

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

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In re : **Chapter 11**

:

PARAGON OFFSHORE PLC, et al., : **Case No. 16-_____ (___)**

:

: **Joint Administration Requested**

:

Debtors.¹ :

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MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (I) APPROVING DEBTORS’ PROPOSED FORM OF ADEQUATE ASSURANCE OF PAYMENT TO UTILITY COMPANIES, (II) ESTABLISHING PROCEDURES FOR RESOLVING OBJECTIONS BY UTILITY COMPANIES, AND (III) PROHIBITING UTILITY COMPANIES FROM ALTERING, REFUSING, OR DISCONTINUING SERVICE PURSUANT TO SECTIONS 366 AND 105(a) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 6003 AND 6004

Paragon Offshore plc and its affiliated debtors in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”), respectfully represent as follows in support of this motion (this “**Motion**”):

Relief Requested

1. Pursuant to sections 366 and 105(a) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), the Debtors request entry of interim and final orders

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Paragon Offshore plc (6017); Paragon Offshore Finance Company (6632); Paragon International Finance Company (8126); Paragon Offshore Holdings US Inc. (1960); Paragon Offshore Drilling LLC (4541); Paragon FDR Holdings Ltd. (4731); Paragon Duchess Ltd.; Paragon Offshore (Luxembourg) S.à r.l. (5897); PGN Offshore Drilling (Malaysia) Sdn. Bhd. (9238); Paragon Offshore (Labuan) Pte. Ltd. (3505); Paragon Holding SCS 2 Ltd. (4108); Paragon Asset Company Ltd. (2832); Paragon Holding SCS 1 Ltd. (4004); Paragon Offshore Leasing (Luxembourg) S.à r.l. (5936); Paragon Drilling Services 7 LLC (7882); Paragon Offshore Leasing (Switzerland) GmbH (0669); Paragon Offshore do Brasil Ltda.; Paragon Asset (ME) Ltd. (8362); Paragon Asset (UK) Ltd.; Paragon Offshore International Ltd. (6103); Paragon Offshore (North Sea) Ltd.; Paragon (Middle East) Limited (0667); Paragon Holding NCS 2 S.à r.l. (5447); Paragon Leonard Jones LLC (8826); Paragon Offshore (Nederland) B.V.; and Paragon Offshore Contracting GmbH (2832). The Debtors’ mailing address is 3151 Briarpark Drive, Suite 700, Houston, Texas 77042.



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(i) approving the Debtors' proposed form of adequate assurance of payment for postpetition Utility Services (as hereinafter defined); (ii) establishing procedures for resolving objections by Utility Companies (as hereinafter defined) relating to the adequacy of the proposed adequate assurance; and (iii) prohibiting the Utility Companies from altering, refusing, or discontinuing service to, or discriminating against, the Debtors on the basis of the commencement of these chapter 11 cases or that a debt owed by the Debtors for Utility Services rendered before the Petition Date (as hereinafter defined) was not paid when due.²

2. A proposed form of order granting the relief requested herein on an interim basis is annexed hereto as **Exhibit A** (the "**Proposed Interim Order**") and, pending a final hearing on the relief requested herein, on a final basis as **Exhibit B** (the "**Proposed Final Order**").

Jurisdiction

3. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334, and the Amended Standing Order of Reference from the United States District Court for the District of Delaware dated February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b) and, pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "**Local Rules**"), the Debtors consent to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties,

² Pursuant to the Debtors' Motion for Interim and Final Orders Authorizing Debtors to Pay Prepetition Claims of General Unsecured Creditors in the Ordinary Course of Business Pursuant to Sections 105(a), 362(d), 363(b), and 503(b)(9) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004, filed contemporaneously herewith, the Debtors are seeking authority to pay, in the ordinary course of business, allowed prepetition claims of general unsecured creditors, including any allowed prepetition claims of the Utility Companies.

cannot enter final orders or judgments consistent with Article III of the United States Constitution. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

4. On the date hereof (the “**Petition Date**”), each of the Debtors commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee of creditors has been appointed in these chapter 11 cases.

5. Contemporaneously herewith, the Debtors have filed a motion requesting joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b).

6. Additional information regarding the circumstances leading to the commencement of these chapter 11 cases and information regarding the Debtors’ business and capital structure is set forth in the Declaration of Ari Lefkovits in Support of the Debtors’ Chapter 11 Petitions and Related Requests for Relief (the “**Lefkovits Declaration**”) and the Declaration of James A. Mesterharm in Support of the Debtors’ Chapter 11 Petitions and Related Requests for Relief (the “**Mesterharm Declaration**”), both of which have been filed contemporaneously herewith.

The Utility Companies

7. To operate their business and manage their properties, the Debtors obtain telecommunications, satellite, waste disposal, water, gas, electricity, and other utility services (collectively, the “**Utility Services**”) from a number of utility companies (collectively, the “**Utility Companies**”). A nonexclusive list of Utility Companies that provide Utility Services to

the Debtors as of the Petition Date is provided on **Exhibit 1** annexed to the Proposed Interim Order and the Proposed Final Order (the “**Utility Services List**”).³

8. The Debtors have a good historical payment record with the Utility Companies. To the best of the Debtors’ knowledge, there are no material defaults or arrearages of any significance for the Debtors’ undisputed invoices for prepetition Utility Services, other than payment interruptions that may be caused by the commencement of these chapter 11 cases. Based on a monthly average for the twelve (12) months prior to the Petition Date, the Debtors estimate that their cost of Utility Services for the next thirty (30) days will be approximately \$500,602.

9. Uninterrupted Utility Services are essential to the Debtors’ ongoing operations (including the safety and security of its personnel) and, therefore, the success of the Debtors’ reorganization. Should any Utility Company alter, refuse, or discontinue service, even briefly, the Debtors’ business operations could be severely disrupted. The Debtors operate a complex global business with significant operations in numerous countries around the world. Interruption of the Utility Services provided at any of their locations would disrupt necessary communication and coordination between the Debtors’ employees, vendors, customers, and various regulatory authorities, and would prevent the provision of necessary support to these same parties. Such interruption would negatively impact the Debtors’ reorganization efforts and all parties in interest.

³ The inclusion of any entity in, or omission of any entity from, the Utility Services List is not an admission by the Debtors that such entity is, or is not, a utility within the meaning of section 366 of the Bankruptcy Code, and the Debtors reserve all rights and defenses with respect thereto.

