

On behalf of the Applicants
Todd Strickler
Second
19 May 2017
TS2

IN THE HIGH COURT OF JUSTICE

CR-2017-003729

CHANCERY DIVISION

COMPANIES COURT

IN THE MATTER OF PARAGON OFFSHORE PLC

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

SECOND WITNESS STATEMENT OF TODD STRICKLER

I, **TODD STRICKLER**, of 3151 Briarpark Drive, Houston, Texas 77042, USA, **WILL SAY AS FOLLOWS:**

A INTRODUCTION

- 1** I am the same Todd Strickler who provided an earlier witness statement in connection with these proceedings dated 16 May 2017. I adopt the defined terms used in my first witness statement, including those used in the Fifth Chapter 11 Plan.
- 2** I am duly authorised by the Board to make this statement on the Board's behalf. I make this witness statement in support of the administration application made by the directors of the Company under paragraph 12(1)(b) of Schedule B1 to the Insolvency Act 1986 on 17 May 2017.
- 3** I make this statement based on the knowledge that I have obtained as a result of my role as the company secretary. Unless otherwise stated, the facts and matters set out in this statement are within my own knowledge and I believe them to be true. Where



I refer to information supplied by others, I identify the source of the information. Facts and matters derived from other sources are true to the best of my knowledge and belief.

4 One source of information contained in this witness statement is the advice that I have received from advisors to the Company, including Weil. In referring to any legal advice that the Company has received, the Company does not intend to, and does not, waive any privilege by such reference or otherwise.

5 I refer in this witness statement to a paginated bundle of true copy documents marked "TS2", which is the exhibit to this witness statement. References to page numbers in this statement are references to TS2 unless otherwise stated.

6 I am advised by Weil that neither paragraph 12(2) of Schedule B1 to the Insolvency Act 1986 nor rule 3.8(3) of the Insolvency (England and Wales) Rules 2016 require the Applicants to provide notice of or serve the application on shareholders of the Company, or individuals who hold interests in the Company's ordinary share capital through a custodian entity.

7 However, as indicated in paragraph 66 of my first witness statement, it was the Company's intention to notify certain individuals purporting to be shareholders of the Company of this application after it had been issued. The purpose of this witness statement is to update the Court as to the various steps that the Company has taken in this regard. The Applicants are keen to ensure that documents and information relating to the administration application and the hearing are publicly available.

8 The Company has also provided notice of the application to the steering committee of RCF Lenders, the ad hoc committee of Term Lenders and the Official Committee of Unsecured Creditors as further described below.

9 I also include at the end of this witness statement a clarification in relation to my first witness statement.

B NOTIFICATION OF THE ADMINISTRATION APPLICATION

Press release

- 10** On 17 May 2017, shortly after the clerk at the Companies Court issue section confirmed to Weil (via the HM Courts & Tribunals e-filing service) that the application had been issued, the Company released a press release concerning the proposed administration (the “**Press Release**”) [TS2/pp. 1-3]. The Press Release notes that the application for the appointment of the Proposed Administrators is a necessary step in implementing the consensual plan of reorganization set out in the Fifth Chapter 11 Plan. The Press Release also provides details of the date and location of the hearing in this matter, which is currently listed to be heard on 23 May 2017.
- 11** In addition, the Press Release also directs readers to the Company’s chapter 11 website hosted by Kurtzman Carson Consultants LLC¹ (“**KCC**”) (the “**Website**”)². The main page of the Website, which was updated on 17 May 2017 to include a summary of the administration application, directs readers, through an internet link, to the UK Administration Tab (as defined in paragraph 18, below) in order to access further information in relation to the administration application (including copies of documents filed with the Court, and details of the times and dates set for the hearing of the application).
- 12** The text of the Press Release was also uploaded as a statement on the Group’s own website³ on 17 May 2017.
- 13** The details contained in the Press Release have subsequently been picked up by various media outlets, including GlobalNewswire⁴ and Offshore Energy Today⁵.

¹ KCC provides administrative-support services and solutions for the legal and financial industries.

² <http://www.kccllc.net/paragon>

³ <http://www.paragonoffshore.com/investors-relations/investor-news/investor-news-details/2017/Paragon-Offshore-Files-Application-for-Administration-in-United-Kingdom-to-Advance-Its-Chapter-11-Plan/default.aspx>

⁴ <https://globenewswire.com/news-release/2017/05/17/987000/0/en/Paragon-Offshore-Files-Application-for-Administration-in-United-Kingdom-to-Advance-Its-Chapter-11-Plan.html>

SEC filing

14 As a company subject to the requirements of the Securities Exchange Act of 1934 (as amended), the Company is required to file a “Current Report” with the US Securities and Exchange Commission (the “SEC”) on Form 8-K upon the occurrence of certain events required by that form. On 17 May 2017, the Company filed a Current Report on Form 8-K with the SEC, pursuant to which it reported that:

- (a) the Company’s board of directors had filed for administration in the UK;
- (b) the Company had requested the English Court to appoint the Proposed Administrators; and
- (c) the Proposed Administrators, once appointed, would assume all powers to manage the business and affairs of the Company (with the Board remaining involved in an advisory capacity to the Proposed Administrators until the Company emerges from the Chapter 11 Proceedings, and the existing executive management team remaining responsible for the operational management of the Company and its subsidiaries).

