VALARIS

VALARIS (NYSE: VAL)

Investor Presentation

FOCUSED | VALUE DRIVEN | RESPONSIBLE

February 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; performance of our joint ventures, including our joint venture with Saudi Aramco; 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; the effect, impact, potential duration and other implications of COVID-19; future operations; increasing regulatory complexity; 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; 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; increased scrutiny of our Environmental, Social and Governance practices, initiatives and reporting responsibilities; changes in customer strategy, including increased focus on renewable energy projects; future levels of offshore drilling activity; governmental action, civil unrest and political and economic uncertainties; terrorism, piracy and military action; risks inherent to shipyard rig reactivation, upgrade, repair, maintenance or enhancement; our ability to enter into, and the terms of, future drilling contracts; the outcome of litigation, legal proceedings, investigations or other claims or contract disputes; governmental regulatory, legislative and permitting requirements affecting drilling operations; our ability to attract and retain skilled personnel on commercially reasonable terms; environmental or other liabilities, risks or losses; debt restrictions that may limit our liquidity and flexibility; and 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 SEC's website at www.sec.gov or on the Investor Relations section of our website at www.valaris.com. Each forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to update or revise any forward-looking statements, except as required by law.

Valaris Overview

Valaris is the industry leader in offshore drilling with unmatched scale and financial strength

Fleet

11 drillships
5 semisubmersibles
36 jackups

- High-quality modern fleet with a gross asset value of > $8 billion[1]
- ARO Drilling
  - Unconsolidated 50/50 joint venture with Saudi Aramco
  - 15 rigs operating and 20-rig newbuild program planned
  - $403 million shareholder notes due from ARO

Operational

- Demonstrated track record of safety and operational excellence
  - Rated No. 1 offshore driller in EnergyPoint Research's 2022 customer satisfaction survey
  - 97% revenue efficiency in 2022 and 98% in 2021
- Presence and scale in nearly all key offshore basins
- Strong customer relationships with major IOCs, NOCs & independents

Financial

- Strong balance sheet with net cash of $206 million[2] as of December 31, 2022
- $2.5 billion of contract backlog as of February 21, 2023
- Significant operating leverage in an improving market
- Industry-leading cost structure that is easily scalable

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1 Gross asset value per research reports by Fearnley Securities and Morgan Stanley (January 2023)
2 Net cash includes $24 million of restricted cash

We are focused, value driven and responsible in our decision making

Purpose

To Provide Responsible Solutions That Deliver Energy to the World

Strategy

Focused	Value Driven	Responsible
Building enduring presence and long-term relationships	**Exercising financial discipline and driving efficiency**	**Advancing our sustainability program**
• Operate a high spec jackup and floater fleet • Build deep customer and partner relationships • Identify and commit to priority basins	• Deliver operational excellence (Safe, Reliable & Efficient) • Operate an efficient and scalable cost structure • Exercise disciplined capital allocation / be returns focused	• Decarbonize our operations • Be transparent on our ESG progress • Partner with customers on their energy transition efforts • Monitor compatible opportunities within the energy transition

Values

INTEGRITY || SAFETY || EXCELLENCE || RESPECT || INGENUITY || STEWARDSHIP

Largest fleet of modern offshore drilling rigs in the industry

11 Drillships[1]

Average age 8 years

5 Semisubmersibles

Average age 11 years

12 HD Ultra-Harsh & Harsh Jackups[2]

Average age 14 years

21 HD & SD Modern Jackups[2]

Average age 13 years

3 SD Legacy Jackups[2]

Average age 40 years

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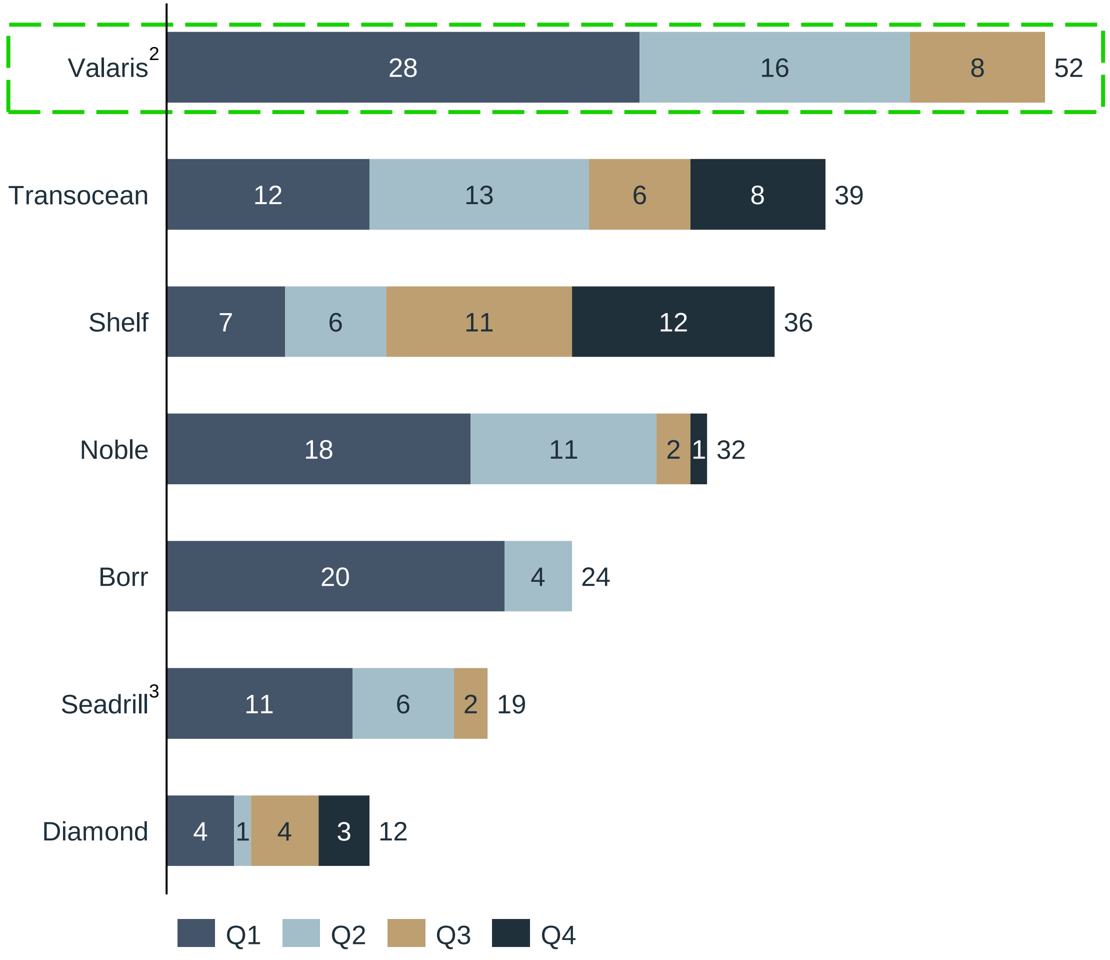
1 Excludes newbuild drillships, VALARIS DS-13 and DS-14, which Valaris has the option to purchase before year-end 2023
2 HD = Heavy Duty; SD = Standard Duty. Heavy duty jackups are well-suited for operations in tropical revolving storm areas

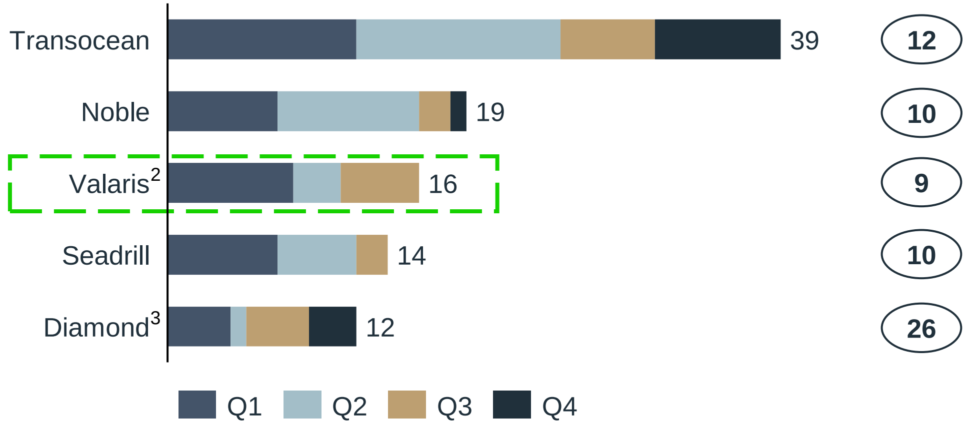
Largest fleet of high-specification assets

Fleet Quality of Major International Offshore Drillers

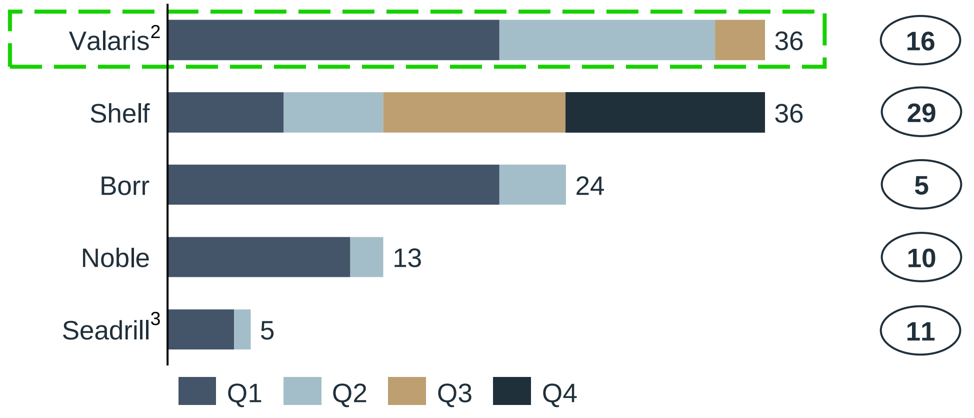


Floaters

Avg. Age[1]



