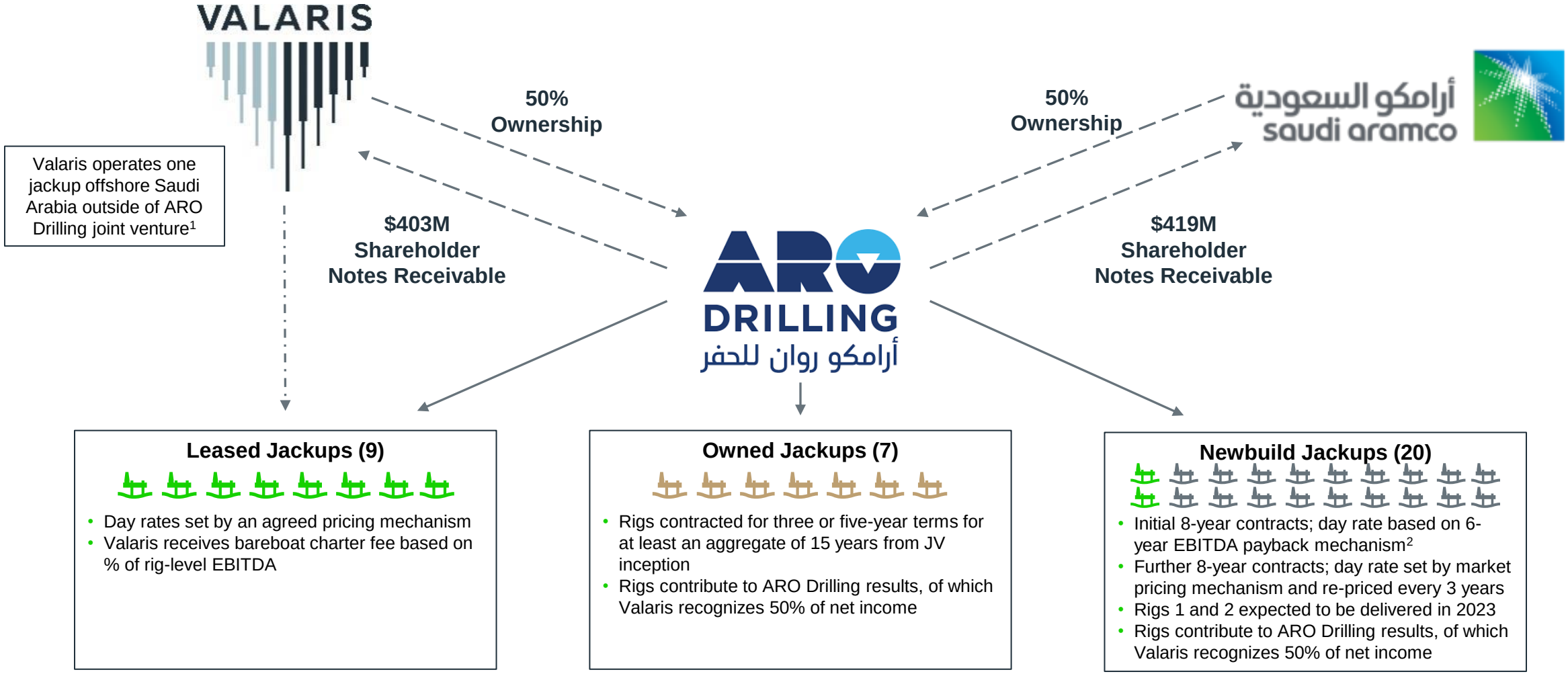
- The below table shows our 3Q and FY 2023 guidance as of our second quarter conference call on August 2, 2023 **(highlighted green row at bottom of table)**
- For reconciliation purposes, the table also shows our 3Q and FY 2023 guidance **before** the impact of the change in our EBITDA calculation methodology(1) that we introduced in 2Q 2023 and the VALARIS DS-7 contract that we announced on July 31, 2023(2)
- For FY 2023 guidance, the table also provides a comparison to the FY guidance we provided on our 1Q23 conference call on May 2, 2023.

$ Millions	3Q 2023			FY 2023		
	Adjusted EBITDA	Adjusted EBITDAR	Capex	Adjusted EBITDA	Adjusted EBITDAR	Capex
Guidance as of 1Q23 Conference Call (May 2, 2023)	N/A	N/A	N/A	180–220	280–320	320–360
Guidance as of 2Q23 Conference Call (Aug 2, 2023) **before** impact of change in EBITDA calculation methodology(1) and VALARIS DS-7 contract(2)	60–65	95–100	90–100	190–210	305–325	290–330
Impact due to:						
1) Change in EBITDA Calculation Methodology(1)	~10	~10	–	~25	~25	–
2) VALARIS DS-7 Contract(2)	~(20)	–	~10	~(40)	–	~20
Guidance as of 2Q23 Conference Call (August 2, 2023)	**50–55**	**105–110**	**100–110**	**175–195**	**330–350**	**310–350**

(1) In 2Q23, Valaris changed its Adjusted EBITDA and Adjusted EBITDAR calculations to include amortization associated with deferred mobilization and contract preparation revenue and costs and deferred capital upgrade revenues. The Company believes that this change will ensure that these financial measures better reflect the earnings profile of our operations and will be more closely aligned with the calculation methodology used by Valaris' closest offshore drilling peers.

(2) On July 31, 2023, Valaris announced a contract award for VALARIS DS-7 that will require the rig to be reactivated. A significant portion of the reactivation cost is recognized as expense in the income statement with the remainder of the cost recognized as capex.

Valaris owns 50% of joint venture with Saudi Aramco, the world's largest jackup customer



1 VALARIS 76 is expected to complete its current contract with Saudi Aramco in October 2023, and is anticipated to commence a three-year lease agreement with ARO in February 2024.
2 Down payment on each newbuild rig is no more than 25% before delivery

Non-GAAP Reconciliations

(In millions)

ARO		Year-Ended December 31, 2022
Net income	$	20.7
Add (subtract):		
Income tax expense		3.8
Other expense, net		11.1
Operating income	$	35.6
Add (subtract):		
Depreciation expense		63.4
EBITDA	$	99.0

The Company is not able to provide a reconciliation of forward-looking annualized rig-level EBITDA for VALARIS DS-7, as presented on page 23, to the most directly comparable GAAP measure without unreasonable effort because of the inherent difficulty in forecasting and quantifying certain amounts necessary for such a reconciliation, including forward-looking tax expense and other income (expense).


100 YEARS
VALARIS
FOCUSED || VALUE DRIVEN || RESPONSIBLE