



For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 7 0 2 3 5 9 8

Company name in full Valaris Plc

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Jonathan

Surname Marston

3 Administrator's address

Building name/number Suite 3 Regency House

Street 91 Western Road

Post town Brighton

County/Region

Postcode B N 1 2 N W

Country

4 Administrator's name ①

Full forename(s) Mark Granville

Surname Firmin

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Suite 3 Regency House

Street 91 Western Road

Post town Brighton

County/Region

Postcode B N 1 2 N W

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 3	^d 0	^m 0	^m 4	^y 2	^y 0	^y 2	^y 1
To date	^d 2	^d 9	^m 1	^m 0	^y 2	^y 0	^y 2	^y 1

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date	^d 2	^d 9	^m 1	^m 1	^y 2	^y 0	^y 2	^y 1
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**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Greg Clifford**

Company name **Alvarez & Marsal Europe LLP**

Address **Suite 3 Regency House**

91 Western Road

Post town **Brighton**

County/Region

Postcode **B N 1 2 N W**

Country

DX

Telephone **+44 (0) 20 7715 5200**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

VALARIS PLC – IN ADMINISTRATION

Joint Administrators' first progress report

For the period from 30 April 2021 to 29 October 2021

29 November 2021

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1 Executive summary

On 30 April 2021, Jonathan Charles Marston and Mark Granville Firmin of Alvarez & Marsal Europe LLP ("A&M") were appointed as Joint Administrators ("we"/"us"/"our") of Valaris Plc ("the Company").

This progress report covers the period from 30 April 2021 to 29 October 2021.

A summary of key matters is as follows:

- Shortly following our appointment on 30 April 2021, we implemented a pre-packaged transaction, comprising three interrelated steps (the "UK Transaction") which transferred or released substantially all assets and liabilities of the Company (Section 2 – Strategy and progress of the administration to date).
- The secured creditor, Wilmington Savings Fund Society, FSB ("Wilmington"), fully released its charge immediately following our appointment. We are not aware of any outstanding secured claims against the Company (Section 3 – Dividend prospects).
- The Company had no direct employees or preferential Crown debts at the date of appointment and accordingly there are no known preferential claims (Section 3 – Dividend prospects).
- Following the UK Transaction, and releases provided by certain unsecured creditors, the only unsecured creditor balances remaining are amounts due to Ensco Jersey Finance Limited and Ensco Incorporated (former subsidiaries of the Company). These claims rank as unsecured claims in the administration. There is no prospect of a distribution to the unsecured creditors (Section 3 – Dividend prospects).
- We delivered our statement of proposals ("Proposals") to all known creditors on 14 May 2021. They were deemed approved without modification on 26 May 2021.

Please note that you should read this progress report in conjunction with our Proposals which were issued to the Company's creditors and are available on the Portal. Unless stated otherwise, all amounts in this report are stated net of VAT. Currency values included within this statement are reported in United States Dollar ("\$").



Jonathan Marston
Joint Administrator

2 Strategy and progress of the administration to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our Proposals.

2.1 Strategy

Shortly following our appointment on 30 April 2021, we implemented the UK Transaction, which transferred or released substantially all assets and liabilities of the Company, resulting in the release of unsecured actual and contingent liabilities owed by the Company exceeding \$7.3 billion (including accrued interest). Full details of the UK Transaction can be found in Appendix 5 of our Proposals.

Following the UK Transaction, the Company had no assets from which to fund the costs of the administration. Accordingly, we negotiated a funding arrangement whereby Valaris Holdco 2 Limited ("Newco") provided funding to meet the costs and expenses of the administration. Further details of this are provided in our Proposals and section 2.2 below.

2.1.1 Sale of business

As detailed above, the UK Transaction was implemented by the Administrators shortly following our appointment on 30 April 2021.

The result of the UK Transaction is that substantially all of the business and assets of the Company and its subsidiaries and affiliates (together the "Former Group") are now ultimately owned by the principal financial creditors of the Former Group through shares in Newco's parent company, Valaris Limited ("Holdco"), beneficial title to which was transferred to those financial creditors as part of the UK Transaction. In return, those creditors have irrevocably forgiven \$7.3 billion of liabilities due from the Company.

2.1.2 US Claim

The Company is currently a defendant in a claim in the US Bankruptcy Court (Southern District of Texas). The Company has engaged various legal advisers to defend this claim.