Jackups



Source: S&P Global Petrodata as of February 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 eight jackup rigs leased to ARO Drilling;
3 Includes rigs owned by Seadrill Ltd and pro forma for Aquadrill acquisition announced in December 2022

Strong customer relationships with major IOCs, NOCs and independents

Majors [1]

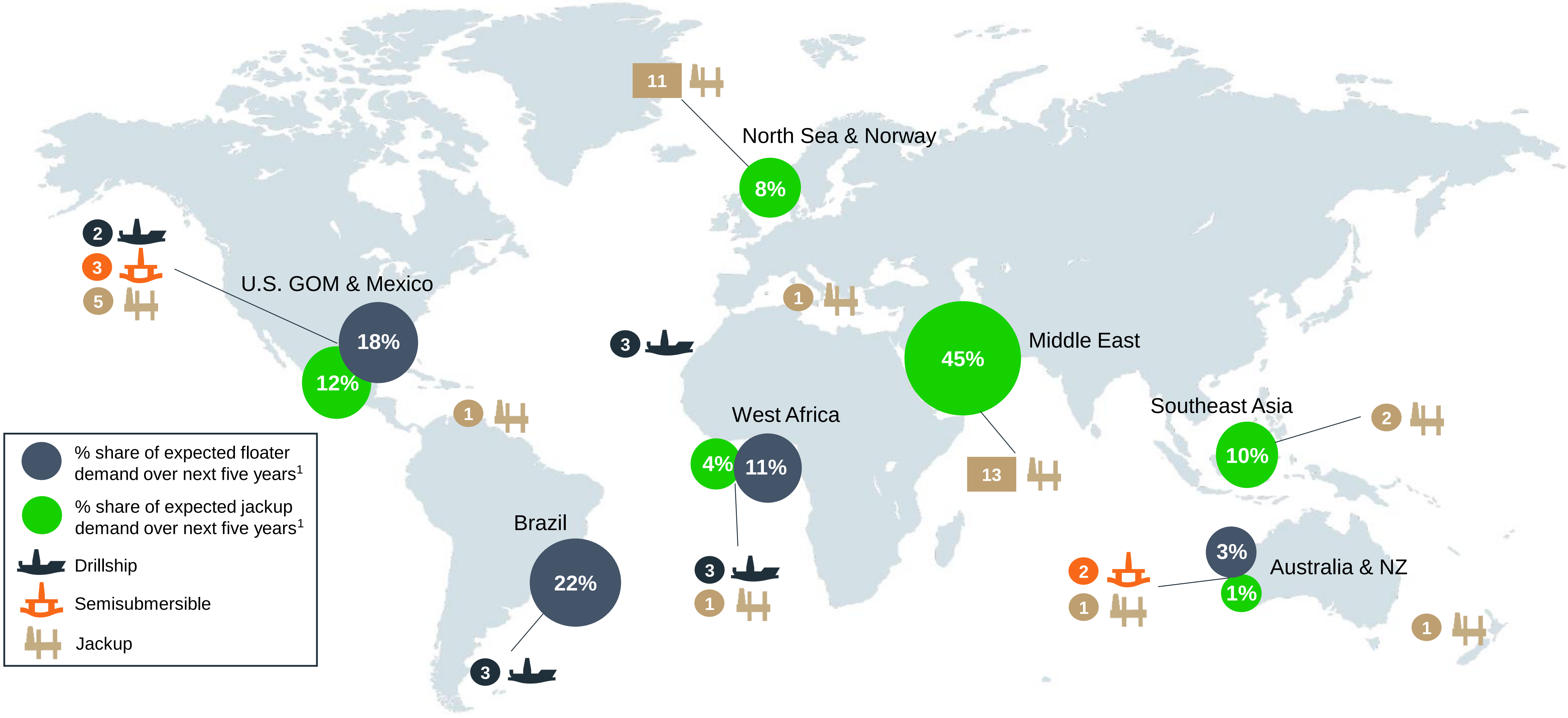
	Floaters	Jackups	Locations
bp	✓	✓	Latin America, Southeast Asia, West Africa
Chevron	✓	✓	U.S. GOM, West Africa
eni	✓	✓	Australia, Mexico, North Sea
Exxon	✓		West Africa
Shell	✓	✓	North Sea, Southeast Asia, West Africa
TotalEnergies	✓		Brazil

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

1 All customers listed are within the top 15 customers within contract backlog as of February 21, 2023. Locations represent where rigs are currently contracted for each customer.

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



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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 February 2023

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

Delivering safe, reliable and efficient operations is our primary focus

Safety

Objectives

- Control Process Safety Risk
- Reduce Personal Safety Exposure
- Minimize Environmental Impact

Tools

- License to Drill Program
- Well Control Training Center
- Safe Systems of Work
- Operational Assurance & Audit Program
- BOLD Offshore Supervisor Training

Reliability

Objectives

- Maximize Rig Uptime Performance
- 97% Revenue Efficiency in 2022 and 98% in 2021

Tools

- Valaris Asset Management System (VAMS)
- Technical Support Center (TSC)
- Valaris Intelligence Platform (VIP)

Efficiency

Objectives

- Maximize Productivity of Well Construction

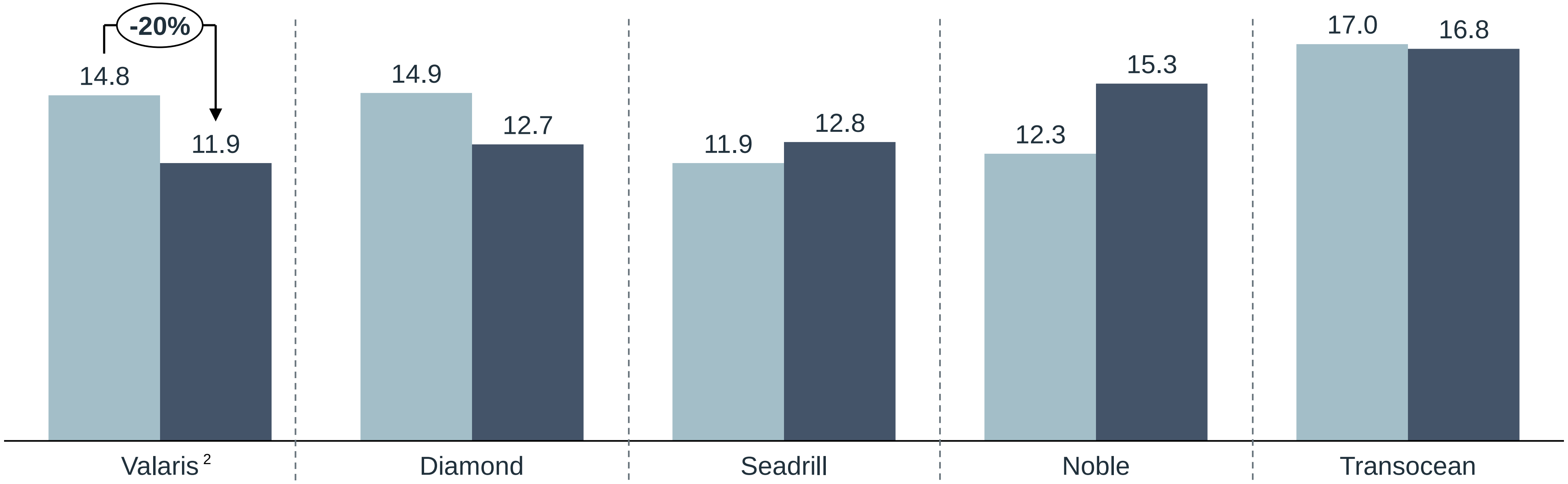
Tools

- Valaris Intelligence Platform (VIP)
- Micro KPIs, e.g., Tripping and Slip-to-Slip Connection

OPERATIONAL EXCELLENCE

Industry-leading cost structure

Operating, Support and G&A Costs per Weighted Active Rig ($M)[1]



