

IN THE HIGH COURT OF JUSTICE

CH-2017- Date Filed: 5/17/2017

CHANCERY DIVISION

COMPANIES COURT

Before Mr/Mrs Justice _____

Dated ___ May 2017

IN THE MATTER OF PARAGON OFFSHORE PLC

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

ADMINISTRATION ORDER

UPON THE APPLICATION of the directors of Paragon Offshore PLC (the “**Applicants**”) (company number 08814042) of 20-22 Bedford Row, London WC1R 4JS, United Kingdom (the “**Company**”), dated ___ May 2017

AND UPON hearing Mark Arnold QC and Adam Goodison for the Applicants and for the proposed administrators

AND UPON the Court being satisfied that the EC Regulation (as defined in section 436(1) of the Insolvency Act 1986) does not apply

AND UPON the Court being satisfied that it is appropriate, in order to assist discussions with overseas counterparties, to recite in the Schedule to this Order the powers of an administrator that are listed in paragraphs 59 to 66 of Schedule B1 to the Insolvency Act 1986 and in Schedule 1 to that Act

IT IS ORDERED that:



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- 1 Neville Barry Kahn and David Philip Soden, each of Deloitte LLP, Athene Place, 66 Shoe Lane, London, EC4A 3BQ are appointed joint administrators of the Company (the “**Joint Administrators**”).
- 2 During the period for which this order is in force, the affairs, business and property of the Company are to be managed by the Joint Administrators.
- 3 For the purposes of paragraph 100(2) to Schedule B1 of the Insolvency Act 1986 (“**Schedule B1**”), the Joint Administrators may exercise any of the powers conferred on them jointly or individually.
- 4 The Joint Administrators have permission in relation to paragraph 64(1) of Schedule B1 to consent to the Company’s management team exercising powers relating to the operational management of the Company.
- 5 In the event that the Company’s fifth chapter 11 plan filed with the United States Bankruptcy Court for the District of Delaware on 2 May 2017 does not become effective on 3 July 2017, the deadline for sending the Joint Administrators’ proposals to creditors pursuant to paragraph 49 of Schedule B1 is extended pursuant to paragraphs 49(8) and 107 of Schedule B1 until 4 August 2017.
- 6 The initial decision date for a decision from the Company’s creditors as to whether they approve the Joint Administrator’s proposals is extended pursuant to paragraphs 51(4) and 107 of Schedule B1 to the date twenty-one days after the date of the deadline for sending the Joint Administrators’ proposals to creditors, as extended pursuant to paragraph 5 above.
- 7 Service of the application on the Joint Administrators be dispensed with.
- 8 The costs of and incidental to this application be paid as expenses of the administration.

The appointment of the Joint Administrators shall take effect from ____ am/pm on __ May 2017.

The Court has provided a sealed copy of this order to the Applicants for service.

The Applicants' address for service is: F.A.O. Mark Lawford/Alinta Kemeny, Weil, Gotshal & Manges (London) LLP, 110 Fetter Lane, London EC4A 1AY, mark.lawford@weil.com, alinta.kemeny@weil.com.

SCHEDULE: POWERS OF THE JOINT ADMINISTRATORS

Extract from Schedule B1 to the Insolvency Act 1986

Functions of Administrator

General powers

59(1) The administrator of a company may do anything necessary or expedient for the management of the affairs, business and property of the company.

(2) A provision of this Schedule which expressly permits the administrator to do a specified thing is without prejudice to the generality of sub-paragraph (1).

(3) A person who deals with the administrator of a company in good faith and for value need not inquire whether the administrator is acting within his powers.

60(1) The administrator of a company has the powers specified in Schedule 1 to this Act.

(2) But the power to sell, hire out or otherwise dispose of property is subject to any regulations that may be made under paragraph 60A.

[Paragraph 60A has not been reproduced as no regulations have been made pursuant to it as at the date of this order.]

61 The administrator of a company—

- (a) may remove a director of the company, and
- (b) may appoint a director of the company (whether or not to fill a vacancy).

62 The administrator of a company may—

- (a) call a meeting of members of the company;
- (b) seek a decision on any matter from the company's creditors.

63 The administrator of a company may apply to the court for directions in connection with his functions.

64(1) A company in administration or an officer of a company in administration may not exercise a management power without the consent of the administrator.

(2) For the purpose of sub-paragraph (1)—

- (a) “management power” means a power which could be exercised so as to interfere with the exercise of the administrator's powers,
- (b) it is immaterial whether the power is conferred by an enactment or an instrument, and
- (c) consent may be general or specific.

Distribution

65(1) The administrator of a company may make a distribution to a creditor of the company.

(2) Section 175 shall apply in relation to a distribution under this paragraph as it applies in relation to a winding up.

(3) A payment may not be made by way of distribution under this paragraph to a creditor of the company who is neither secured nor preferential unless—

- (a) the distribution is made by virtue of section 176A(2)(a), or
- (b) the court gives permission.

66 The administrator of a company may make a payment otherwise than in accordance with paragraph 65 or paragraph 13 of Schedule 1 if he thinks it likely to assist achievement of the purpose of administration.

Schedule 1 to the Insolvency Act 1986

- 1** Power to take possession of, collect and get in the property of the company and, for that purpose, to take such proceedings as may seem to him expedient.
- 2** Power to sell or otherwise dispose of the property of the company by public auction or private contract or, in Scotland, to sell, hire out or otherwise dispose of the property of the company by public roup or private bargain.
- 3** Power to raise or borrow money and grant security therefor over the property of the company.

- 4 Power to appoint a solicitor or accountant or other professionally qualified person to assist him in the performance of his functions.
- 5 Power to bring or defend any action or other legal proceedings in the name and on behalf of the company.
- 6 Power to refer to arbitration any question affecting the company.
- 7 Power to effect and maintain insurances in respect of the business and property of the company.
- 8 Power to use the company's seal.
- 9 Power to do all acts and to execute in the name and on behalf of the company any deed, receipt or other document.
- 10 Power to draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the company.
- 11 Power to appoint any agent to do any business which he is unable to do himself or which can more conveniently be done by an agent and power to employ and dismiss employees.
- 12 Power to do all such things (including the carrying out of works) as may be necessary for the realisation of the property of the company.
- 13 Power to make any payment which is necessary or incidental to the performance of his functions.
- 14 Power to carry on the business of the company.
- 15 Power to establish subsidiaries of the company.
- 16 Power to transfer to subsidiaries of the company the whole or any part of the business and property of the company.
- 17 Power to grant or accept a surrender of a lease or tenancy of any of the property of the company, and to take a lease or tenancy of any property required or convenient for the business of the company.
- 18 Power to make any arrangement or compromise on behalf of the company.
- 19 Power to call up any uncalled capital of the company.
- 20 Power to rank and claim in the bankruptcy, insolvency, sequestration or liquidation of any person indebted to the company and to receive dividends, and to accede to trust deeds for the creditors of any such person.
- 21 Power to present or defend a petition for the winding up of the company.
- 22 Power to change the situation of the company's registered office.
- 23 Power to do all other things incidental to the exercise of the foregoing powers.