The Proposed Adequate Assurance Deposit

10. Pursuant to section 366(c)(2) of the Bankruptcy Code, a utility may alter, refuse, or discontinue a debtor's utility service if the utility does not receive "adequate assurance of payment" for postpetition utility services from the debtor within thirty (30) days after the commencement of the debtor's chapter 11 case. Section 366(c)(1) of the Bankruptcy Code defines "assurance of payment" of postpetition charges as "(i) a cash deposit; (ii) a letter of credit; (iii) a certificate of deposit; (iv) a surety bond; (v) a prepayment of utility consumption; or (vi) another form of security that is mutually agreed on between the utility and the debtor or the trustee."

11. The Debtors intend to pay all postpetition obligations owed to the Utility Companies in a timely manner and have sufficient funds to do so. Nevertheless, to provide the Utility Companies with adequate assurance pursuant to section 366 of the Bankruptcy Code, the Debtors propose to deposit cash in an amount equal to two (2) weeks' payment for Utility Services, calculated using the historical average for such payments during the past twelve (12) months (the "**Adequate Assurance Deposit**") into a newly created segregated account for the benefit of the Utility Companies (the "**Utility Deposit Account**"). The Adequate Assurance Deposit may be adjusted by the Debtors if the Debtors terminate any of the Utility Services provided by a Utility Company, make other arrangements with certain Utility Companies for adequate assurance of payment, determine that an entity listed on the Utility Services List is not a utility company as defined by section 366 of the Bankruptcy Code, or supplement the Utility Services List to include additional Utility Companies. The Adequate Assurance Deposit will be placed into the Utility Deposit Account within twenty (20) days after the Petition Date. Based on the foregoing, the Debtors estimate that the total amount of the Adequate Assurance Deposit will be approximately \$250,301. The Adequate Assurance Deposit will be held by the Debtors

in the Utility Deposit Account for the benefit of the Utility Companies on the Utility Services List during the pendency of these chapter 11 cases.

12. The Debtors further request that the Adequate Assurance Deposit will automatically, without further Court order, be available to the Debtors upon the effective date of a chapter 11 plan for the Debtors. Additionally, if the Debtors terminate any of the Utility Services provided by a Utility Company, the Debtors request that they immediately be permitted to reduce the Adequate Assurance Deposit to reflect the termination of such Utility Company.

13. The Adequate Assurance Deposit, in conjunction with the Debtors' ability to pay for future Utility Services in the ordinary course of business (collectively, the "**Proposed Adequate Assurance**"), constitutes adequate assurance to the Utility Companies under section 366 of the Bankruptcy Code.

Objections to the Proposed Adequate Assurance

14. To balance the right of each Utility Company to evaluate the Proposed Adequate Assurance for itself and the harm to the Debtors' businesses that would result from any interruption in services provided by the Utility Companies, the Debtors propose the following objection procedures (the "**Objection Procedures**") in the event that any Utility Company is not satisfied with the Proposed Adequate Assurance:

- a. Within two (2) business days after entry of the Interim Order, the Debtors will mail a copy of the Interim Order and the Motion (including the Proposed Final Order) to the Utility Companies on the Utility Services List.
- b. If a Utility Company is not satisfied with the Proposed Adequate Assurance, it must serve a written request (a "**Request**") upon the proposed counsel to the Debtors: (i) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Jessica Diab, Esq.) and (ii) Richards Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins, Esq. and Amanda R. Steele, Esq.), and the Request must set forth: (i) the location(s) for which Utility Services are provided; (ii) the account number(s) for

such location(s); (iii) the outstanding balance for each account; and (iv) an explanation of why the Utility Company believes the Adequate Assurance Deposit is not adequate assurance of payment.

- c. If the Debtors, in their sole discretion, determine that a Request or any consensual agreement reached in connection therewith is reasonable, the Debtors, without further order of the Court, may enter into agreements granting additional adequate assurance to the Utility Company serving such Request and, in connection with such agreements, provide the Utility Company with additional adequate assurance of payment, including payments on prepetition amounts owing, cash deposits, prepayments, or other forms of security.
- d. If the Debtors, in their sole discretion, determine that a Request is unreasonable, then they shall, within thirty (30) days after receipt of such Request, or such longer period as may be agreed to between the Debtors and the Utility Company, file a motion (a “**Determination Motion**”) pursuant to section 366(c)(3) of the Bankruptcy Code seeking a determination from the Court that the Proposed Adequate Assurance, plus any additional consideration offered by the Debtors, constitutes adequate assurance of payment. Pending notice and a hearing on the Determination Motion, the Utility Company that is the subject of the unresolved Request may not alter, refuse, or discontinue services to the Debtors; *provided, however,* that, while such Determination Motion is pending, at any time after twenty (20) days after entry of the Final Order, such Utility Company may file a motion seeking a determination that the Proposed Adequate Assurance does not constitute adequate assurance of payment.

15. The Debtors request that the Proposed Adequate Assurance shall be deemed adequate assurance of payment for any Utility Company that fails to make a Request. Any Utility Company that does not make a Request or otherwise comply with the Objection Procedures will be prohibited from altering, refusing, or discontinuing Utility Services, including as a result of the Debtors’ failure to pay charges for prepetition Utility Services or on account of any perceived inadequacy of the Proposed Adequate Assurance.

Subsequent Modifications of Utility Services List

16. Although the Debtors have made an extensive and good faith effort to identify all of the Utility Companies that provide Utility Services as set forth on the Utility Services List, certain Utility Companies may not be listed therein. To the extent that the Debtors

identify additional Utility Companies, the Debtors shall promptly file amendments to the Utility Services List and serve copies of the orders granting this Motion on any newly identified Utility Companies. In addition, the Debtors will increase the amount of the Adequate Assurance Deposit to account for any newly identified Utility Companies. The Debtors request that the Proposed Interim Order and the Proposed Final Order bind all Utility Companies, regardless of when the Utility Companies are added to the Utility Services List.

Basis for Relief Requested

17. The relief requested will ensure the continuation of the Debtors' business at this critical juncture as the Debtors transition into chapter 11. The relief requested also provides the Utility Companies with a fair and orderly procedure for determining requests for additional adequate assurance, without which the Debtors could be forced to address multiple requests by Utility Companies in a disorganized manner when the Debtors' efforts should be more productively focused on restructuring their business for the benefit of all parties in interest.