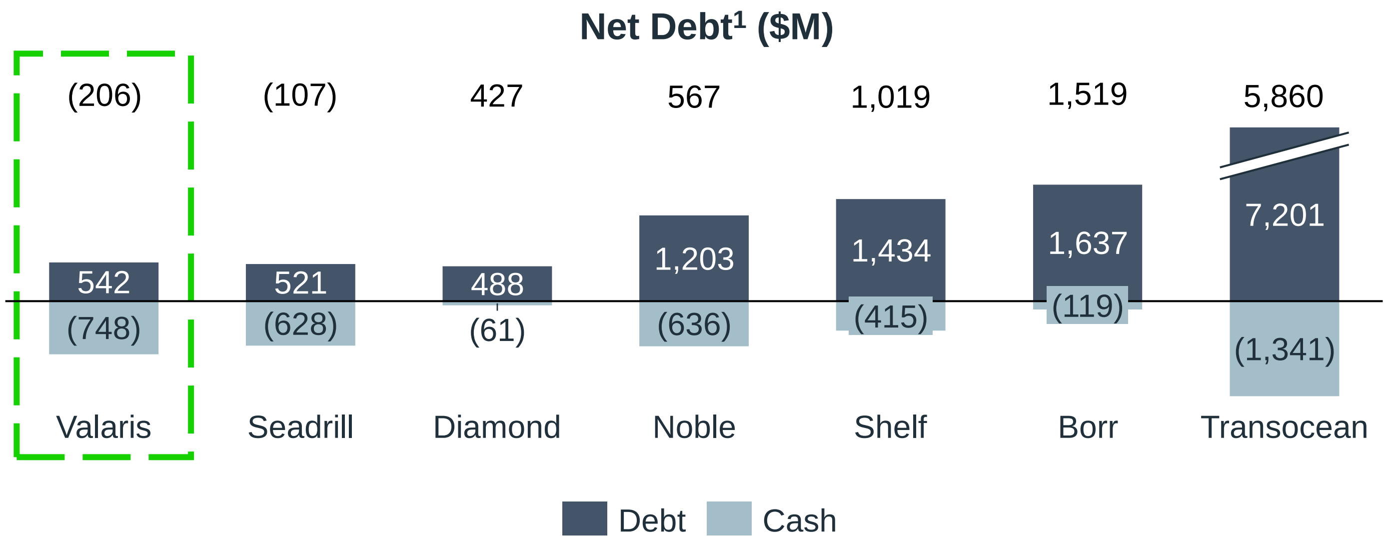
	Valaris 2020	Valaris 2022	Diamond 2020	Diamond 2022	Seadrill 2020	Seadrill 2022	Noble 2020	Noble 2022	Transocean 2020	Transocean 2022
Active Floaters	10	11	11	12	16	9	9	9	29	26
Active Jackups	28	24	0	0	11	5	12	10	0	0
# of Countries with Active Rigs	15	16	5	7	14	6	10	11	11	9

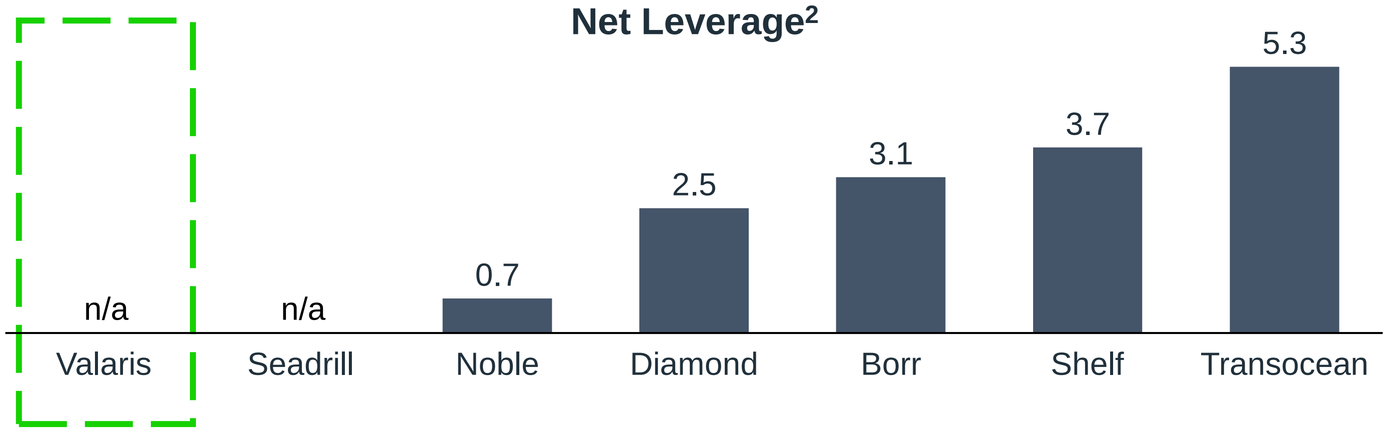
2020 2022

Source: Company filings; S&P Global Petrodata

1 Contract drilling expense (excluding reimbursable items and reactivation costs) and general and administrative expense for each available period divided by weighted average rig count. Active rig weighting determined by cost complexity for discrete asset types:1.0 for drillships, 1.3 for North Sea/Australia semisubmersibles, 0.9 for benign environment semisubmersibles, 0.9 for jackups active in Norway and 0.5 for all other jackups. Active rigs defined as rigs that are not cold stacked or under construction. Active rigs and countries per S&P Global Petrodata Current Activity Report. Represents an average of each quarter end in the given period. 2 Valaris operating costs exclude costs related to two rigs managed on behalf of a customer as they are not included in the active rig count.

Strongest balance sheet in the offshore drilling sector





- Valaris is one of only two major offshore drillers with a net cash position
- $748M[3] total liquidity to fund operations and support rig reactivations
- Only tranche of debt is $550M senior secured notes due 2028
  - First call in April 2023
  - Amended indenture in 2022 to increase flexibility
- Annual cash interest expense of $45M[4]
- No newbuild capital commitments

1 Debt and cash per most recent quarterly filings; Noble net debt and net leverage shown pro forma for merger with Maersk Drilling. Seadrill net debt shown pro forma for announced acquisition of Aquadrill;
2 Net leverage calculated using 2023 mean EBITDA estimate per FactSet as of February 18, 2023;
3 Includes restricted cash balance of $24 million as of December 31, 2022;
4 Assumes interest paid in cash at 8.25% coupon;

Disciplined fleet management strategy focused on driving long term shareholder value

Optimization

- Priority is to ensure that the active fleet remains highly utilized
- Portfolio approach to contracting with a mix of longer and shorter duration contracts and staggered rollovers
- Aim to have a critical mass of rigs in priority basins to benefit from economies of scale

Reactivations

- Only reactivate rigs for opportunities that provide meaningful returns
- Proven ability to win work for preservation stacked assets, with five long-term floater contracts awarded since mid-2021
- Demonstrated track record of reactivating rigs on time and within our cost guidance

Divestitures

- Rational and economic approach to asset ownership, including opportunistic divestitures if value accretive
  - Jackups VALARIS 113 and 114, each of which had been stacked for more than six years, were sold in 2022 for a combined total of $125 million
  - Agreed to sell 40-year old jackup VALARIS 54 following its current contract for $28.5 million

Strong framework in place for advancing our sustainability program

Board and Executive Management Oversight

- Board of Directors has a dedicated Environmental, Social and Governance (ESG) Committee
- New executive management position focused on Sustainability and New Energy
- Green Sustainability Committee – cross-functional working group that identifies and evaluates opportunities to promote sustainable business practices

Monitoring and Reporting

- Annual Sustainability Report published in accordance with the Sustainability Accounting Standards Board (SASB)
- Valaris Intelligence Platform (VIP) enables near real-time data of fuel consumption and GHG emissions across the fleet

Recent ESG Rating Upgrade

- Sustainalytics and MSCI upgraded Valaris' ESG Company Rating by one notch to BB. Received the highest ESG score among all major offshore drillers

2021 Sustainability Report
Aligned to SASB framework

	VAL	RIG	DO	NE
MSCI ESG Score[1]	**3.5**	3.2	N/A	3.2
Sustainalytics ESG Risk Score[2]	**21.9**	24.6	30.5	N/A

1 MSCI rating – higher score is better
2 Sustainalytics rating – lower score is better

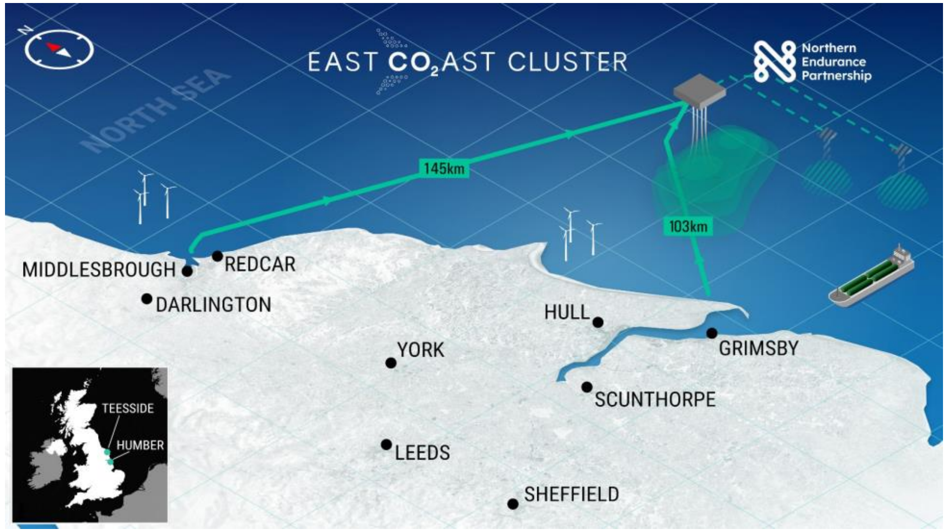
Reduce emissions from our own operations and partner with customers

Reduce Emissions from our own Operations

- Engine optimization to lower SO_X and CO_2 emissions
  - Completed on VALARIS DS-12 – the first vessel globally to achieve ABS Enhanced Electrical System Notation EHS-E
  - Planned for VALARIS DS-17
- Selective Catalytic Reduction (SCR) systems reduce NO_X emissions by up to 90%
  - SCR implemented on four drillships and one jackup

