



For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://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	<sup>d</sup> 3	<sup>d</sup> 0	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1
To date	<sup>d</sup> 2	<sup>d</sup> 9	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date	<sup>d</sup> 2	<sup>d</sup> 6	<sup>m</sup> 0	<sup>m</sup> 5	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2
----------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------

**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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

**VALARIS PLC – IN ADMINISTRATION**

# **Joint Administrators' second progress report**

**For the period from 30 October 2021 to 29 April 2022**

*26 May 2022*

# Contents

1	Executive summary .....	3
2	Strategy and progress of the administration to date .....	4
2.1	Strategy .....	4
2.2	Asset realisations .....	4
2.3	Expenses .....	5
2.4	Schedule of expenses .....	5
3	Dividend prospects .....	6
3.1	Secured creditors .....	6
3.2	Preferential creditors .....	6
3.3	Unsecured creditors .....	6
4	Joint Administrators' remuneration and category 2 expenses .....	7
4.1	Joint Administrators' remuneration and category 2 expenses .....	7
5	Future strategy .....	9
5.1	Future conduct of the administration .....	9
5.2	Extension of the administration .....	9
5.3	Discharge from liability .....	9
5.4	Future reporting .....	9
	Appendix 1 – Statutory information .....	10
	Appendix 2 – Receipts and payments account .....	11
	Appendix 3 – Schedule of expenses .....	12
	Appendix 4 – Charging policy .....	13
	Appendix 5 – Glossary .....	19
	Appendix 6 – Notice: About this progress report .....	20

# 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 October 2021 to 29 April 2022.

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).
- During the reporting period, our work has focused on attending to the ongoing statutory requirements of the administration, and liaising with Valaris Holdco 2 Limited (“Newco”) regarding the outstanding pre-appointment corporation tax returns that need to be filed (and tax clearance received from HMRC), prior to exit from the administration (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).
- During the period, the Court granted a 12 month extension to the period of the administration. The administration is now due to end on 30 April 2023.
- Please note you should read this progress report in conjunction with our previous progress report and proposals which were issued to the Company’s creditors and are available on the Portal.
- Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT. Currency values included within this document 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 and previous progress report.

### 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.

During the reporting period, our work has focused on attending to the ongoing statutory requirements of the administration, and liaising with Newco regarding the outstanding pre-appointment corporation tax returns that need to be filed in order to obtain tax clearance received from HMRC, prior to the administration being brought to a close.

#### 2.1.1 US Claim

As noted in our last progress report, the Company is 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 provided 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

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

During the period no asset realisations have been received other than \$120 of bank interest.

#### 2.2.1 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

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

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

#### *Agents costs*

As detailed in our proposals, Fearnley Offshore AS ("Fearnley") was instructed as part of the Company's previous Chapter 11 Proceedings to complete an independent valuation of the Former Group's rig assets.

A total of \$33,000 was incurred by Fearnley prior to the administration and remained unpaid as at the date of our appointment.

These outstanding pre-administration costs were paid in the reporting period as an expense of the administration, in accordance with the approvals obtained from creditors.

## 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).

Summaries of the most significant expenses which have been incurred in the period but have not yet been paid are provided below.

#### *Post-appointment Legal Fees and Disbursements – Slaughter and May*

During the period, Slaughter and May has provided assistance with ad-hoc legal matters arising following completion of the UK Transaction, in addition to preparing the application to Court to seek an extension to the period of the administration.

Fees totalling \$87,713 and disbursements of \$12,542 have been incurred by Slaughter and May during the reporting period. We anticipate further costs being incurred by Slaughter and May in relation to ongoing legal advice.

Slaughter and May has also 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 of the estate by a third party.

#### *Irrecoverable VAT*

As detailed in our previous reports, as we are unable to re-register the Company for VAT purposes, any input VAT incurred on expenses of the administration is irrecoverable.

During the reporting period, a total of \$20,027 in irrecoverable VAT has been incurred.