A. The Proposed Adequate Assurance Is Sufficient

18. Section 366 of the Bankruptcy Code is designed with the dual purpose of protecting debtors from being cut off from utility services and providing utility companies with adequate assurance that the debtor will be able to pay for postpetition services. *See* H.R. Rep. No. 95-595, at 350 (1978), *reprinted in* 1978 U.S.C.C.A.N 5963, 6306. To that end, pursuant to section 366(c), during the first thirty (30) days of a chapter 11 case, a utility company may not alter, refuse, or discontinue service to a debtor solely because of unpaid prepetition amounts, but after the first thirty (30) days, the Utility Company may alter, refuse or discontinue service if a debtor does not provide "adequate assurance" of payment for postpetition services in satisfactory form.

19. Section 366(c)(3)(B) of the Bankruptcy Code provides a list of factors that courts are *not* to consider when evaluating whether a proposed adequate assurance payment is in fact adequate. These factors are: (i) the absence of security before the petition date; (ii) the debtor's history of timely payments; and (iii) the availability of an administrative expense priority. Although section 366(c) clarifies what does and does not constitute "assurance of payment" and what can be considered in determining whether such assurance is adequate, Congress, in enacting that section, did not divest this Court of its power to determine what amount, if any, is necessary to provide adequate assurance of payment to a Utility Company. *See* 11 U.S.C. § 366(c)(3)(A). Specifically, section 366(c)(3)(A) states that, "[o]n request of a party in interest and after notice and a hearing, the court may order modification of the amount of an assurance of payment" Thus, there is nothing to prevent a court from deciding that, on the facts of the case before it, the amount required of the debtor to provide adequate assurance of payment to a utility company should be nominal or even zero. *See, e.g., In re Pac-West Telecomm., Inc.*, Case No. 07-10562 (BLS) (Bankr. D. Del. May 2, 2007) (Docket No. 39) (approving adequate assurance in the form of one-time supplemental prepayment to each utility company equal to prorated amount of one week's charges).

20. Although section 366(c)(2) of the Bankruptcy Code allows a utility to take action if the debtor fails to provide adequate assurance of payment that is "satisfactory" to the utility, it is the Bankruptcy Court and not the utility provider that is the ultimate arbiter of what is "satisfactory" assurance after taking into consideration the needs of the debtor as well as the utility. *See, e.g., In re Penn. Cent. Transp. Co.*, 467 F.2d 100, 103-04 (3d Cir. 1972) (affirming the bankruptcy court's decision that no utility deposit was necessary where such deposits would "jeopardize the continuing operation of the [debtor] merely to give further security to suppliers

who already [were] reasonably protected”). Indeed, section 366 only requires that assurance of payment be “adequate” and courts have not construed section 366 to require an absolute guarantee of the debtor’s ability to pay. *See, e.g., In re Caldor, Inc. – N.Y.*, 199 B.R. 1, 3 (S.D.N.Y. 1996) (“Section 366(b) requires the Bankruptcy Court to determine whether the circumstances are sufficient to provide a utility with ‘adequate assurance’ of payment. The statute does not require an ‘absolute guarantee of payment.’” (citation omitted)), *aff’d sub nom. Va. Elec. & Power Co. v. Caldor, Inc. – N.Y.*, 117 F.3d 646 (2d Cir. 1997); *In re New Rochelle Tel. Corp.*, 397 B.R. 633, 639 (Bankr. E.D.N.Y. 2008) (“Adequate assurance, however, is not a guarantee of payment; rather, it is intended to guard against the utility assuming an unreasonable risk of non-payment.”) (citation omitted); *In re Adelpia Bus. Solutions, Inc.*, 280 B.R. 63, 80 (Bankr. S.D.N.Y. 2002) (“In determining adequate assurance, a bankruptcy court is not required to give a utility company the equivalent of a guaranty of payment . . .”).

21. Further, courts consider what is “need[ed] of the utility for assurance, and . . . require that the debtor supply *no more than that*, since the debtor almost perforce has a conflicting need to conserve scarce financial resources.” *Va. Elec. & Power Co. v. Caldor, Inc. – N.Y.*, 117 F.3d at 650 (emphasis in original); *see also In re Penn Central*, 467 F.2d at 103-04. Indeed, “[c]ourts will approve an amount that is adequate enough to insure against unreasonable risk of nonpayment, but are not required to give the equivalent of a guaranty of payment in full.” *In re The Great Atl. & Pac. Tea Co.*, Case No. 11-CV-1338 (CS), 2011 WL 5546954, at *5 (S.D.N.Y. Nov. 14, 2011) (citations omitted).

22. Courts have consistently found that adequate assurance of fifty percent (50%) of a debtor’s estimated monthly cost or two (2) weeks’ estimated utilities cost satisfies the requirements of section 366 of the Bankruptcy Code. *See, e.g., In re Offshore Grp. Inv. Ltd.*,

Case No. 15-12422 (BLS) (Bankr. D. Del. Jan. 5, 2016) (Docket No. 134) (approving adequate assurance where debtors deposited cash equal to two weeks' estimated cost of utilities); *In re Magnum Hunter Res. Corp.*, Case No. 15-12533 (KG) (Bankr. D. Del. Jan. 1, 2016) (Docket No. 252) (approving adequate assurance where debtors established segregated account with one half of debtors' average monthly cost of utility services); *In re Samson Res. Corp.*, Case No. 15-11934 (CSS) (Bankr. D. Del. Oct. 14, 2015) (Docket No. 190) (same); *In re Millennium Lab Holdings II, LLC*, Case No. 15-12284 (LSS) (Bankr. D. Del. Nov. 12, 2015) (Docket No. 61) (approving adequate assurance where debtors established segregated account with two weeks' estimated cost of utilities); *In re Dendreon Corp.*, Case No. 14-12515 (LSS) (Bankr. D. Del. Nov. 12, 2014) (Docket No. 56) (same).

23. In light of the foregoing, the Proposed Adequate Assurance is reasonable.

B. The Objection Procedures Are Reasonable and Appropriate

24. If a Utility Company does not believe the Proposed Adequate Assurance is “satisfactory,” such Utility Company may file an objection pursuant to the Objection Procedures described above. The proposed Objection Procedures are reasonable because they will ensure that the Debtors' Utility Services continue while providing a streamlined process for Utility Companies to challenge the adequacy of the Proposed Adequate Assurance or seek an alternative form of adequate assurance. The Court has the power to approve these Objection Procedures pursuant to 105(a) of the Bankruptcy Code, which provides that a bankruptcy court may “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions” of the Bankruptcy Code.