The costs of these legal advisers (and those of the Joint Administrators) in relation to this claim are being paid from funding which is held outside the estate by a third party. Accordingly, these costs do not form part of the receipts and payments account (Appendix 2).

2.2 Asset realisations

As detailed above, substantially all assets and liabilities of the Company were transferred or released as part of the UK Transaction.

The overall financial benefit for the Company from entering into the UK Transaction was the release of unsecured actual and contingent liabilities owed by the Company exceeding \$7.3 billion. However, there was no cash consideration payable in addition to the debt release.

As there was no cash consideration payable in addition to the debt release, there is no corresponding receipt for the UK Transaction shown in the attached receipts and payments account (Appendix 2).

As all assets of the Company have been transferred as part of the UK Transaction, we do not anticipate any future asset realisations.

2.2.1 OF Funding Loan

As detailed above, following the UK Transaction, the Company had no unrealised assets available to fund the costs of the administration. Accordingly, we negotiated a funding arrangement whereby Newco has provided funding of \$2 million to meet the costs and expenses of the administration (the "OF Funding Loan").

The OF Funding Loan is being held by us on trust for Newco and may only be used to meet the costs and expenses of the administration process. It is anticipated that this funding will enable us to wind down the Company in an orderly fashion and in accordance with the purpose of the administration.

The OF Funding Loan was received shortly after our appointment, as shown within the attached receipts and payments account (Appendix 2). We note that these funds are not an asset of the administration and represent a third party loan to meet the costs of the administration. As a result, these funds are not available to unsecured creditors of the Company.

Any surplus in the OF Funding Loan remaining after settlement of the costs and expenses of the administration will be returned to Newco. Based on our latest cost estimate, we do not anticipate that the full \$2 million of funding will be required, and accordingly \$1 million has already been returned to Newco, as detailed in section 2.3 below.

Should any surplus in the residual OF Funding Loan remain after settlement of the costs and expenses of the administration, this will be returned to Newco prior to the end of the administration.

2.2.2 Investigations

We have reviewed the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.

We have complied with the relevant statutory requirements by submitting the online director conduct assessment to the Department for Business, Energy and Industrial Strategy. The contents of our submission are confidential.

2.3 Expenses

2.3.1 Payments

The payments made in this period from the OF Funding Loan are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the reporting period, are provided below.

Repayment of OF Funding Loan

As noted in section 2.2, shortly following our appointment we received \$2 million from Newco to meet the costs and expenses of the administration. However, following a review of our estimated costs, we concluded that the full \$2 million of OF Funding Loan would not be required.

Accordingly, a total of \$1 million of the OF Funding Loan was repaid to Newco during the reporting period, as shown in the attached receipts and payments account.

Should any surplus in the residual OF Funding Loan remain after settlement of the costs and expenses of the administration, this will be returned to Newco prior to the conclusion of the administration.

Joint Administrators' Fees and Disbursements

During the reporting period, we have drawn the following fees and disbursements from the OF Funding Loan:

- post-appointment fees of \$400,000; and
- post-appointment disbursements of \$2,225.

Approval to the payment of these costs as an expense of the administration was obtained from the Company's creditors. Further details of our remuneration are provided in section 5 of this report.

Irrecoverable VAT

The Company was removed from the wider Valaris VAT group following completion of the UK Transaction. As the Company has no remaining assets and will not be trading, we are unable to re-register for VAT in the administration.

As a result, any VAT incurred on costs of the administration will be treated as irrecoverable. A total of \$84,977 in irrecoverable VAT has been incurred in the reporting period.

2.3.2 Professional advisers and sub-contractors

Contractor Costs – Clumber Consultancy Limited ("Clumber")

As part of our post-appointment actions, we identified a pension scheme registered in a former name of the Company. We subsequently instructed Clumber to identify whether the scheme remained active.

A total of \$6,218 was paid to Clumber in the reporting period, for advice provided in relation to this matter.

While this work could have been undertaken by ourselves and our staff, Clumber was appointed as it was a more cost effective option given its specialist knowledge in this area. Clumber's fees have been paid on a time costs basis and have been reviewed on a regular basis.

We do not expect to make any further payments to Clumber during the administration.

Post-appointment Legal fees / Disbursements – Slaughter & May

We engaged Slaughter & May to act as post-appointment legal advisers, given that it is a reputable firm and experienced in insolvency related matters. Slaughter & May will charge fees based on time incurred at agreed hourly rates. Time incurred has been reviewed throughout the administration.