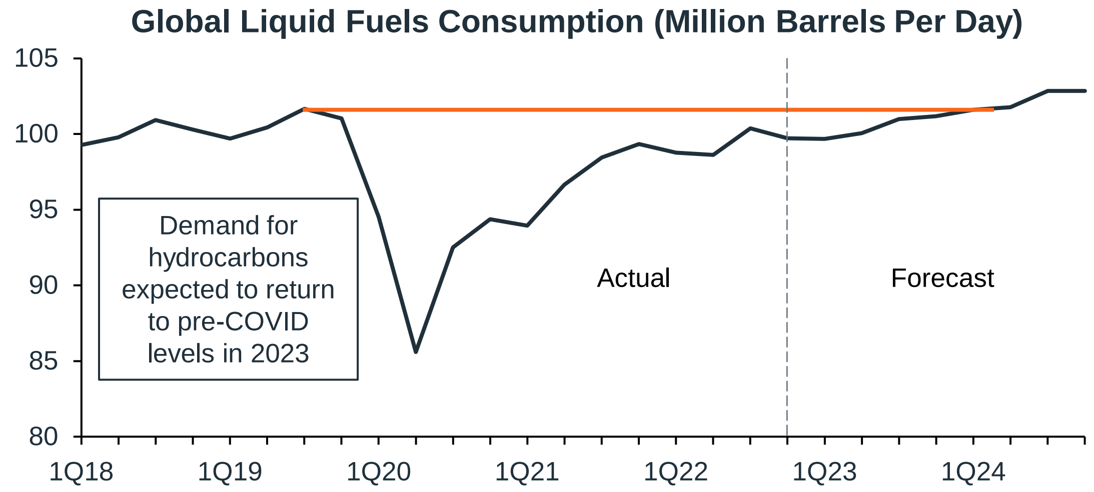
Partner with Customers on their Energy Transition Efforts

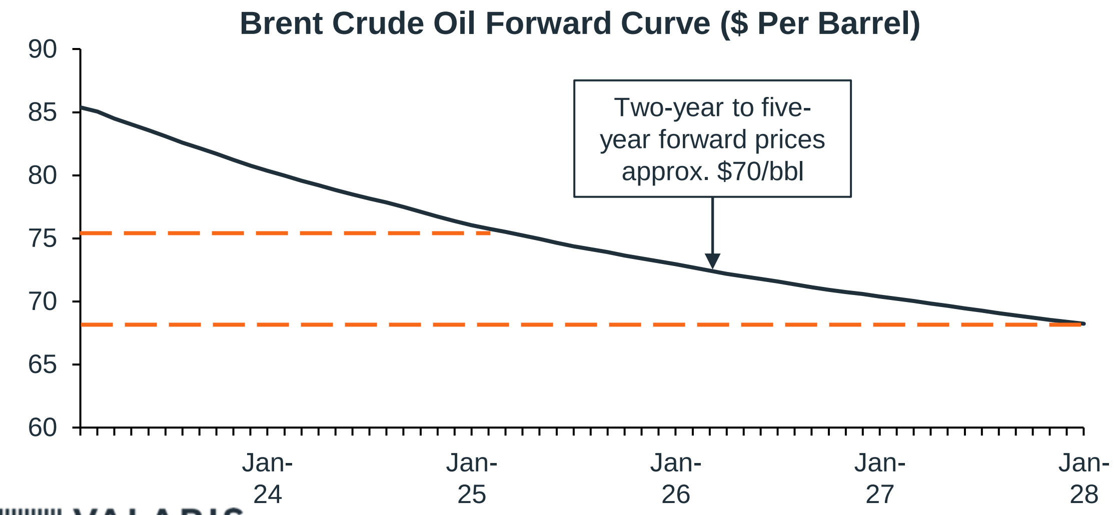
- Carbon capture and storage
  - Drilled carbon capture pilot wells for two customers in the North Sea (Porthos project in the Netherlands and Northern Endurance in Partnership in the UK)
  - Future projects planned offshore Australia and in the U.S. Gulf
- Performance based incentives for fuel savings
  - Engine optimization and enhanced monitoring resulted in 14% fuel savings vs. baseline target for contract offshore Norway