25. This Court has regularly approved procedures similar to the proposed Objection Procedures. *See, e.g., In re Offshore Grp. Inv. Ltd.*, Case No. 15-12422 (BLS) (Bankr. D. Del. Jan. 5, 2016) (Docket No. 134); *In re Magnum Hunter Res. Corp.*, Case No. 15-12533

(KG) (Bankr. D. Del. Jan. 1, 2016) (Docket No. 252); *In re Samson Res. Corp.*, Case No. 15-11934 (CSS) (Bankr. D. Del. Oct. 14, 2015) (Docket No. 190); *In re Endeavour Operating Corp.*, Case No. 14-12308 (Bankr. D. Del. Nov. 6, 2014) (Docket No. 146); *In re Energy Future Holdings Corp.*, Case No. 14-10979 (CSS) (Bankr. D. Del. June 4, 2014) (Docket No. 800); *In re Coldwater Creek Inc.*, Case No. 14-10867 (BLS) (Bankr. D. Del. Apr. 5, 2014) (Docket No. 335).

26. In light of the foregoing, the Proposed Adequate Assurance and the Objection Procedures are reasonable and the relief requested herein is necessary and appropriate, in the best interests of the Debtors' estates and creditors, and should be granted in full.

Bankruptcy Rule 6003 Has Been Satisfied

27. Bankruptcy Rule 6003 provides that, to the extent relief is necessary to avoid immediate and irreparable harm, a bankruptcy court may issue an order granting "a motion to use, sell, lease, or otherwise incur an obligation regarding property of the estate, including a motion to pay all or part of a claim that arose before the filing of the petition" before twenty-one (21) days after the Petition Date. As described herein and in the Mesterharm Declaration, the Debtors' estates would suffer immediate and irreparable harm if the relief sought herein is not promptly granted. Accordingly, the Debtors have satisfied the requirements of Bankruptcy Rule 6003.

Request for Bankruptcy Rule 6004 Waivers

28. The Debtors request a waiver of the notice requirements under Bankruptcy Rule 6004(a) and any stay of the order granting the relief requested herein pursuant to Bankruptcy Rule 6004(h). As explained above and in the Mesterharm Declaration, the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtors. Accordingly, ample cause exists to justify the waiver of the notice requirements under

Bankruptcy Rule 6004(a) and the fourteen-day stay imposed by Bankruptcy Rule 6004(h), to the extent such stay applies.

Reservation of Rights

29. Nothing contained herein is intended or shall be construed as (i) an admission as to the validity of any claim against the Debtors; (ii) a waiver of the Debtors' or any party in interest's rights to dispute the amount of, basis for, or validity of any claim of any Utility Company under applicable nonbankruptcy law; (iii) a waiver of any claims or causes of action which may exist against any Utility Company; or (iv) an assumption, adoption, or rejection of any agreement, contract, or lease between the Debtors and any third party under section 365 of the Bankruptcy Code. The Debtors reserve all of their rights under the Bankruptcy Code.

Notice

30. No trustee, examiner, or statutory committee of creditors has been appointed in these chapter 11 cases. Notice of this Motion has been provided to (i) the Office of the United States Trustee for the District of Delaware; (ii) the Debtors' thirty (30) largest unsecured creditors on a consolidated basis; (iii) Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, NY 10017 (Attn: Sandeep Qusba, Esq., Kathrine A. McLendon, Esq., and Morris J. Massel, Esq.), counsel to JPMorgan Chase Bank, N.A. (a) as administrative agent under the Senior Secured Revolving Credit Agreement, dated as of June 17, 2014 (the "**Revolver Agent**"), and (b) as collateral agent under the Guaranty and Collateral Agreement, dated as of July 18, 2014 (the "**Collateral Agent**"); (iv) Landis Rath & Cobb LLP, 919 Market Street, Wilmington, DE 19801 (Attn: Adam G. Landis, Esq. and Kerri Mumford, Esq.), co-counsel to the Revolver Agent and the Collateral Agent; (v) Kaye Scholer LLP, 250 West 55th Street, New York, NY 10019 (Attn: Mark F. Liscio, Esq. and Scott D. Talmadge, Esq.), counsel to (a) Cortland Capital Market Services LLC, as administrative agent (the "**Term Loan Agent**"),

and (b) the ad hoc committee of lenders (the “**Ad Hoc Term Lenders**”), under the Senior Secured Term Loan Agreement, dated as of July 18, 2014; (vi) Potter Anderson & Coroon LLP, 1313 N. Market Street, 6th Floor, Wilmington, DE 19801 (Attn: Jeremy W. Ryan, Esq.), co-counsel to the Term Loan Agent and the Ad Hoc Term Lenders; (vii) Morgan, Lewis, & Bockius LLP, 101 Park Avenue, New York, NY 10178 (Attn: James O. Moore, Esq., Glenn E. Siegel, Esq., and Joshua Dorchak, Esq.), counsel to Deutsche Bank Trust Company Americas as trustee under the Senior Notes Indenture, dated as of July 18, 2014, for the 6.75% Senior Notes due 2022 and the 7.25% Senior Notes due 2024; (viii) Paul, Weiss, Rifkind, Wharton, & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019 (Attn: Andrew N. Rosenberg, Esq. and Elizabeth R. McColm, Esq.), counsel to certain holders of the 6.75% Senior Notes due 2022 and the 7.25% Senior Notes due 2024; (ix) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, DE 19801 (Attn: Pauline K. Morgan, Esq.), co-counsel to certain holders of the 6.75% Senior Notes due 2022 and the 7.25% Senior Notes due 2024; (x) the Securities and Exchange Commission; (xi) the Internal Revenue Service; (xii) the United States Attorney’s Office for the District of Delaware; and (xiii) any other party entitled to notice pursuant to Local Rule 9013–1(m).

31. Notice of this Motion and any order entered hereon will be served on all parties required by Local Rule 9013–1(m). Based on the urgency of the circumstances surrounding this Motion and the nature of the relief requested herein, the Debtors respectfully submit that no further notice is required.