During the administration, Slaughter & May has provided assistance with ad-hoc matters arising following completion of the UK Transaction, as well as providing other general legal advice, as and when required.

A total of \$16,164 has been paid to Slaughter & May from the insolvency estate during the reporting period.

In addition, Slaughter & May has advised on aspects of the defence of the US claim. The costs incurred in relation to this advice will be paid from funding held outside the estate by a third party.

We expect to pay additional fees to Slaughter & May during the administration in relation to ongoing legal advice.

Post-appointment Legal fees / Disbursements – Kirkland & Ellis LLP and Paul, Weiss, Rifkind, Wharton & Garrison LLP

These legal advisers have been engaged to deal with aspects of defending the US claim only. The costs incurred in relation to this advice will be paid from funding held outside the estate by a third party.

We engaged Kirkland & Ellis to act as post-appointment legal advisers in respect of the US claim, given that it is a reputable firm and had knowledge of the Company's Chapter 11 proceedings. Kirkland & Ellis will charge fees based on time incurred at agreed hourly rates. Time incurred has been reviewed throughout the administration.

We engaged Paul, Weiss, Rifkind, Wharton & Garrison LLP to act as post-appointment legal advisers in respect of the US claim, given that it is a reputable firm and independent advice was required with regard to the Joint Administrators' position. Paul, Weiss, Rifkind, Wharton & Garrison LLP will charge fees based on time incurred at agreed hourly rates. Time incurred has been reviewed throughout the administration.

2.4 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

3 Dividend prospects

3.1 Secured creditors

As at the date of our appointment, Wilmington held a debenture supported by fixed and floating charges over the Company's assets. This debenture was created on 25 September 2020 and registered on 13 October 2020. This charge was in respect of the Debtor in Possession Facility ("DIP Facility"), a financing facility provided to the Former Group as part of the Chapter 11 Proceedings which preceded the administration.

As no amounts were drawn down on the DIP Facility prior to appointment, the Wilmington charge was released shortly following our appointment. Following this release, we are not aware of there being any outstanding secured claims against the Company.

3.2 Preferential creditors

The Company was the Former Group's holding entity and had no employees as at the date of appointment. On this basis, we are not aware of any ordinary preferential claims against the Company.

We are not aware of any amounts owed to HMRC that would rank as secondary preferential claims.

3.3 Unsecured creditors

As detailed in our Proposals, the Company's unsecured trade creditors have all transferred to and will be satisfied by the go-forward Valaris Group. We therefore do not anticipate any unsecured trade creditor claims arising in the administration.

The Company's creditor balances as at the date of our appointment included retained advisers' professional fees for the period up to 3 March 2021, when the Fourth Chapter 11 Plan which had been provided to the Former Group's creditors (the "Fourth Plan") was confirmed by the US Bankruptcy Court. These costs have been paid from funding that has been provided by the Former Group and set aside in an escrow account as part of the Chapter 11 Proceedings. These creditors will have no unsecured claim in the Company's administration.

Creditor balances at the date of our appointment also included retained advisers' professional fees (for the period from 4 March 2021) and non-retained advisers' professional fees (for the period up to our appointment). Such claims have been met by the go-forward Valaris Group following our appointment. These creditors will have no unsecured claim in the Company's administration.

The Fourth Plan provided that intercompany claims may be reinstated, set off, settled, distributed, contributed, cancelled or released without distribution subject to certain consent requirements. Following the UK Transaction, all intercompany payables were either assumed by an entity within the go-forward Valaris Group or released, with the exception of:

- an amount of approximately \$850 million due to Ensco Jersey Finance Limited; and
- an amount of approximately \$192 million due to Ensco Incorporated.

These balances will rank as unsecured claims in the administration.

As all assets of the Company have been transferred, we do not anticipate any further asset realisations. Consequently, based on current estimates, there are insufficient funds to enable a distribution to be made to unsecured creditors.

4 Joint Administrators' remuneration, category 2 expenses and pre-administration costs

4.1 Joint Administrators' remuneration and category 2 expenses

4.1.1 Basis of remuneration and category 2 expenses

During the reporting period, the Company's unsecured creditors have provided approval that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate and charge-out rates provided to creditors;
- category 2 expenses (as defined in Statement of Insolvency Practice 9) will be paid as an expense of the estate, including disbursements paid directly by A&M and charged in accordance with our charging policy as set out in Appendix 4; and
- unpaid pre-administration costs will be paid as an expense of the estate.