## 3 Dividend prospects

### 3.1 Secured creditors

As detailed in our Proposals, we are not aware of there being any outstanding secured claims against the Company.

### 3.2 Preferential creditors

As detailed in our Proposals, 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 trade creditors have all transferred to, and will be satisfied by the go-forward Valaris Group, as part of the UK Transaction. 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 two intercompany payables:

- 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 and category 2 expenses

## 4.1 Joint Administrators' remuneration and category 2 expenses

### 4.1.1 Basis of remuneration and category 2 expenses

During the administration, 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 and disclosed to creditors) 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.

We currently estimate that the total amount of remuneration to be paid from the estate will be \$532,543. However, as explained at section 4.1.4, it has become apparent during the period that we have exceeded our previous fees estimate and we wish to draw remuneration in excess of our previous estimate. Therefore, we will shortly be seeking approval from the Company's unsecured creditors that we be authorised to draw additional remuneration.

### 4.1.2 Time costs

During the period we have incurred time costs of \$113,168. These represent 159 hours at an average rate of \$711 per hour.

### 4.1.3 Remuneration

During the period, we have not drawn any remuneration.

### 4.1.4 Additional information

#### *Fees estimate*

During the reporting period, we have exceeded our fees estimate of \$532,543, primarily due to the administration being extended for an additional 12 months, to enable resolution of the outstanding tax matters and the US claim.

At this stage in the administration, we have not sought to draw remuneration in excess of the previously approved amount of \$532,543. As detailed above, we will shortly be seeking approval from the Company's unsecured creditors to draw remuneration in excess of the approved amount and will ensure that the requisite disclosures are made to the relevant creditors and that the requisite approvals are obtained.

#### *Expenses estimate*

During the reporting period, we have exceeded our original expenses estimate of \$215,659, in the following areas:

- *Legal fees and disbursements*: we expect to exceed our original expenses estimate of \$51,000 for legal fees and disbursements by approximately \$73,877. This increase is due to us having to seek a greater level of legal advice that we had originally anticipated, in addition to filing an application to Court to seek a 12 month extension to the period of the administration;
- *Irrecoverable VAT*: as we are unable to re-register the Company for VAT in the administration, VAT incurred on costs in the administration will be irrecoverable. We expect to exceed our original expenses estimate of \$119,200 in irrecoverable VAT by approximately \$41,919, due to a higher level of costs being incurred in the administration than we originally expected; and
- *Bank charges*: we now anticipate that bank charges totalling \$425 will be incurred in the administration. This is higher than the amount included in our estimate, due to a higher number of transactions taking place than we had previously envisaged.

#### *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 of this report. We have also attached our charging policy.

# 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;
- liaising with our engaged legal advisers regarding the US Claim, as and when required;
- 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 Extension of the administration

The duration of the administration is restricted to 12 months from the date of commencement unless it is extended with the permission of the creditors or the Court.

During the period the Court granted a 12 month extension to the period of the administration.

The administration is currently due to end on 30 April 2023.

## 5.3 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.

## 5.4 Future reporting

We will provide a further progress report within one month of 29 October 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 2023