No Previous Request

32. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE the Debtors respectfully request entry of the Proposed Interim Order and Proposed Final Order granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: February 14, 2016
Wilmington, Delaware

/s/ Mark D. Collins

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-and-

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Proposed Attorneys for the Debtors
and Debtors in Possession

Exhibit A

Proposed Interim Order

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

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In re : **Chapter 11**
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PARAGON OFFSHORE PLC, et al., : **Case No. 16-_____ (___)**
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 : **Joint Administration Requested**
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Debtors.¹ :
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INTERIM ORDER (I) APPROVING DEBTORS’ PROPOSED FORM OF ADEQUATE ASSURANCE OF PAYMENT TO UTILITY COMPANIES, (II) ESTABLISHING PROCEDURES FOR RESOLVING OBJECTIONS BY UTILITY COMPANIES, AND (III) PROHIBITING UTILITY COMPANIES FROM ALTERING, REFUSING, OR DISCONTINUING SERVICE PURSUANT TO SECTIONS 366 AND 105(a) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 6003 AND 6004

Upon the motion, dated February 14, 2016 (the “**Motion**”),² of Paragon Offshore plc and its affiliated debtors, as debtors and debtors in possession (collectively, the “**Debtors**”), for an order (i) approving the Debtors’ proposed form of adequate assurance of payment to Utility Companies; (ii) establishing procedures for resolving Objections by Utility Companies; and (iii) prohibiting Utility Companies from altering, refusing, or discontinuing Utility Services,

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Paragon Offshore plc (6017); Paragon Offshore Finance Company (6632); Paragon International Finance Company (8126); Paragon Offshore Holdings US Inc. (1960); Paragon Offshore Drilling LLC (4541); Paragon FDR Holdings Ltd. (4731); Paragon Duchess Ltd.; Paragon Offshore (Luxembourg) S.à r.l. (5897); PGN Offshore Drilling (Malaysia) Sdn. Bhd. (9238); Paragon Offshore (Labuan) Pte. Ltd. (3505); Paragon Holding SCS 2 Ltd. (4108); Paragon Asset Company Ltd. (2832); Paragon Holding SCS 1 Ltd. (4004); Paragon Offshore Leasing (Luxembourg) S.à r.l. (5936); Paragon Drilling Services 7 LLC (7882); Paragon Offshore Leasing (Switzerland) GmbH (0669); Paragon Offshore do Brasil Ltda.; Paragon Asset (ME) Ltd. (8362); Paragon Asset (UK) Ltd.; Paragon Offshore International Ltd. (6103); Paragon Offshore (North Sea) Ltd.; Paragon (Middle East) Limited (0667); Paragon Holding NCS 2 S.à r.l. (5447); Paragon Leonard Jones LLC (8826); Paragon Offshore (Nederland) B.V.; and Paragon Offshore Contracting GmbH (2832). The Debtors’ mailing address is 3151 Briarpark Drive, Suite 700, Houston, Texas 77042. The Debtors’ mailing address is 3151 Briarpark Drive, Suite 700, Houston, Texas 77042.

² All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

pursuant to sections 366 and 105(a) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), as more fully set forth in the Motion; and upon consideration of the Mesterharm Declaration; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and the Amended Standing Order of Reference from the United States District Court for the District of Delaware dated February 29, 2012; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having held a hearing on the Motion on February [___], 2016; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors and their respective estates and creditors; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth herein.
2. Until such time as the Final Order is entered, all Utility Companies, including without limitation those listed on **Exhibit 1** annexed hereto, are prohibited from altering, refusing, or discontinuing Utility Services or otherwise discriminating against the Debtors on account of any unpaid prepetition charges or any perceived inadequacy of the Debtors’ Proposed Adequate Assurance.

3. The Debtors shall deposit the Adequate Assurance Deposit in the amount of \$250,301 in a newly segregated account for the benefit of the Utility Companies (the “**Utility Deposit Account**”) within twenty (20) days after the Petition Date.

4. The following Objection Procedures are approved on an interim basis:
- a. Within two (2) business days after entry of the Interim Order, the Debtors will mail a copy of the Interim Order and the Motion (including the Proposed Final Order) to the Utility Companies on the Utility Services List.
 - b. If a Utility Company is not satisfied with the Proposed Adequate Assurance, it must serve a written request (a “**Request**”) upon the proposed counsel to the Debtors: (i) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Jessica Diab, Esq.) and (ii) Richards Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins, Esq. and Amanda R. Steele, Esq.) and the Request must set forth: (i) the location(s) for which Utility Services are provided; (ii) the account number(s) for such location(s); (iii) the outstanding balance for each account; and (iv) an explanation of why the Utility Company believes the Adequate Assurance Deposit is not adequate assurance of payment.
 - c. If the Debtors, in their sole discretion, determine that a Request or any consensual agreement reached in connection therewith is reasonable, the Debtors, without further order of the Court, may enter into agreements granting additional adequate assurance to the Utility Company serving such Request and, in connection with such agreements, provide the Utility Company with additional adequate assurance of payment, including payments on prepetition amounts owing, cash deposits, prepayments, or other forms of security.
 - d. If the Debtors, in their sole discretion, determine that a Request is unreasonable, then they shall, within thirty (30) days after receipt of such Request, or such longer period as may be agreed to between the Debtors and the Utility Company, file a motion (a “**Determination Motion**”) pursuant to section 366(c)(3) of the Bankruptcy Code seeking a determination from the Court that the Proposed Adequate Assurance, plus any additional consideration offered by the Debtors, constitutes adequate assurance of payment. Pending notice and a hearing on the Determination Motion, the Utility Company that is the subject of the unresolved Request may not alter, refuse, or discontinue services to the Debtors; *provided, however,* that, while such Determination Motion is pending, at any time after twenty (20) days after entry of the Final Order, such Utility Company

may file a motion seeking a determination that the Proposed Adequate Assurance does not constitute adequate assurance of payment.

5. The Adequate Assurance Deposit shall be deemed adequate assurance of payment, and any Utility Company that does not make a Request or otherwise comply with the Objection Procedures shall be prohibited from altering, refusing, or discontinuing Utility Services, including as a result of the Debtors' failure to pay charges for prepetition Utility Services or to provide adequate assurance of payment in addition to the Proposed Adequate Assurance.

6. The Adequate Assurance Deposit shall automatically, without further Court order, be available to the Debtors upon the effective date of a chapter 11 plan for the Debtors; *provided, however*, that there are no outstanding disputes related to postpetition payments due.

7. The inclusion of any entity in, as well as any omission of any entity from, the Utility Services List shall not be deemed an admission by the Debtors that such entity is, or is not, a utility within the meaning of section 366 of the Bankruptcy Code, and the Debtors reserve all rights and defenses with respect thereto.

8. The Debtors are authorized to amend the Utility Services List to the extent the Debtors terminate the services of any Utility Company or identify additional Utility Companies and this Interim Order shall apply to any such Utility Company that is added to the Utility Services List.