At this stage, we estimate that the total amount of remuneration to be paid from the estate will be \$532,543.

4.1.2 Time costs

From the date of our appointment to 29 October 2021, we have incurred time costs of \$461,314. This represents 681 hours at an average rate of \$678 per hour.

4.1.3 Remuneration

During the period, we have drawn remuneration of \$400,000.

4.1.4 Additional information

Fees estimate

We do not anticipate that the fees estimate of \$532,543 will be exceeded during the administration.

Expenses estimate

We do not anticipate that the expenses to be incurred during the administration will exceed our original expenses estimate of \$215,659, as previously disclosed to creditors.

Time spent and charging policy

We have attached at Appendix 4 an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by Alvarez & Marsal Europe LLP for the period from our appointment to 29 October 2021. We have also attached our charging policy.

4.2 Pre-administration costs

We disclosed the following pre-administration costs, which were unpaid at the date of our appointment, in our Proposals:

Pre-administration costs	Paid (\$)	Unpaid (\$)	Total (\$)
Valuation fees – Fearnley Offshore AS	-	33,000.00	33,000.00
Total	-	33,000.00	33,000.00

On 19 July 2021, we received approval from the Company's unsecured creditors to pay these pre-administration costs as an expense of the administration.

These costs have since been paid outside of this reporting period and will be reflected in our next update to creditors.

5 Future strategy

5.1 Future conduct of the administration

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- complying with the ongoing statutory requirements of the administration;
- dealing with outstanding tax related matters and obtaining tax clearance from HMRC, in due course;
- settling outstanding costs of the administration; and
- dealing with closure related formalities, including the issuing of our final report to creditors.

5.2 Discharge from liability

We will seek approval from the Court that we will be discharged from liability in respect of any action as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us.

5.3 Future reporting

We will provide a further progress report within one month of 29 April 2022 or earlier if the administration has been completed prior to that time.

Appendix 1 – Statutory information

Company information

Company name	Valaris Plc
Date of incorporation	18 September 2009
Company registration number	07023598
Present registered office	Suite 3, Regency House, 91 Western Road, Brighton, BN1 2NW

Administration information

Administration appointment	The administration appointment granted in the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD), CR-2021-000772
Appointor	The Court on the application of the directors of the Company
Date of appointment	30 April 2021
Joint Administrators	Jonathan Charles Marston and Mark Granville Firmin
Joint Administrators' contact details:	Address: Suite 3, Regency House, 91 Western Road, Brighton BN1 2NW Tel: 0113 360 6700 Email: INS_VALARP@alvarezandmarsal.com
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	29 April 2022

Appendix 2 – Receipts and payments account

Valaris Plc
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs USD	From 30/04/2021 To 29/10/2021 USD	From 30/04/2021 To 29/10/2021 USD
OTHER REALISATIONS		
Bank Interest	332.41	332.41
OF Funding Loan	2,000,000.00	2,000,000.00
	<u>2,000,332.41</u>	<u>2,000,332.41</u>
COST OF REALISATIONS		
Repayment of OF Funding Loan	1,000,000.00	1,000,000.00
Specific Bond	280.48	280.48
Administrators' Fees		
Post-appointment Administrators' Fees	400,000.00	400,000.00
Administrators' Disbursements		
Post-appointment Administrators' Disbursements	2,224.67	2,224.67
Contractor Costs		
Post-appointment Contractor Costs	6,218.24	6,218.24
Legal Fees/Disbursements		
Post-appointment Legal Fees	16,164.37	16,164.37
Irrecoverable VAT	84,977.32	84,977.32
Statutory Advertising	279.28	279.28
Bank Charges	157.68	157.68
	<u>(1,510,302.04)</u>	<u>(1,510,302.04)</u>
UNSECURED CREDITORS		
(1,055,806,225.00) Intercompany - Remaining creditors	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
(1,055,806,225.00)	<u>490,030.37</u>	<u>490,030.37</u>
REPRESENTED BY		
OF Trust Account - USD		490,030.37
		<u>490,030.37</u>

Funds are held in an interest-bearing United States dollar (\$ USD) bank account, on trust for Newco.