---

# Appendix 2 – Receipts and payments account

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

Statement of Affairs USD	From 30/10/2021 To 29/04/2022 USD	From 30/04/2021 To 29/04/2022 USD
OTHER REALISATIONS		
Bank Interest	119.52	451.93
OF Funding Loan	NIL	2,000,000.00
	<u>119.52</u>	<u>2,000,451.93</u>
COST OF REALISATIONS		
Repayment of OF Funding Loan	NIL	1,000,000.00
Specific Bond	NIL	280.48
Administrators' Fees		
Post-appointment Administrators' Fees	NIL	400,000.00
Administrators' Disbursements		
Post-appointment Administrators' Disbursements	NIL	2,224.67
Contractor Costs		
Post-appointment Contractor Costs	NIL	6,218.24
Agents/Valuers Fees/Disbursements		
Pre-administration Agents/Valuers Fees	33,000.00	33,000.00
Legal Fees/Disbursements		
Post-appointment Legal Fees	2,891.39	19,055.76
Irrecoverable VAT	578.28	85,555.60
Statutory Advertising	NIL	279.28
Bank Charges	44.94	202.62
	<u>(36,514.61)</u>	<u>(1,546,816.65)</u>
UNSECURED CREDITORS		
(1,055,806,225.00) Intercompany - Remaining creditors	NIL	NIL
	NIL	NIL
<b>(1,055,806,225.00)</b>	<b><u>(36,395.09)</u></b>	<b><u>453,635.28</u></b>
REPRESENTED BY		
OF Trust Account - USD		453,635.28
		<b><u>453,635.28</u></b>

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:

<b>Schedule of expenses for the period from 30 October 2021 to 29 April 2022</b>	
<b>Category</b>	<b>Incurred in the period (USD)</b>
Joint Administrators' disbursements	8.24
Legal fees	87,712.50
Legal disbursements	12,542.32
Bank charges	44.94
Irrecoverable VAT	20,026.74
<b>Total</b>	<b>120,334.74</b>

In addition, legal costs of \$75,629 and Joint Administrators fees of \$8,570 have been incurred in the period in relation to the US claim discussed at section 2.1.1 above. Certain of these costs have not yet been paid and will be paid in future reporting periods. Funding in respect of these costs is provided 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, or at [INS\\_VALARP@alvarezandmarsal.com](mailto:INS_VALARP@alvarezandmarsal.com).

# 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.

<b>Charge-out rates (USD/hour) for: Restructuring</b>	
<b>Grade</b>	<b>From 30 April 2021</b>
Managing Director	1,175
Senior Director	825
Director	725
Associate Director	700
Senior Associate	675
Associate	575
Analyst	475
Support	400

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

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](mailto: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 (USD)	Amounts paid in the period (USD)
Postage / courier charges	8.24	-
<b>Total</b>	<b>8.24</b>	<b>-</b>

*Disbursements falling within category 2 expenses:*

No disbursements falling within category 2 expenses have been incurred or paid during the 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 April 2022 in accordance with SIP 9.

<b>Time costs incurred up to the period ending 29 April 2022</b>			
<b>Category</b>	<b>Hours</b>	<b>Time Cost (USD)</b>	<b>Average hourly rate (USD)</b>
Engagement Control	35.00	24,177.50	690.79
Appointment and risk	1.30	837.50	644.23
Proposals, Reporting and Remuneration	58.30	38,520.00	660.72
Correspondence and Statutory Filing	23.50	21,480.00	914.04
Cost of Realisation	17.20	9,837.50	571.95
Tax	14.00	11,137.50	795.54
Cashiering	5.40	3,935.00	728.70
Employees & Pensions	0.70	402.50	575.00
Exit Routes & Closure	3.70	2,840.00	767.57
<b>Total</b>	<b>159.10</b>	<b>113,167.50</b>	<b>711.30</b>
Brought forward time (30 April 2021 to 29 October 2021)	680.85	461,313.75	677.56
<b>Total time costs</b>	<b>839.95</b>	<b>574,481.25</b>	<b>683.95</b>