9. The Debtors shall increase the amount of the Adequate Assurance Deposit in the event an additional Utility Company is added to the Utility Services List by an amount equal to two (2) weeks of Utility Services provided by such additional Utility Company, calculated using the historical average for such payments during the past twelve (12) months.

10. The Debtors may terminate the services of any Utility Company and are immediately authorized to reduce the Adequate Assurance Deposit by the amount held on account of such terminated Utility Company; *provided, however*, that there are no outstanding disputes related to postpetition payments due. The Debtors may amend the Utility Service List to delete a Utility Company only if it has provided two weeks' advance notice to such Utility Company, and has not received any objection from such Utility Company. If an objection is received, the Debtors shall request a hearing before this Court at the next omnibus hearing date, or such other date that the Debtors and the Utility Company may agree.

11. The Debtors shall serve a copy of this Interim Order and the Motion upon any Utility Company added to the Utility Services List.

12. Nothing contained in this Interim Order or any action taken by the Debtors in implementing this Interim Order shall be deemed (i) an admission as to the validity of any claim against the Debtors; (ii) a waiver of the Debtors' or any party in interest's rights to dispute the amount of, basis for, or validity of any claim of any Utility Company under applicable nonbankruptcy law; (iii) a waiver of any claims or causes of action which may exist against any Utility Company; or (iv) an assumption, adoption, or rejection of any agreement, contract, or lease between the Debtors and any third party under section 365 of the Bankruptcy Code.

13. Notwithstanding anything in this Interim Order to the contrary, the Debtors' authority to use or transfer cash hereunder shall be subject to the same limitations and restrictions as are provided for with respect to the use or transfer of cash in the cash collateral order (as applicable, the "**Cash Collateral Order**"). To the extent there is any conflict between this Interim Order and any Cash Collateral Order, the terms of the Cash Collateral Order shall control.

14. The requirements of Bankruptcy Rule 6003(b) have been satisfied.

15. The requirements of Bankruptcy Rule 6004(a) are waived.

16. Notwithstanding any applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order shall be immediately effective and enforceable upon its entry.

17. The Debtors are authorized to take all steps necessary to carry out this Interim Order.

18. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Interim Order.

19. A final hearing to consider the relief requested in the Motion shall be held on _____, at _____ (Eastern Time) and any objections or responses to the Motion shall be filed and served so as to be actually received on or prior to _____, _____ at 4:00 p.m. (Eastern Time).

Dated: _____, 2016
Wilmington, Delaware

UNITED STATES BANKRUPTCY JUDGE

Exhibit 1 to the Interim Order

Exhibit 1 to the Interim Order**Nonexclusive Utility Services List**

Utility Company	Address	Description of Utility Services	Average Monthly Expense (\$)	Proposed Adequate Assurance (\$)
Access Trading & Maintenance Co.	P.O. Box 16504, Doha, Qatar	Gas	\$26.25	\$13.13
Abu Dhabi Distribution Company	Abu Dhabi P.O. 219, Abu Dhabi, U.A.E, 219	Water & Electricity	\$4,505.05	\$2,252.52
Ampla	Praça Leoni Ramos 01, Bloco 1, 7º andar, São Domingos, Niterói, Rio de Janeiro, Brazil	Electricity	\$9,445.78	\$4,722.89
Aquaservices	Ave 2, Oriente Mza. G, Lote 4 A2, Ciudad Del Carmen, Campeche, Mexico, 24140	Water	\$177.01	\$88.50
Arkadin, Inc.	Lockbox #32726 Collections Center D, Chicago, IL, 60693	Telecommunications	\$565.59	\$282.79
ASM Alarmas	Calle 47, No. 758, Ciudad Del Carmen, Campeche, Mexico, 24110	Other Utility Service	\$141.04	\$70.52
Astro	All Asia Broadcast Centre, Technology Park Malaysia, Lebuhraya Puchong-Sg. Besi, Bukit Jalil, Kuala Lumpur, Malaysia, 57000	Other Utility Service	\$88.79	\$44.39
AT&T Comunicaciones Digitales	Paseo De Los Tamarindos 90, Piso 24, D.F., Mexico, 05120	Telecommunications	\$31.53	\$15.77
AT&T Mobility	P.O. Box 6463, Carol Stream, IL, 60197-6463	Telecommunications	\$254.73	\$127.37
Ax Servicios Y Concesiones, S.A. De C.V.	Calle Peten No. 26, Col Fracc. Mundo Maya, Ciudad Del Carmen, Campeche, Mexico, 24157	Waste Disposal	\$23.42	\$11.71
Bell Aliant	P.O. Box 2110, St. John's, Nfld., A1C 5H6, Canada	Telecommunications	\$809.66	\$404.83
Bell Mobility Inc.	Po Box 5102, Burlington, ON, L7R 4R7, Canada	Telecommunications	\$768.33	\$384.17

Utility Company	Address	Description of Utility Services	Average Monthly Expense (\$)	Proposed Adequate Assurance (\$)
BT, Plc	TVTE, Newcastle Upon Tyne, U.K, Ne82 6Aa	Telecommunications	\$1,231.20	\$615.60
Business Stream	7 Lochside View, Edinburgh, MD, EH129DH, U.K.	Other Utility Service	\$0.00	\$0.00
Carrierwer Soluc Tecnologicas	Rua Voluntaria Da Patria-S11202 45, Rio De Janeiro, Rj, 22270-000, Brazil	Telecommunications	\$177.03	\$88.51
Cedae	Av. Presidente Vargas 2655, Cidade Nova, Rio de Janeiro, Rio de Janeiro, Brazil	Water	\$569.43	\$284.72
CEG	Av. Pedro II, 68, São Cristóvão, CEP 20941- 070, Rio de Janeiro,RJ	Gas	\$47.42	\$23.71
City Council	Business Hub 16, Aberdeen, U.K., AB10 1AB	Other Utility Service	\$3,610.64	\$1,805.32
Comision Federal De Electricidad	Av. Paseo de La Reforma No. 164, D.F., Mexico, 06600	Electricity	\$11,164.07	\$5,582.04
Comunicaciones Nextel	Paseo De Los Tamarindos 90, Piso 24, , D.F., Mexico, 05120	Telecommunications	\$865.51	\$432.76
Cyrus Networks, Llc DBA Cyrus One	4211 Southwest Freeway, Houston, TX, 77027	Telecommunications	\$15,815.86	\$7,907.93
Dacs Network Solutions Sdn Bhd	No. 1, Jalan Dutamas 1, Kuala Lumpur, Psk, 50480, Malaysia	Telecommunications	\$1,324.87	\$662.43
Dacs Network Solutionssdn Bhd	Unit C4-2-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, Kuala Lumpur, Malaysia, 50480	Telecommunications	\$1,251.84	\$625.92
Dewa	Dubai P.O. 564, Dubai, U.A.E, 564	Water & Electricity	\$1,679.68	\$839.84
Dimarco	Abu Dhabi P.O. 94625, Abu Dhabi, U.A.E, 94625	Water	\$271.96	\$135.98
Du	Al Salam Tower, Dubai Media City P.O.Box: 502666, Dubai, UAE	Telecommunications	\$102.41	\$51.20
Electronic Equipment Service BV	Plompertstraat 20-S, Rotterdam, 12, 3087 Bd, Netherlands	Telecommunications	\$288.78	\$144.39
Embratel	Av. Presidente Vargas, 1012 Rio de Janeiro; Brazil	Telecommunications	\$8,253.25	\$4,126.62
Empower	P.O. 8081, Dubai, U.A.E, 8081	Other Utility Service	\$388.74	\$194.37