Appendix 3 – Schedule of expenses

A3.1 Schedule of Expenses

A summary of the expenses incurred during the period of this report is set out below:

Category	Incurring in the period (\$)
Fearnley – Valuation costs*	33,000.00
Legal Fees	16,164.37
Pension consultancy costs	6,218.24
Bonding	280.48
Statutory Advertising	279.28
Re-direction of mail	57.34
Printing, Postage & Scanning	2,224.67
Bank Charges	157.68
Irrecoverable VAT	84,977.32
Total	143,359.38

* These costs relate to pre-administration costs, discussed at 4.2 above

Totals shown above may include slight variances to those disclosed in our prior report. This is due to fluctuations in exchange rates for amounts incurred, or estimated, in Pounds Sterling which have subsequently been converted into US Dollars.

In addition, legal costs of \$147,411.10, trustee fees of \$30,091.46 and Joint Administrators fees of \$33,635.00 have been incurred in relation to the US claim discussed at section 2.1.2 above. These costs have not been paid in the reporting period, but will be paid from funding held outside the estate by a third party and are therefore not included in the schedule of expenses above.

A3.2 Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including the unsecured creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Greg Clifford at Alvarez & Marsal Europe LLP, Suite 3, Regency House, 91 Western Road, Brighton, BN1 2NW.

Appendix 4 – Charging policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT and investigations by A&M in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Charge-out rates (\$/hour) for: Restructuring

Grade	From 30 April 2021
Managing Director	1,175
Senior Director	825
Director	725
Associate Director	700
Senior Associate	675
Associate	575
Analyst	475
Support	400

A copy of "Administration: A Guide for Creditors on Insolvency Practitioner Fees" from SIP 9 produced by the Association of Business Recovery Professionals is available via the Portal.

If you are unable to access this guide and would like a copy, please contact Greg Clifford at INS_VALARP@alvarezandmarsal.com.

Policy for the recovery of disbursements

Where funds permit the office holders will seek to recover disbursements falling into both category 1 and category 2 expenses from the estate. For the avoidance of doubt, such disbursements are defined within SIP 9 as payments which are first met by the office holder, and then reimbursed to the office holder from the estate. These are divided in SIP 9 as follows:

- *Disbursements within category 1 expenses:* These are payments which do not have any element of shared costs and are made to persons who are not an associate of the office holder. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

- *Disbursements within category 2 expenses:* These are payments to associates or which have an element of shared costs. These may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Disbursements within category 2 expenses charged by A&M include mileage at a rate of 45p per mile. When carrying an A&M passenger, no additional cost per passenger will be charged.

We have the authority to pay disbursements falling within category 1 expenses without the need for any prior approval from the creditors of the Company.

Disbursements falling within category 2 expenses are to be approved in the same manner as our remuneration.

Disbursements falling within category 1 expenses:

Nature of disbursement	Amounts incurred in the period (\$)	Amounts paid in the period (\$)
Printing, Postage & Scanning	2,224.67	2,224.67
Re-direction of mail	57.34	-
Total	2,282.01	2,224.67

Totals shown above may include slight variances to those disclosed in our prior report. This is due to fluctuations in exchange rates for amounts incurred, or estimated, in Pounds Sterling which have subsequently been converted into US Dollars.

Disbursements falling within category 2 expenses:

No disbursements falling within category 2 expenses have been incurred or paid during the reporting period.

Our time cost summary in accordance with SIP 9

Please refer to the tables below for a detailed breakdown and narrative of our time costs to 29 October 2021 in accordance with SIP 9.

Time costs incurred up to the period ending 29 October 2021			
Category	Hours	Time Cost	Average hourly rate
		(\$)	(\$)
Engagement Control	142.60	97,177.50	681.47
Appointment and risk	30.90	20,665.00	668.77
Proposals, Reporting and Remuneration	140.40	96,017.50	683.89
Correspondence and Statutory Filing	76.80	53,137.50	691.89
Investigations	187.70	124,020.00	660.74
Sale of Business	3.70	2,590.00	700.00
Asset Realisations	3.40	1,955.00	575.00
Cost of Realisation	15.10	9,260.00	613.25
Tax	30.75	21,208.75	689.72
Cashiering	12.70	8,947.50	704.53
Employees & Pensions	35.80	25,160.00	702.79
Claims & Distributions	1.00	1,175.00	1175.00
Total	680.85	461,313.75	677.56