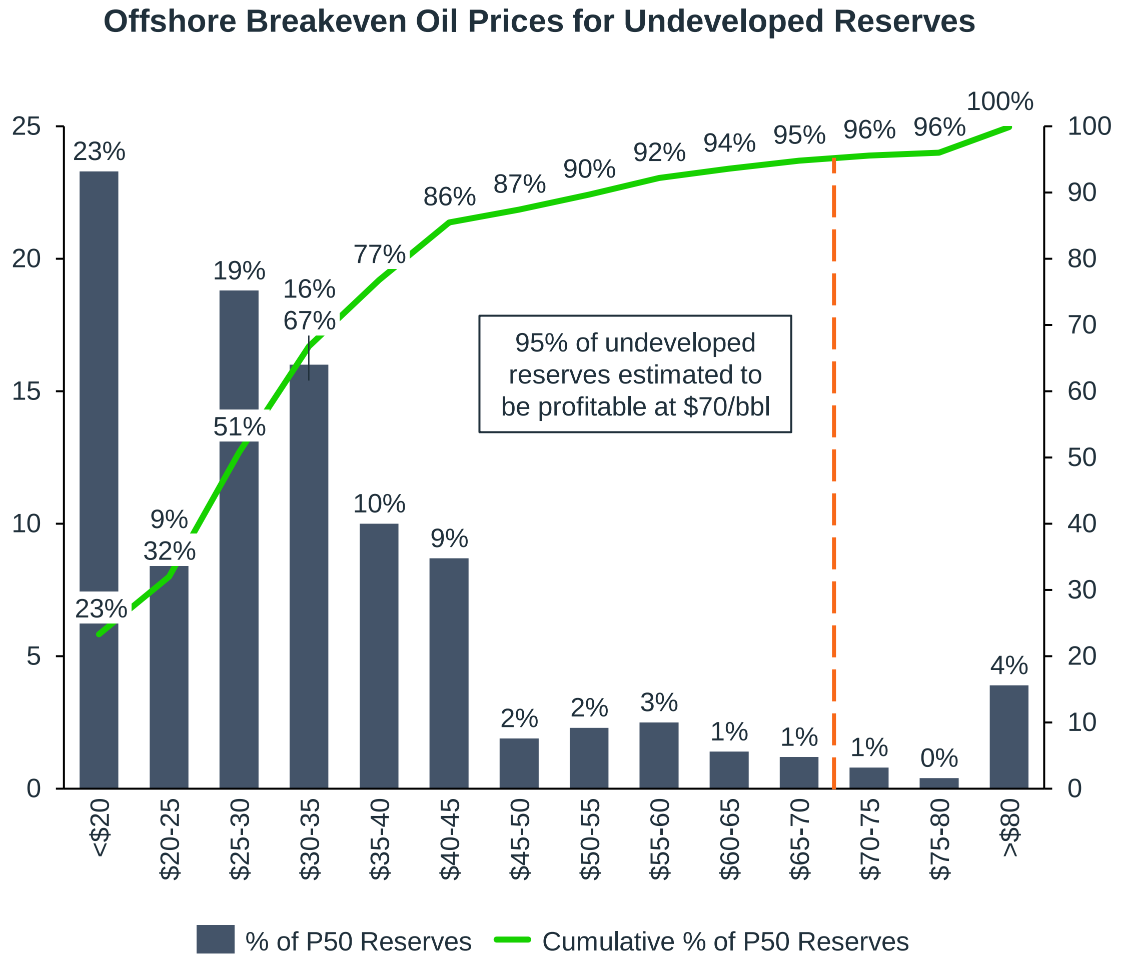


Offshore Market Overview

Commodity supply and demand is constructive for our industry







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

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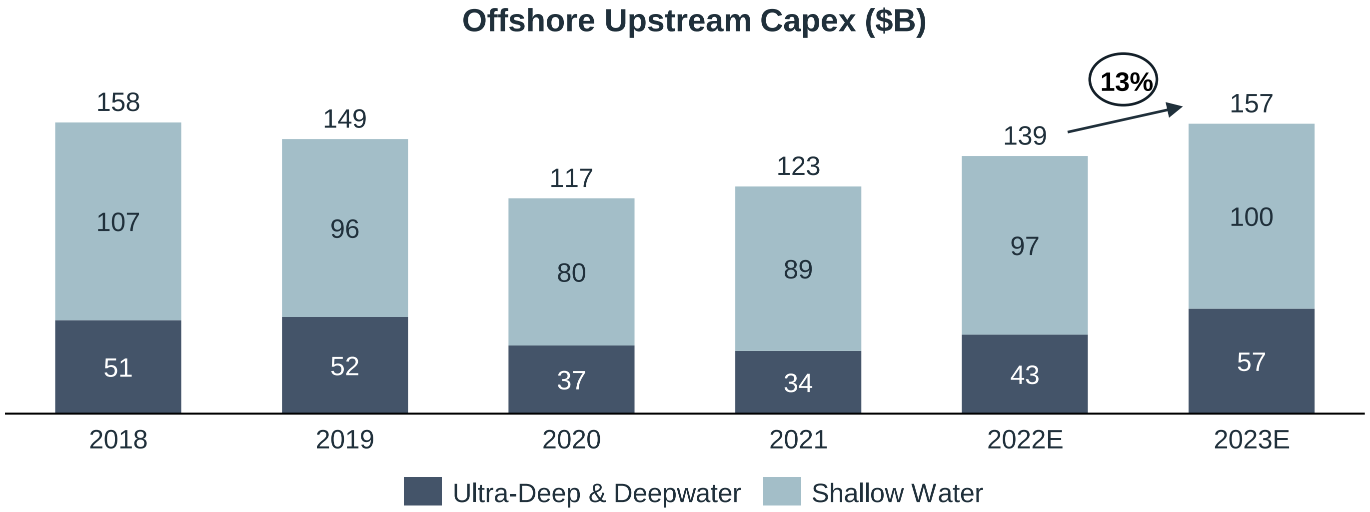
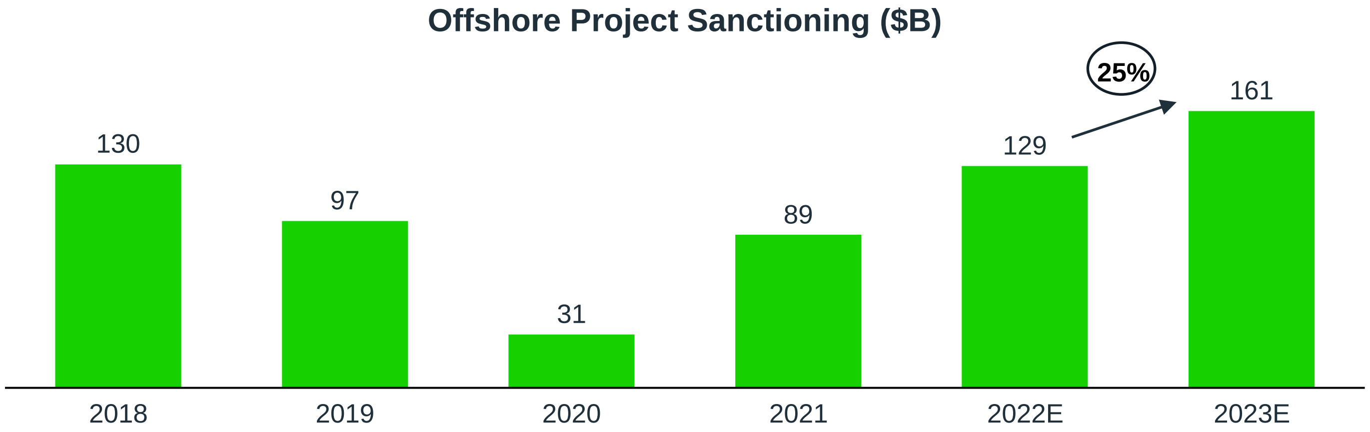
Source: EIA Short-Term Energy Outlook, February 2023; FactSet as of February 15, 2023; Rystad U Cube, February 2023

Offshore upstream capex and new project sanctioning are expected to increase

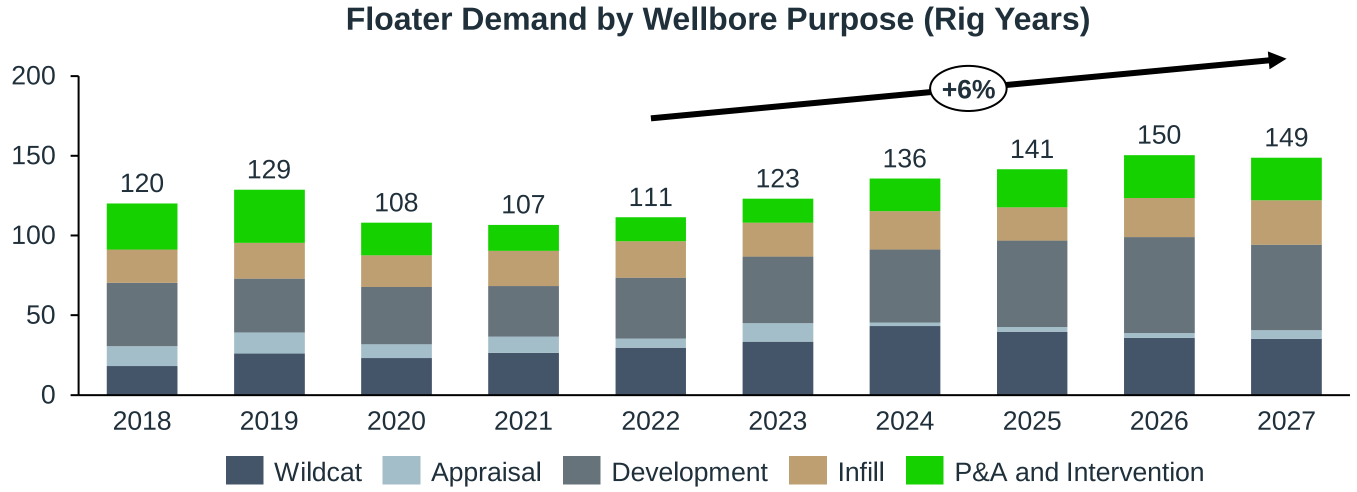


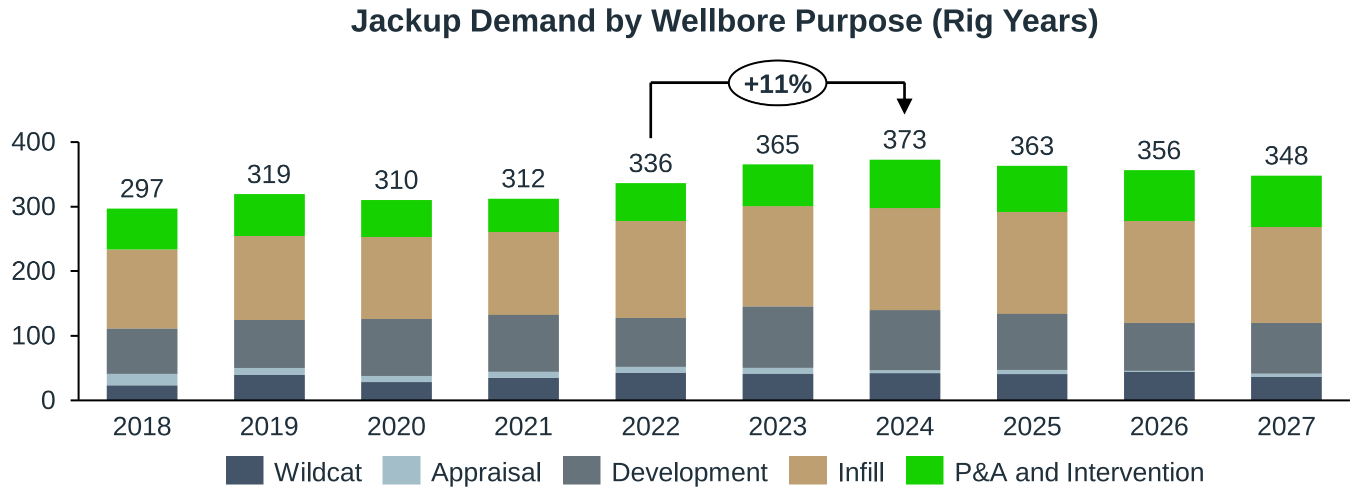


- Offshore upstream capex is expected to increase by 13% in 2023
- This growth in offshore spending is primarily expected to come from investments in ultra-deep and deepwater projects
- Shallow water remains more than 60% of expected spending but growth is expected to slow in 2023 as compared to 2022
- Offshore project approvals are also expected to increase meaningfully in 2023, and are anticipated to be at their highest levels in more than a decade

Source: Wood Mackenzie; Fearnley Securities; Barclays

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 6% over the next five years
- Approximately two-thirds of floater demand over the next five years 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 in 2023 and 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 over the next five years expected to come from infill drilling

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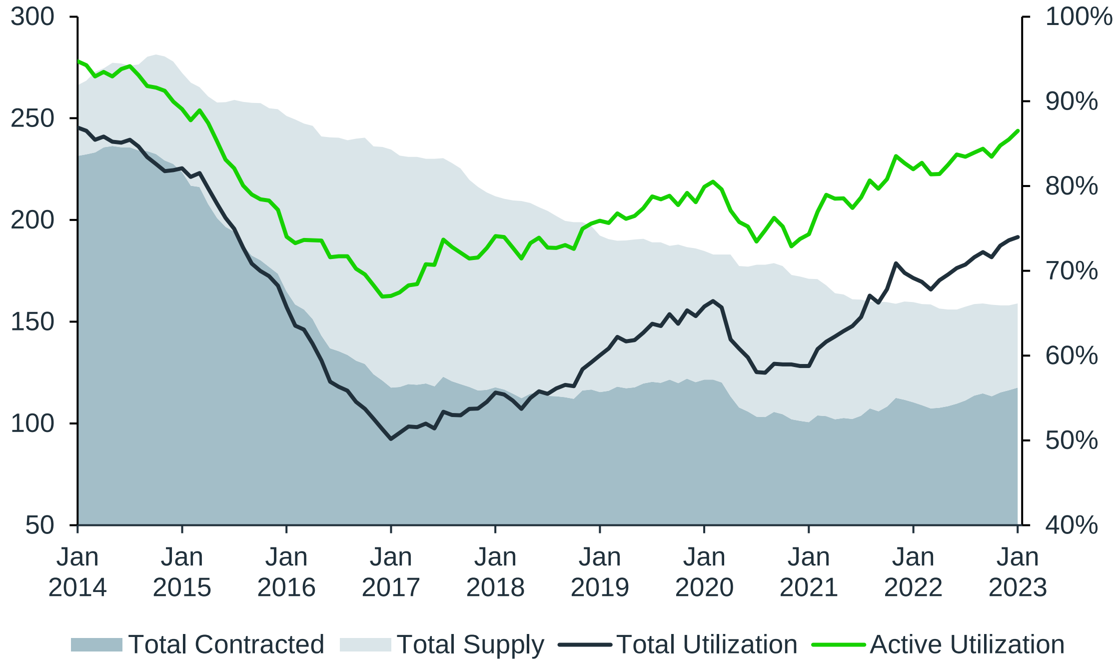
Source: Rystad Cube Dashboards as of February 2023