Utility Company	Address	Description of Utility Services	Average Monthly Expense (\$)	Proposed Adequate Assurance (\$)
Estancias Extendidas	Presidente Mazarik No 29-E3, Polanc, Ciudad De Mexico, Df, 11560, Mexico	Telecommunications	\$1.89	\$0.95
Etisalat	Abu Dhabi & Dubai, Abu Dhabi, U.A.E,	Telecommunications	\$20,406.38	\$10,203.19
Felipe Robledo	Real Del Carmen 13, Ciudad Del Carmen, Campeche, Mexico, 24157	Telecommunications	\$145.63	\$72.81
Gas Malaysia Sdn Bhd	No. 20, Jalan Gurney, Kuala Lumpur, Kuala Lumpur, Malaysia, 54100	Gas	\$2.71	\$1.36
Gas Peninsular De Campeche	Carretera Campeche-China S/N, Campeche, Mexico, 24560	Gas	\$701.05	\$350.53
Gemente Beverwijk	Postbus 796, Hoofddorp, NL, 2130 AT	Other Utility Service	\$159.25	\$79.62
Gemente Den Helder	Postbus 796, Hoofddorp, NL, 2130 AT	Other Utility Service	\$137.68	\$68.84
Global Crossing Landing Mexicana	Lago Zurich #96, Cd De Mexico, Df, 11529, Mexico	Telecommunications	\$9,385.97	\$4,692.99
Golden Line	Estrada São José E Imboacica - s/n S 213, Macaé - RJ, Brazil	Telecommunications	\$9,080.09	\$4,540.05
Golden Line Telecom Ltda	Av. Das Americas - Sl. 211 E 2 1155, Rio De Janeiro-Rj, Rj, 22631-000, Brazil	Telecommunications	\$13,290.63	\$6,645.31
GPI Briarpark Green, Lp	5601 Granite Parkway, Plano, TX, 75024	Other Utility Service	\$2,288.14	\$1,144.07
Hollands Noord Kwartier	Bevelandsweg 1, Heerhugowaard, NL, 1703 AZ	Waste Disposal	\$31.21	\$15.61
Indah Water Konsortium Sdn Bhd	No. 44, Jalan Dungun, Damansara Heights, Kuala Lumpur, Malaysia, 50490	Waste Disposal	\$2.13	\$1.06
Ingenieria Aplicada Y Tratamiento	Privada 74, #180-A, Entre Periferic, Del Carmen, Cmp, 24117, Mexico	Waste Disposal	\$191.77	\$95.89
Intelisis Software Sa De Cv	Av Paseo De La Reforma, 2654 Ph, Miguel Hidalgo, Df. , Mexico	Telecommunications	\$1,056.10	\$528.05
Intercall, Inc	P.O. Box 281866, Atlanta, GA, 30384-1866	Telecommunications	\$8.65	\$4.33
International Health Care	Rua Joao Borges, 204 Gbvea, Rio de Janeiro, RJ, 22451-100, Brazil	Telecommunications	\$49.71	\$24.86
Joelma Tavares De Oliveira Dbá	Rua Crisanto Carvalho No 21, Macae, Rj, 27975-040, Brazil	Water	\$780.80	\$390.40
Kahramaa	P.O. Box 41 Doha, State of Qatar	Water & Electricity	\$1,517.17	\$758.58

Utility Company	Address	Description of Utility Services	Average Monthly Expense (\$)	Proposed Adequate Assurance (\$)
KPN	Postbus 30403, Den Haag, NL, 2500 GK	Telecommunications	\$7,208.07	\$3,604.03
La Centrale Informatique	472 Rue Berthault Bali, Douala, Littoral, Cameroon, P.O. Box 2770	Electricity	\$12,810.61	\$6,405.31
Level 3 Financing Inc	1025 Eldorado Blvd, Broomfield, Co, 80021	Telecommunications	\$16,069.09	\$8,034.55
Liander	Postbus 50, Duiven, NL, 6920 AB	Electricity	\$382.73	\$191.36
Lidia Nelly Solis Herrera / Satab	Avenue Adolfo Ruiz Cortines, Villahermosa, Tab, 86050, Mexico	Waste Disposal	\$13,656.48	\$6,828.24
Light	Av. Marechal Floriano 168, Centro, Rio de Janeiro, Rio de Janeiro, Brazil	Electricity	\$409.21	\$204.60
Mackay Communications, Inc	3691 Trust Drive, Raleigh, NC, 27616-2955	Telecommunications	\$1,451.71	\$725.86
Maegert & Co	Parallelstrasse 50, Frutigen, Switzerland, 3714	Electricity	\$68.21	\$34.11
Marlink Sa	Rue De Stallestraat 140, Brussels, 11, 1180, Belgium	Telecommunications	\$391.15	\$195.57
Martin Resource Management Corp.	3 Riverway, Suite 400, Houston, TX, 77056	Waste Disposal	\$1,466.67	\$733.33
Matrik Melati Sdn Bhd	UO350 Jalan Merdeka, POBox 80850,87015, Labuan F.T, Labuan F.T, Malaysia, 87015	Telecommunications	\$43.81	\$21.91
Mobile Phone	Rue Franqueville, Douala, Littoral, Cameroon, P.O. Box 1864	Telecommunications	\$1,129.61	\$564.80
Nssl Ltd, UK	6 Wells Place, Redhill, Surrey, Ab, Rh1 3Dr, Great Britain (U.K.)	Telecommunications	\$794.48	\$397.24
Nuon	Postbus 41920, Amsterdam, NL, 1009 DC	Electricity	\$859.68	\$429.84
O2 Uk Ltd 1001296	260 Bath Road, Slough, UK, SL1 4DX	Telecommunications	\$958.51	\$479.25
Oi / Vivo	Rua do Lavradio, 71, 2º andar, Rio de Janeiro, Rio de Janeiro, Brazil	Telecommunications	\$5,072.64	\$2,536.32
Ooredoo	P.O. Box 8008000, Doha, Qatar	Telecommunications	\$5,106.08	\$2,553.04
P.C. Rodrigues Transpotes E	Rua Academico P. S. Vasconcelos 213, Macae, Rj, 27930-260, Brazil	Water	\$51.55	\$25.78
Panamsat De Mexico, S De Rl De Cv	Paseo De Los Tamarindos 400, Cuajimalpa, Edo, Cmp, 05120, Mexico	Telecommunications	\$3,932.50	\$1,966.25