SIP 9 narrative for the period from 30 April 2021 to 29 October 2021

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
Engagement control	<ul style="list-style-type: none">- Formulating, monitoring and reviewing the administration strategy- Briefing our staff on the administration strategy and matters in relation to various work-streams- Regular case management and reviewing of process, including regular team update meetings and calls- Reviewing and authorising junior staff correspondence and other work- Dealing with queries arising during the appointment- Reviewing matters affecting the outcome of the administration- Allocating and managing staff/case resourcing and budgeting exercises and reviews- Liaising with legal advisers regarding the various instructions, including agreeing content of engagement letters- Complying with internal filing and information recording practices, including documenting strategy decisions	To ensure appropriate oversight, decision making and overall control of the administration, which will help to progress the case efficiently	No direct financial benefit
Appointment & risk	<ul style="list-style-type: none">- Collating initial information to enable us to carry out our statutory duties, including creditor information and details of assets- Arranging bonding and complying with statutory requirements- Liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place	To comply with statutory requirements and protect Company assets	No direct financial benefit

SIP 9 narrative for the period from 30 April 2021 to 29 October 2021

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
Reports, decision making & remuneration	<ul style="list-style-type: none">- Preparing statutory receipts and payments accounts- Drafting and publishing our Proposals- Obtaining approval of our Proposals- Ensuring compliance with all statutory obligations within the relevant timescales- Preparing for the creditors' decision relating to the approval of our remuneration, disbursements and other advisers' unpaid pre-administration costs- Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9- Preparing and reviewing the fees estimate- Preparing and reviewing the expenses estimate- Seeking approval of the basis of remuneration from the relevant parties	To comply with statutory requirements and ensure creditors are informed of progress	No direct financial benefit
Correspondence & statutory filing	<ul style="list-style-type: none">- Uploading information to the Portal- Providing initial and ongoing statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders and advertising our appointment- Email and telephone correspondence with Company stakeholders regarding the administration process- Liaison with Stretto and the go-forward Valaris group in respect of website notifications and communications with stakeholders	To comply with statutory requirements and to ensure that creditors are advised of the progress of the administration	No direct financial benefit

SIP 9 narrative for the period from 30 April 2021 to 29 October 2021

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
Investigations	<ul style="list-style-type: none">- Obtaining and reviewing the information relevant to our investigation work- Reviewing Company and Directorship searches and advising the directors of the effect of the administration- Liaising with management to produce the Statement of Affairs and filing it with the Registrar of Companies- Reviewing the questionnaires submitted by the Directors of the Company- Reviewing pre-appointment transactions- Drafting the statutory report and submitting to the relevant UK Government authority	To comply with statutory requirements and to pursue any potential asset recoveries for the estate	Maximising asset realisations which may increase the dividend prospects for the Company's creditors
Sale of business	<ul style="list-style-type: none">- Finalising the pre-packaged sale of the Company's business and assets immediately on appointment	To complete the pre-packaged sale of the Company's business and assets to Newco and to comply with the post-sale requirements under the terms of the SPA	The overall financial benefit for the Company from entering into the UK Transaction was the release of unsecured actual and contingency liabilities exceeding \$7.3 billion
Asset realisations	<ul style="list-style-type: none">- Dealing with post-completion matters under the terms of the SPA	To complete the pre-packaged sale of the Company's business and assets to Newco and to comply with the post-sale requirements under the terms of the SPA	The overall financial benefit for the Company from entering into the UK Transaction was the release of unsecured actual and contingency liabilities exceeding \$7.3 billion
Costs of realisation	<ul style="list-style-type: none">- Liaising with third parties regarding costs incurred- Reviewing costs incurred to ensure recorded accurately- Arranging payment of the costs in a timely manner as and when funds allow	To settle costs of third parties who have facilitated the administration process	No direct financial benefit