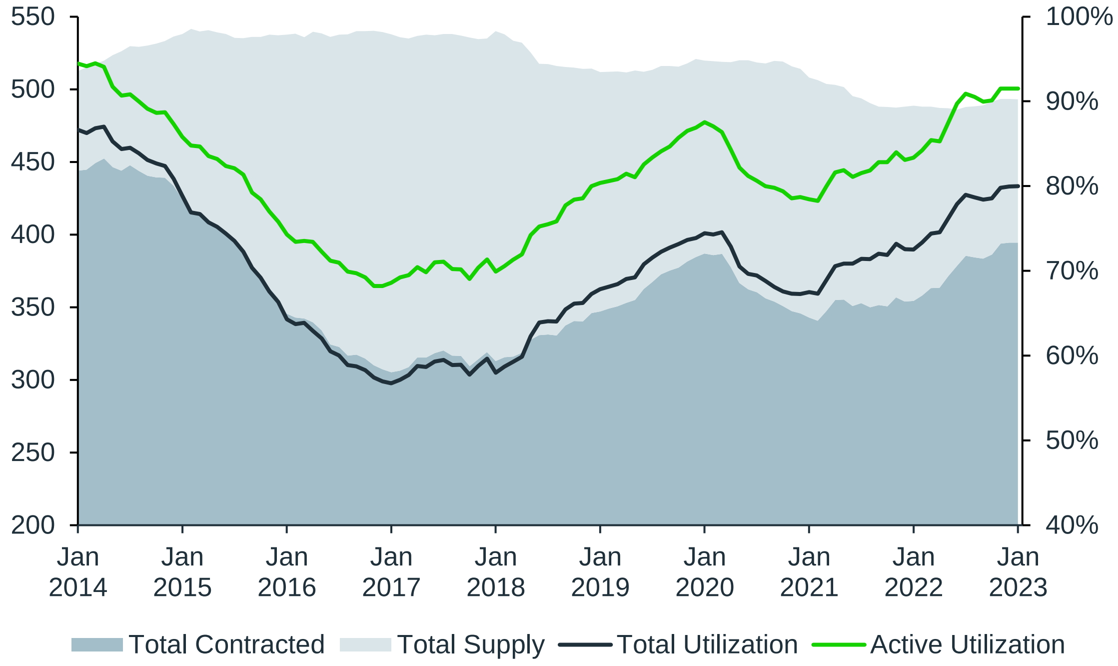
Significant supply rationalization over the past several years has improved market balance

Benign Environment Floater Supply and Utilization



- Benign environment floater supply has declined by 43% to 159 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 493 from a peak of 542 in early 2015
- 33% of current supply is > 30 years of age with limited useful lives remaining

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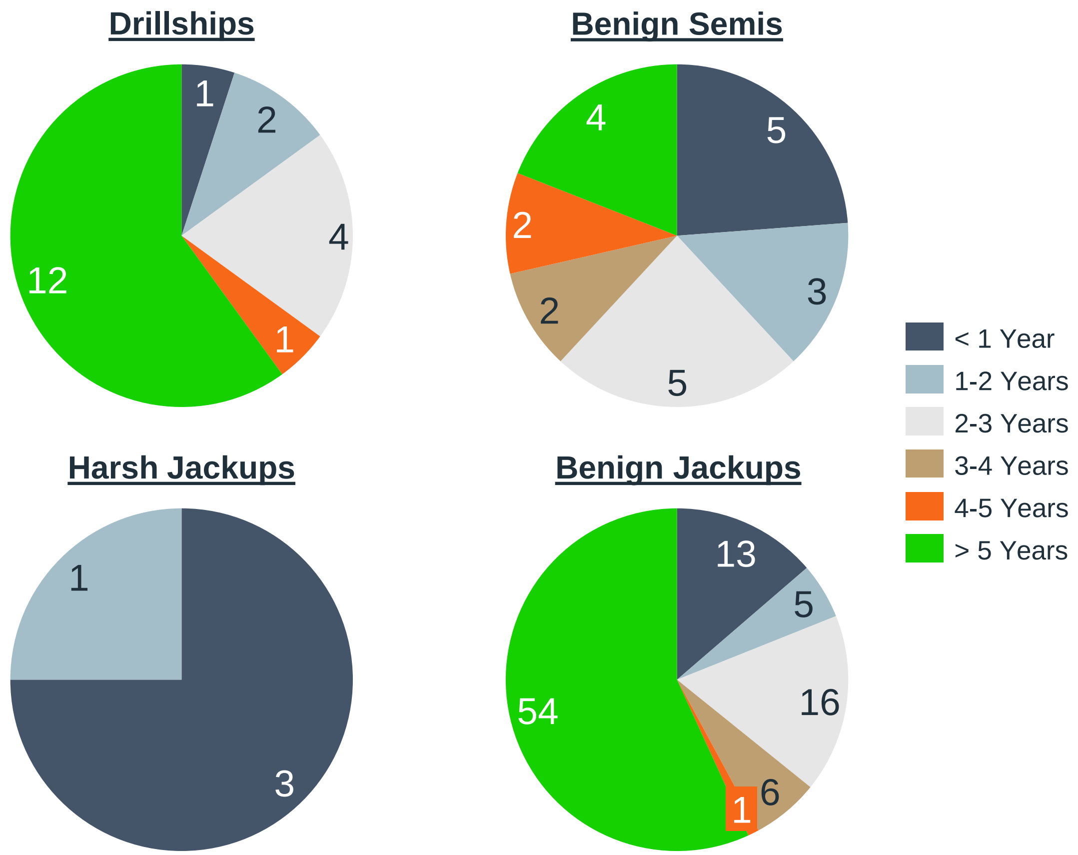
Source: S&P Global Petrodata as of February 2023. Market category field used to categorize rigs as benign or harsh environment.

Active utilization currently ~90% for most asset classes

Delivered Rigs	Drillships	Benign[1] Semis	Harsh[1] Jackups	Benign[1] Jackups
Contracted	77	41	29	365
Available	7	11	4	33
Active Fleet	84	52	33	398
Cold Stacked	13	10	-	62
Total Fleet	97	62	33	460
Active Utilization	92%	79%	88%	92%
Total Utilization	79%	66%	88%	79%
Newbuilds	14	3	5	15

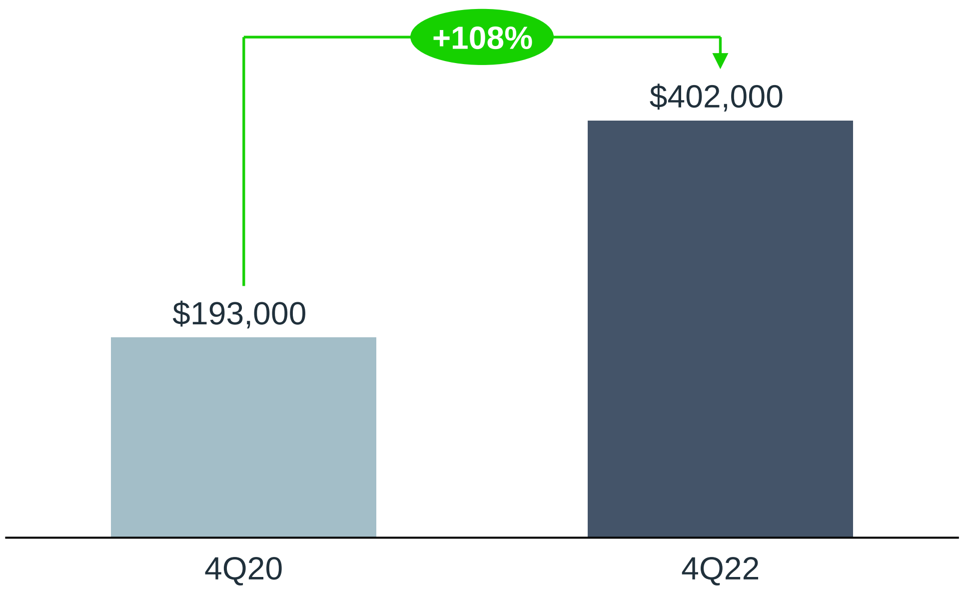
Time Stacked – Available and Cold Stacked Rigs



Source: S&P Global Petrodata, February 2023
1 Market category field used to categorize rigs as harsh or benign environment