15 The Current Report also provided details of the administration application hearing. The Company’s Current Report on Form 8-K (which exhibited a copy of the Press Release), is exhibited at [TS2/pp. 4-6]. On filing, the Company’s Current Report on Form 8-K was uploaded to the SEC’s website. Any interested party can set up a customised alert to email them when certain filings are made with the SEC, or when a particular company makes a filing.

Notification to the US Bankruptcy Court

16 On 17 May 2017, once the administration application had been issued, Richards, Layton & Finger, P.A. (who are Delaware counsel to the Chapter 11 Debtors) filed a notice of commencement of a foreign proceeding with the US Bankruptcy Court on behalf of the Chapter 11 Debtors (the “Notice”) [TS2/pp. 7-8]. The Notice outlines

(cont’d from previous page)

⁵ <http://www.offshoreenergytoday.com/paragon-offshore-files-for-administration-in-uk/>

the purpose of the present application, noting that the Board is seeking an administration order in respect of the Company to implement the Fifth Chapter 11 Plan. The Notice also provides details of the administration application hearing and provides details of how to obtain copies of the application filed with the Companies Court and the documents in support of the application.

Documents uploaded to the Website

- 17** All filings made in the Chapter 11 Proceedings (including the Notice) are uploaded to the online docket on the Website and can be downloaded and viewed by any visitor to the Website free of charge. Therefore, after the Notice was filed with the US Bankruptcy Court, it was, on 17 May 2017, uploaded to the Website.
- 18** A new “UK Administration” page (the “**UK Administration Tab**”)⁶ was created on the Website on 17 May 2017, from which visitors can download copies of the administration application, the draft order, and my and Mr Kahn’s first witness statements and corresponding exhibits free of charge. That page also notes that the hearing of the administration application is listed for 23 May 2017, at a time to be confirmed.
- 19** On 17 May 2017, KCC sent an email (the “**KCC Email**”) to certain of the Opposing Individuals for whom the Company has email addresses, as well as to various other email addresses that I understand have been provided by individuals who filed claims as ‘equity holders’ in the Chapter 11 Proceedings (together, the “**Email Distribution List**”), as exhibited at [TS2/p.10]. The KCC Email notified the recipients that the Notice had been uploaded to the online docket on the Website, and provided an internet link to the Notice.
- 20** A PDF version of the Notice was also sent by email to the Email Distribution List by the Company on 17 May 2017, and the cover email noted the date and location of the hearing to consider the administration application (the “**Company Email**”) [TS2/p.11]. The Company’s email also directed readers to the Website and noted

⁶ <http://www.kccllc.net/paragon/info/7655> [TS2/p.9]

that copies of certain documents filed with the English Court in connection with the administration application can be downloaded from the Website.

- 21 Forty-nine persons that have filed claims in the Chapter 11 Proceedings (the “**List**”) have requested to be served with copies of certain documents filed with the US Bankruptcy Court in the Chapter 11 Proceedings. At Weil’s request, KCC formally served the Notice on each of the persons on the List other than Weil, KCC, Richards, Layton & Finger, P.A. and KCC on 17 May 2017.
- 22 On 19 May 2017, it became apparent that the Email Distribution List had not included the personal email addresses of two Opposing Individuals, Michael Hammersley and Marcel de Groot (though it did include the email address of the unofficial equity committee of purported shareholders, with which they are involved). Consequently, on 19 May 2017, KCC emailed Mr Hammersley and Mr de Groot in the same terms as the KCC Email, and the Company emailed them in the same terms as the Company Email, attaching the Notice [TS2/pp. 12-13].
- 23 In any event, I am informed by Weil that, at approximately 2:30pm central time on 17 May 2017, Weil received a telephone call from Mr Hammersley, who asked for copies of the documents filed in connection with the administration application. Mr Hammersley was subsequently directed by Weil to the UK Administration Tab, from which copies of such documents can be freely obtained.
- 24 Copies of this witness statement and the witness statement of Mr David Soden of Deloitte (which supplements Mr Kahn’s first witness statement) will be uploaded to the UK Administration Tab once they have been filed with the Court.

Notification of application to creditors

- 25 To the extent that the actions described above made information relating to the application publicly available, it will have been available to the Company’s creditors. However, in addition, after the administration application was issued, on 17 May 2017 Weil emailed the legal representatives of the steering committee of RCF Lenders, the ad hoc committee of Term Lenders and the Official Committee of Unsecured Creditors (attaching the Notice) to confirm that the application had been

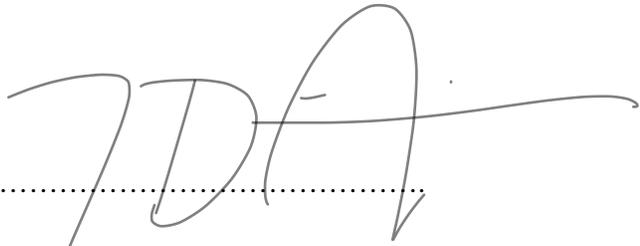
issued and to provide details about the hearing of the application and the evidence filed in support [TS2/pp. 14-17].

C CLARIFICATION TO FIRST WITNESS STATEMENT

26 By way of clarification to paragraph 48 of my first witness statement, each of the Chapter 11 Debtors (other than the Company) has agreed to guarantee the obligations of the Company under the Senior Notes.

STATEMENT OF TRUTH

I believe that the facts stated in this witness statement are true.

Signed

Todd Strickler

Date: 19 May 2017

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