SIP 9 narrative for the period from 30 April 2021 to 29 October 2021

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
Tax	<ul style="list-style-type: none">- Gathering initial information from the Company's records in relation to the taxation position of the Company;- Submitting relevant initial notifications to HMRC- Reviewing the Company's pre-appointment corporation tax and VAT position- Review of tax returns relating to the Company and assisting Newco with group relief claims- Liaison with the go-forward Valaris group and other professional advisors regarding the group relief claims and tax compliance matters- Ensuring the Company is removed from the former VAT group- Dealing with post appointment tax compliance	To comply with statutory requirements and ensure mitigation of the tax liabilities / expenses of the administration	Minimising the costs / liabilities of the administration may increase the dividend prospects for creditors
Cashiering	<ul style="list-style-type: none">- Setting up administration bank accounts- Preparing and processing vouchers for the payment of post-appointment invoices- Creating remittances and sending payments to settle post-appointment invoices- Reconciling post-appointment bank accounts to internal systems- Ensuring compliance with appropriate risk management procedures in respect of receipts and payments	To effectively manage funds, receive asset realisations and discharge the costs of the administration	No direct financial benefit
Employees & pensions	<ul style="list-style-type: none">- Collating information and reviewing the Company's pension schemes.- Instructing and liaising with Clumber to review the pension scheme position.- Liaising with the trustees of the pension scheme, the Pensions Regulator and the Pensions Protection Fund concerning the changes caused to the pension scheme as a result of our appointment	To comply with statutory requirements relating to the Company's pension schemes	No direct financial benefit

Appendix 5 – Glossary

Any references in this progress report to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016 respectively.

Defined Terms	Definition
A&M	Alvarez & Marsal Europe LLP
AF Funding Loan	Additional funding provided by Newco, to be drawn under specific circumstances
Chapter 11 Proceedings	The voluntary cases commenced by the Debtors on 19 August 2020 under Chapter 11 of the US Bankruptcy Code
Clumber Company	Clumber Consultancy Limited
Crown / HMRC	Valaris plc in administration
Debtors	Her Majesty's Revenue and Customs (the UK tax authority)
DIP / DIP Facility	The Company and 89 subsidiaries and affiliates, which entered into the Chapter 11 Proceedings on 19 August 2020
Fearnley	Debtor-in-Possession Facility
Former Group	Fearnley Offshore AS
Fourth Plan	The Company together with its subsidiaries and affiliates prior to the UK Transaction
Holdco	The Debtor's Fourth Amended Joint Chapter 11 Plan of Reorganisation filed in the US Bankruptcy Court on 6 February 2021 and confirmed by the US Bankruptcy Court on 3 March 2021 [Docket Entry No. 1139]
Joint Administrators/ Administrators/we/our/us	Valaris Limited
Newco	Jonathan Charles Marston and Mark Granville Firmin
OF Funding Loan	Valaris Holdco 2 Limited
Plan	The \$2 million in funding provided by Newco, to meet the costs and expenses of the administration
Proposals	Plan of reorganisation
Secured creditor / Wilmington	The Joint Administrators' statement of proposals, delivered to all known creditors on 14 May 2021
Senior Note Holders	Wilmington Savings Fund Society, FSB
SIP	Holdco
SIP 9	Holders of the Former Group's 15 series of senior unsecured notes, as more particularly described in the Fourth Plan
SPA	Statements of insolvency practice
UK Transaction	Statement of Insolvency Practice 9 England and Wales: Payments to insolvency office holders and their associates
US Bankruptcy Code	Sale and purchase agreement dated 30 April 2021 between the Company, the Joint Administrators, ENSCO Global Limited and Newco
US Bankruptcy Court	A transaction, comprising a series of three interrelated steps completed on 30 April 2021, the result of which is that the business and assets of the Company (which now sit beneath Newco) are now ultimately owned by the Revolving Credit Facility Lenders and the Senior Note Holders through shares in Holdco
	Title 11 of the United States Code, 11 U.S.C. §§ 101–1532
	US Bankruptcy Court for the Southern District of Texas

Appendix 6 – Notice: About this progress report

This progress report has been prepared by Jonathan Charles Marston and Mark Granville Firmin, the Joint Administrators of Valaris plc in administration ('the Company'), solely to comply with their statutory duty to report to creditors under the Insolvency (England and Wales) Rules 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

This progress report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the same group.

Any estimated outcomes for creditors included in this progress report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this progress report for any purpose or in any context other than under the Insolvency (England and Wales) Rules 2016 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Jonathan Charles Marston and Mark Granville Firmin are authorised to act as insolvency practitioners by The Institute of Chartered Accountants in England and Wales.

We are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agent for the Company without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Alvarez & Marsal Europe LLP does not assume any responsibility and will not accept any liability to any person in respect of this progress report or the conduct of the administration.