## SIP 9 narrative for the period from 30 October 2021 to 29 April 2022

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

## SIP 9 narrative for the period from 30 October 2021 to 29 April 2022

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
<b>Reports, decision making &amp; remuneration</b>	<ul style="list-style-type: none"> <li>- Preparing statutory receipts and payments accounts</li> <li>- Drafting and publishing our progress reports</li> <li>- Obtaining approval from the Court to a 12 month extension of the administration</li> <li>- Ensuring compliance with all statutory obligations within the relevant timescales</li> <li>- Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9</li> <li>- Reviewing and updating the fees estimate</li> <li>- Reviewing and updating the expenses estimate</li> </ul>	To comply with statutory requirements and ensure creditors are informed of progress	No direct financial benefit
<b>Correspondence &amp; statutory filing</b>	<ul style="list-style-type: none"> <li>- Uploading information to the Portal</li> <li>- Email and telephone correspondence with Company stakeholders regarding the administration process</li> <li>- Liaison with newco and legal advisers regarding the application to court to extend the period of the administration</li> <li>- Providing statutory notifications to the Registrar of Companies, creditors and other stakeholders in regards to the administration and the extension</li> </ul>	To comply with statutory requirements and to ensure that creditors are advised of the progress of the administration	No direct financial benefit
<b>Costs of realisation</b>	<ul style="list-style-type: none"> <li>- Liaising with third parties regarding costs incurred</li> <li>- Reviewing costs incurred to ensure recorded accurately</li> <li>- Arranging payment of the costs in a timely manner as and when funds allow</li> </ul>	To settle costs of third parties who have facilitated the administration process	No direct financial benefit

## SIP 9 narrative for the period from 30 October 2021 to 29 April 2022

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
<b>Tax</b>	<ul style="list-style-type: none"> <li>- Gathering information from the Company's records in relation to the taxation position of the Company;</li> <li>- Submitting relevant notifications to HMRC</li> <li>- Reviewing the Company's pre-appointment corporation tax position</li> <li>- Working on tax returns relating to the periods affected by the administration</li> <li>- Dealing with post appointment tax compliance</li> <li>- Liaison with Newco and other professional advisers regarding the group relief claims and tax compliance matters</li> </ul>	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
<b>Cashiering</b>	<ul style="list-style-type: none"> <li>- Preparing and processing vouchers for the payment of post-appointment invoices</li> <li>- Creating remittances and sending payments to settle post-appointment invoices</li> <li>- Reconciling post-appointment bank accounts to internal systems</li> <li>- Ensuring compliance with appropriate risk management procedures in respect of receipts and payments</li> </ul>	To effectively manage funds, receive asset realisations and discharge the costs of the administration	No direct financial benefit
<b>Employees &amp; pensions</b>	<ul style="list-style-type: none"> <li>- 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</li> </ul>	To comply with statutory requirements relating to the Company's pension schemes	No direct financial benefit
<b>Exit routes &amp; closure</b>	<ul style="list-style-type: none"> <li>- Planning for the eventual closure of the administration</li> </ul>	In order to comply with statute and bring the administration to a close in a timely manner	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
Chapter 11 Proceedings	The voluntary cases commenced by the Debtors on 19 August 2020 under Chapter 11 of the US Bankruptcy Code
Company	Valaris plc in administration
HMRC	Her Majesty's Revenue and Customs (the UK tax authority)
Debtors	The Company and 89 subsidiaries and affiliates, which entered into the Chapter 11 Proceedings on 19 August 2020
DIP / DIP Facility	Debtor-in-Possession Facility
Fearnley	Fearnley Offshore AS
Former Group	The Company together with its subsidiaries and affiliates prior to the UK Transaction
Fourth Plan	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	Jonathan Charles Marston and Mark Granville Firmin
Newco	Valaris Holdco 2 Limited
OF Funding Loan	The \$2 million in funding provided by Newco, to meet the costs and expenses of the administration
Proposals	The Joint Administrators' statement of proposals, delivered to all known creditors on 14 May 2021
Secured creditor / Wilmington	Wilmington Savings Fund Society, FSB
Senior Note Holders	Holders of the Former Group's 15 series of senior unsecured notes, as more particularly described in the Fourth Plan
SIP	Statements of insolvency practice
SIP 9	Statement of Insolvency Practice 9 England and Wales: Payments to insolvency office holders and their associates from an estate
UK Transaction	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 Valaris Limited
US Bankruptcy Code	Title 11 of the United States Code, 11 U.S.C. §§ 101–1532
US Bankruptcy Court	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 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.