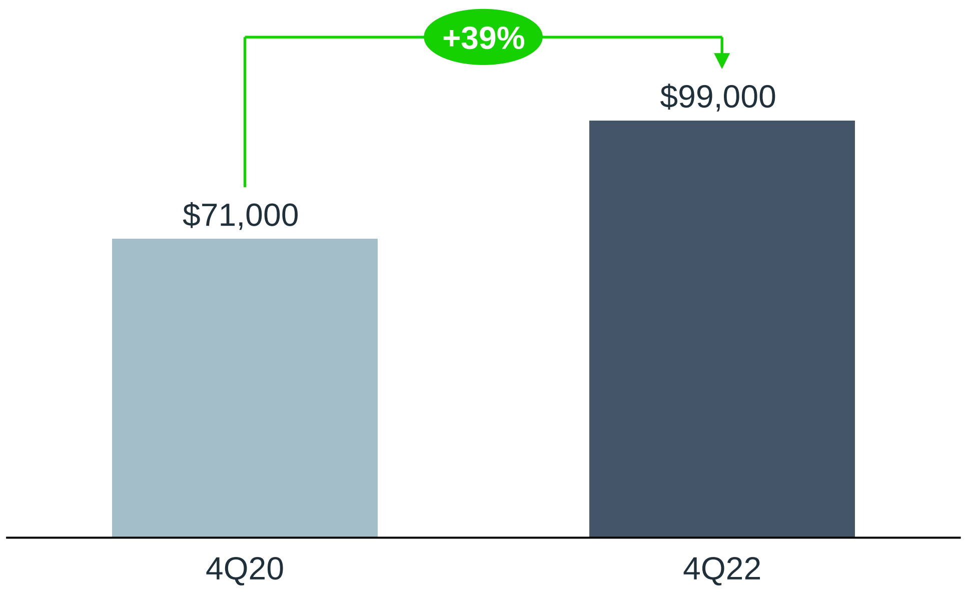
Day rates have increased meaningfully since late 2020

Average Day Rates for Drillship Fixtures Signed [1]



- Average day rates for drillship fixtures signed in 4Q22 have more than doubled since 4Q20
- Recently, some fixtures have been awarded at above $425K/day
- Active utilization for drillships is approximately 90%

Average Day Rates for Benign Environment Jackup Fixtures Signed [2]



- Average day rates for benign jackup fixtures signed in 4Q22 are nearly 40% higher than 4Q20
- Recently, some fixtures have been awarded at above $120K/day
- Active utilization for benign jackups is approximately 90%

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Source: S&P Global Petrodata as of February 2023; Valaris analysis.
1 Represents the average day rate for fixtures signed in each quarter, excluding priced options. Only includes fixtures awarded to international drilling contractors. Excludes fixtures awarded for work in India.
2 Represents the average day rate for fixtures signed in each quarter, excluding priced options. Excludes fixtures awarded for work in India and harsh environment locations, e.g., Norway and the North Sea.

Value Proposition

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Valaris has a compelling value proposition built on four key elements

1 Active Fleet

- 32 rigs including drillship VALARIS DS-17 that is currently being reactivated
- Active fleet generated adjusted EBITDAR (excluding one-time reactivation costs) of $412 million in 2022[1]
- Earnings power from the active fleet expected to increase meaningfully due to improving utilization and day rates

2 Stacked Fleet and Newbuild Drillship Options

- 12 high-quality modern assets and two newbuild drillship options
- Significant operating leverage in an improving market environment
- Proven ability to win work for preservation stacked assets, with five long-term floater contracts awarded since mid-2021

3 Leased and Managed Rigs

- Eight rigs owned by Valaris currently leased to ARO Drilling under bareboat charter agreements, provide high levels of utilization and stable cash flows[2]
- Two managed rigs, which Valaris operates on behalf of a customer
- 2022 adjusted EBITDAR was $82 million[1]

4 ARO Drilling

- Unconsolidated 50/50 joint venture with Saudi Aramco, the largest customer for jackups in the world
- ARO 2022 EBITDA was $99 million and ARO had cash of $176 million as of December 31, 2022
- 20-rig newbuild program provides future growth with guaranteed contracts at attractive economics
- Asset sales and attractive public company valuations in Middle East highlight value inherent in ARO

1 Adjusted EBITDAR for active fleet and leased and managed rigs excludes onshore support costs and general and administrative expense
2 Excludes VALARIS 76 and 108, which will be leased to ARO upon completion of their existing contracts

Stacked rigs and newbuild options provide operating leverage in an improving market

Stacked Fleet Overview

- Stacked fleet includes 12 high-quality modern assets with a total build cost of ~$4.0B and significant useful lives remaining
- Proven ability to win work for preservation stacked assets, with five long-term floater contracts awarded since mid-2021
- Three uncontracted high-specification drillships provide operating leverage
- Disciplined approach to reactivations – economics are attractive at current day rates
- Capitalizing incremental EBITDA at market multiples offers substantial uplift
- Additional exposure to drillship market from purchase options on two newbuilds with purchase price of ~$119M and ~$218M[1,2]
  - Recent transactions and broker NAVs range from high $200M to mid $300M

Asset Value

Illustrative Asset Value of Stacked Fleet				As Built Cost
Value per Floater (5 Rigs)	$100M	$200M	$300M	~$600M
Value per Jackup (7 Rigs)	$25M	$50M	$75M	~$150M
Total Asset Value	**$675M**	**$1,350M**	**$2,025M**	**~$4,000M**

Reactivation Economics

Illustrative Drillship Example	3Q21	4Q22
Reactivation Costs	$40-45M	$70-80M
Customer Contribution	$–	~$20M
Net Investment	$40-45M	$50-60M
Average Day Rate[3]	$239,000	$402,000
Annualized Rig-Level EBITDA[4]	~$40M	~$95M
EBITDA Payback Period	**~13 Months**	**~7 Months**

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Source: S&P Global Petrodata as of February 2023; Valaris analysis.
1 Valaris has the option to purchase newbuild drillships VALARIS DS-13 and DS-14 before year-end 2023. 2 Purchase prices for VALARIS DS-13 and DS-14 exclude reactivation and mobilization costs.
3 Represents the average day rate for fixtures signed in each quarter, excluding priced options. Excludes fixtures awarded for work in India. 4 Assumes current average daily operating costs for a drillship excluding additional services

Significant earnings potential in a market recovery scenario

Total Rigs	Rigs Under Contract or with Future Contract	Illustrative Annual EBITDA from Valaris Fleet[1]				2014[2]
11	8	Drillship Day Rates	$350K	$400K	$450K	~$500K
5	3	Benign Semisubmersible Day Rates	$250K	$300K	$350K	~$400K
12	9	HD Ultra-Harsh & Harsh Jackup Day Rates[3]	$125K	$150K	$175K	~$220K
21	16	Modern HD & SD Jackup Day Rates[3]	$75K	$100K	$125K	~$160K
		Fleet Utilization	70%	75%	80%	85%
		Illustrative Operating Margin[4]	**~$830M**	**~$1,390M**	**~$2,010M**	**~$2,750M**
		Illustrative Total Onshore Costs	~$240M	~$240M	~$240M	~$240M
		Illustrative EBITDA[4]	**~$590M**	**~$1,150M**	**~$1,770M**	**~$2,510M**

1 Calculations based on total number of rigs in each asset category. Excludes standard duty legacy jackups on the basis that most of these rigs will likely be retired upon completion of current contracts.
2 Average earned operating day rate and utilization for global fleet in 2014 per S&P Global Petrodata
3 HD = Heavy Duty; SD = Standard Duty. Heavy duty jackups are well-suited for operations in tropical revolving storm areas.
4 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.

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

ARO Drilling Overview

- ARO Drilling ("ARO") is an unconsolidated 50/50 joint venture with Saudi Aramco that owns and operates jackup rigs in Saudi Arabia
- Strategic partnership with the largest global customer for jackups
- ARO owns seven jackup rigs operating under contracts with Saudi Aramco with contract backlog of **$794M** as of February 21, 2023
- ARO leases eight jackup rigs from Valaris, each operating under contracts with Saudi Aramco[1]
- ARO is scheduled to purchase 20 newbuild jackup rigs over the next decade, backed by long-term contracts with Saudi Aramco, which are expected to be financed by third-party financing non-recourse to Valaris[2] and cash from ARO operations
- Valaris has shareholder notes receivable with a principal balance of **$403M** from ARO as of December 31, 2022
- Asset sales and attractive public company valuations in Middle East highlight value inherent in ARO

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Income Statement Highlights

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

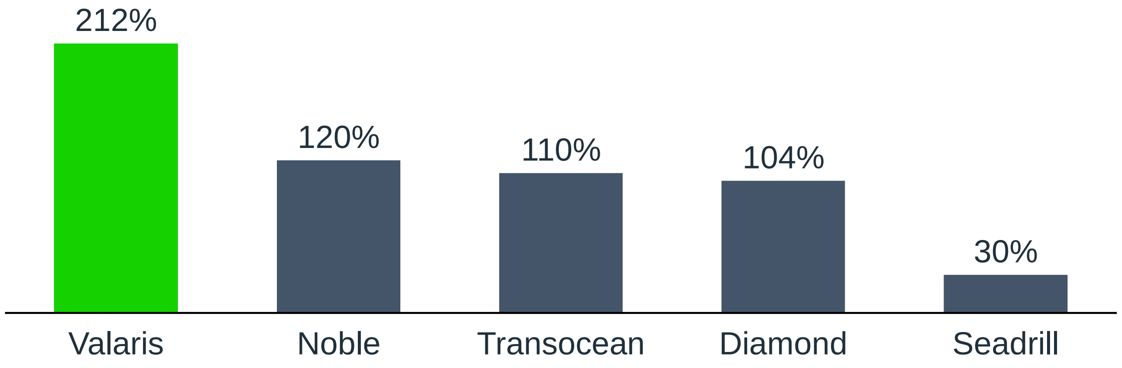
Balance Sheet Highlights

	Dec 31, 2022
Cash	$176M
Shareholder Notes	$822M
Third-Party Debt	Zero

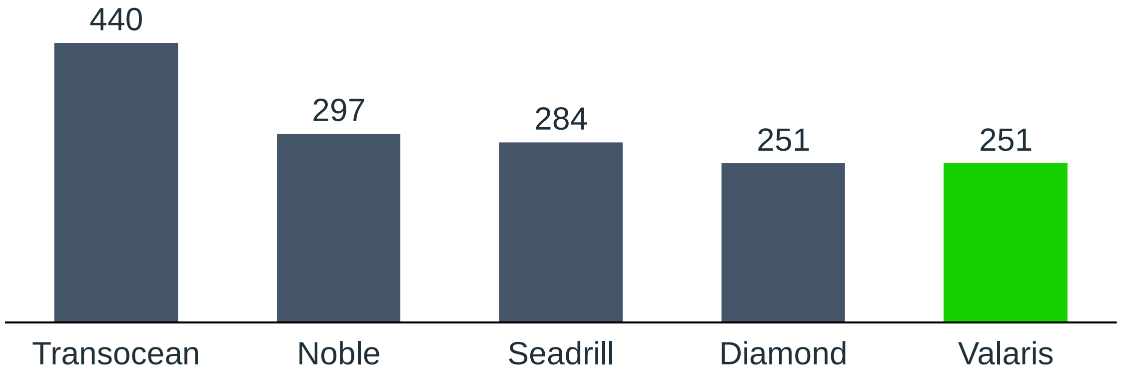
1 Excludes VALARIS 76 and 108, which will be leased to ARO upon completion of their existing contracts
2 ARO paid a 25% down payment from cash on hand for each of the newbuilds ordered in January 2020 and is actively exploring financing options for the remaining payments due upon delivery.

Equity trades at a discount to largest peers and recent market transactions

Equity Performance Since Valaris Listing[1]



Implied Steel Value per Ultra-Deepwater Equivalent Rig ($M)[2,3,4]



Recent Market Transactions for Drillships

Rig Name	Buyer	Seller	Price
Crete	Stena Drilling	Samsung Heavy Industries	$320 million
Santorini	Saipem	Samsung Heavy Industries	$305 million[5]
Aquila	Liquila Ventures	DSME	$275 million
Cobalt Explorer	Türkiye Petrolleri Anonim Ortaklığı	DSME	$255 million

- Recent market transactions for drillships have averaged ~$290 million (including an estimated $75 million of reactivation costs per rig) – approx. 1.2x the implied steel value Valaris is currently trading at for similar assets

Source: FactSet as of February 17, 2023; Fearnley Securities; Company filings
1 Equity performance since Valaris listing on May 3, 2021, except for Diamond and Seadrill, which relisted on March 29, 2022, and April 28, 2022, respectively.
2 Steel values calculated using market value of equity, book value of debt, underfunded pension liabilities, newbuild capital commitments and NPV of reactivation costs, less cash and NPV of backlog
3 Valaris steel value per UDW equivalent rig attributes $403M to ARO Drilling based on the principal value of the shareholder note receivable
4 Number of ultra-deepwater equivalent rigs per Fearnley Securities research report dated February 14, 2023; 5 Purchase price calculated as 2 x $15M lease payments, plus $200M purchase option price

Disciplined approach to capital allocation and focus on free cash flow generation

Disciplined

- Exercise operational leverage in a disciplined manner
- Rigs only reactivated for opportunities that provide meaningful returns on reactivation costs over the initial contract period
- Three high-specification uncontracted drillships remaining
- Purchase options on newbuild drillships VALARIS DS-13 and DS-14

Opportunistic

- Rational and economic approach to fleet management, including opportunistic divestitures if value accretive
  - Jackups VALARIS 113 and 114, each of which had been stacked for more than six years, were sold in 2022 for a combined total of $125 million
  - Agreed to sell 40-year old jackup VALARIS 54 following its current contract for $28.5 million
- Continual evaluation of strategic opportunities to create shareholder value with Board, including Strategy Committee

Returns Focused

- Investments in our fleet in the near-term will help to maximize future earnings and free cash flow
- Strong balance sheet provides capital allocation flexibility
- Actions taken in 2022 increase flexibility to return capital to shareholders over time
  - Consent solicitation on senior notes
  - $100 million share repurchase authorization

Key takeaways

1	Largest fleet of high-specification rigs with a significant presence in all key offshore basins
2	Strong customer relationships with major IOCs, NOCs and independents
3	Industry leading cost structure and balance sheet
4	Improved rig supply and demand dynamics driving day rates higher
5	Significant operating leverage in an improving market
6	Advantaged position in the world’s largest jackup market through ARO Drilling joint venture
7	Disciplined approach to fleet management and capital allocation with a focus on free cash flow

Appendix

Contract Backlog as of February 21, 2023

Contract Backlog (1) (2) ($ millions)	2023	2024	2025+	Total
Drillships	$ 554.5	$ 446.7	$ 61.1	$ 1,062.2
Semis	199.1	115.5	-	314.6
Floaters	**$ 753.6**	**$ 562.2**	**$ 61.1**	**$ 1,376.8**
HD - Ultra-Harsh & Harsh	$ 196.7	$ 125.2	$ 26.4	$ 348.2
HD & SD - Modern	189.7	58.7	92.7	341.0
SD - Legacy	41.6	11.3	-	52.9
Jackups	**$ 427.9**	**$ 195.2**	**$ 119.0**	**$ 742.2**
Leased Rigs	$ 77.0	$ 107.4	$ 89.3	$ 273.8
Managed Rigs	64.9	5.4	-	70.3
Other (3)	**$ 141.9**	**$ 112.8**	**$ 89.3**	**$ 344.0**
Total	**$ 1,323.4**	**$ 870.2**	**$ 269.5**	**$ 2,463.1**

ARO Drilling (4)	2022	2023	2024+	Total
Owned Rigs	$ 211.4	$ 246.6	$ 336.3	$ 794.3
Leased Rigs	259.1	352.2	326.2	937.5
Total	**$ 470.5**	**$ 598.8**	**$ 662.5**	**$ 1,731.8**

Contracted Days (1) (2)	2023	2024	2025+
Drillships	2,210	1,412	219
Semis	825	508	-
Floaters	**3,035**	**1,920**	**219**
HD - Ultra-Harsh & Harsh	1,871	986	203
HD & SD - Modern	2,126	684	823
SD - Legacy	560	174	-
Jackups	**4,557**	**1,844**	**1,026**
Leased Rigs	2,718	3,648	2,661
Managed Rigs	626	52	-
Other (3)	**3,344**	**3,700**	**2,661**
Total	**10,936**	**7,464**	**3,906**

Average Day Rates (1) (2)	2023	2024	2025+
Drillships	$ 251,000	$ 316,000	$ 279,000
Semis	241,000	227,000	-
Floaters	**$ 248,000**	**$ 293,000**	**$ 279,000**
HD - Ultra-Harsh & Harsh	$ 105,000	$ 127,000	$ 130,000
HD & SD - Modern	89,000	86,000	113,000
SD - Legacy	74,000	65,000	-
Jackups	**$ 94,000**	**$ 106,000**	**$ 116,000**

(1) Contract backlog, contracted days and average day rates as of February 21, 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 February 21, 2023. HD = Heavy Duty; SD = Standard Duty. Heavy duty jackups are well-suited for operations in tropical revolving storm areas

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

VALARIS

أرامكو السعودية
saudi aramco

Valaris operates three jackups offshore Saudi Arabia outside of ARO Drilling joint venture[1]

50% Ownership

50% Ownership

$403M Shareholder Notes Receivable

$419M Shareholder Notes Receivable

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Leased Jackups (8)

- Day rates set by an agreed pricing mechanism
- Valaris receives bareboat charter fee based on % of rig-level EBITDA

Owned Jackups (7)

- Rigs contracted for three or five-year terms for at least an aggregate of 15 years from JV inception
- Rigs contribute to ARO Drilling results, of which Valaris recognizes 50% of net income

Newbuild Jackups (20)

- Initial 8-year contracts; day rate based on 6-year EBITDA payback mechanism[2]
- Further 8-year contracts; day rate set by market pricing mechanism and re-priced every 3 years
- Rigs 1 and 2 expected to be delivered in 2023
- Rigs contribute to ARO Drilling results, of which Valaris recognizes 50% of net income

1 Two of these rigs, VALARIS 76 and 108, will be leased to ARO upon completion of their existing contracts
2 Down payment on each newbuild rig is no more than 25% before delivery

Non-GAAP Reconciliations

(In millions)

ACTIVE FLEET		Year-Ended December 31, 2022
Net income (loss)	$	232.2
Add (subtract):		
Reactivation costs		124.3
Depreciation and amortization, net		64.8
Other		(9.0)
Adjusted EBITDAR[1]	$	412.3

(In millions)

LEASED & MANAGED RIGS		Year-Ended December 31, 2022
Net income (loss)	$	76.8
Add (subtract):		
Reactivation costs		-
Depreciation and amortization, net		5.3
Other		(0.1)
Adjusted EBITDAR[1]	$	82.0

(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

VALARIS

1 Adjusted EBITDAR for active fleet and leased and managed rigs excludes onshore support costs and general and administrative expense


VALARIS
FOCUSED
VALUE DRIVEN
RESPONSIBLE