Utility Company	Address	Description of Utility Services	Average Monthly Expense (\$)	Proposed Adequate Assurance (\$)
Picotec Sdn Bhd	Lot B005, 1st Floor, Financial Park Complex, Labuan F.T, Labuan F.T, Malaysia, 87011	Telecommunications	\$38.80	\$19.40
Policlõca Servicos Mõdicos Ltda	Rua Dr. Luiz Belegard, 148 Centro, Macaõ, RJ, 27913-260, Brazil	Telecommunications	\$1,132.53	\$566.26
Post Telecom S.A.	1 Rue Emile Bian Luxembourg, Luxembourg, LU, 2996	Telecommunications	\$1,242.67	\$621.34
Potencial 2007 Comercio E Servicos	Niteroi 1442, Jardim Marileia - Rio Das Ostras, Rj, 28890-000, Brazil	Water	\$408.78	\$204.39
Promotora Turistica Kan Pech	Av. Periferica Norte S/N Esquina, Cd. De Carmen, Cmp, 24170, Mexico	Telecommunications	\$1.77	\$0.88
Proteccion Y Telecom.	67C, 6C San Roman, Campeche, Mexico, 24040	Other Utility Service	\$27.27	\$13.63
PWN	Postbus 2100, Velsbroek, NL, 1990 AC	Water	\$15.98	\$7.99
Radiomovil Dipsa	Lago Alberto 366, Edificio Telcel I, Piso 2, D.F., Mexico, 11320	Telecommunications	\$3,300.00	\$1,650.00
Regus	1000 N. West Street, Wilmington, DE, USA, 19801	Telecommunications	\$60.47	\$30.23
RigNet	Av. Atlântica, 1764 - CavaleirosMacaé, Rio de Janeiro, Brazil	Telecommunications	\$40,463.02	\$20,231.51
RigNetServicos De Telecomunicacoes	Av. Rio Branco 181 Sala 1901 Parte, Rio De Janeiro, Rj, 20040-007, Brazil	Telecommunications	\$50,520.52	\$25,260.26
RigNetUK Limited	Nessco House Discovery Drive, Aberdeen, AB, AB326FG, Great Britain (U.K.)	Telecommunications	\$1,295.38	\$647.69
RigNetUK Ltd	Exploration Drive, Unit 12, Bridge Of Don, Ab, Ab23 8Gx, Great Britain (U.K.)	Telecommunications	\$6,537.03	\$3,268.51
Rignet, Inc.	1880 South Dairy Ashford, Suite 505, Houston, TX, 77077	Telecommunications	\$51,782.39	\$25,891.20
Rigstat, Lp	13003 Southwest Freeway, Suite 120, Stafford, TX, 77477	Telecommunications	\$15,820.55	\$7,910.27
Rogers Business Solutions	2235 Sheppard Ave E, Suite 600, Toronto, ON, M2J 5G1, Canada	Telecommunications	\$1,057.20	\$528.60

Utility Company	Address	Description of Utility Services	Average Monthly Expense (\$)	Proposed Adequate Assurance (\$)
Royal Dirkzwager	Govert Van Wijnkade 50, Maassluis, 12, 3144 Eg, Netherlands	Telecommunications	\$389.75	\$194.87
Sabah Electricity Sdn Bhd	Wisma SESB, Jalan Tunku Abdul Rahman, Kota Kinabalu, Sabah, Malaysia, 88673	Water	\$25.76	\$12.88
Satellite TV	472 Rue Berthault Bali, Douala, Littoral, Cameroon, P.O. Box 2770	Satellite	\$1,675.06	\$837.53
Scottish Hydro	PO Box 2347, Cardiss, U.K., CF23 8AU	Electricity	\$80.76	\$40.38
Scottish Hydro Electric	200 Dunkeld Road, Havant, HA, PO95DD, Great Britain (U.K.)	Electricity	\$1,878.96	\$939.48
Sistema De Aguas De La Ciudad De Mexico	Nezahualcoyotl 109, Col. Centro, Del. Cuauhtémoc, D.F., Mexico, Mexico,	Water	\$41.42	\$20.71
Sistema Municipal De Agua Potable Y Alcantarillado De Carmen	Calle 33 No. 140, Ciudad Del Carmen, Campeche, Mexico, 24180	Water	\$180.15	\$90.07
Sita	Aziehavenweg 18, Amsterdam, NL, 1046 BK	Waste Disposal	\$383.61	\$191.81
Sita Recycling Services West B.V.	Postbus 7009, Arnhem, 04, 6801 Ha, Netherlands	Waste Disposal	\$212.50	\$106.25
Sky Brasil Serviços Ltda.	Santana de Parnaíba, São Paulo, Brazil	Satellite	\$19,015.16	\$9,507.58
Swisscom	Alte Tiefenaustrasse 6, Bern, Switzerland, 3050	Telecommunications	\$559.48	\$279.74
Symmetry Corporation	1201 N. Prospect Avenue, Milwaukee, WI, 53202	Telecommunications	\$82,861.67	\$41,430.83
Tasleem	Abu Dhabi P.O. 51726, Abu Dhabi, U.A.E, 51726	Other Utility Service	\$335.15	\$167.57
Telefonos De Mexico	Parque Via 198, Col Cuauhtemoc, D.F., Mexico, 06500	Telecommunications	\$4,041.70	\$2,020.85
Telekom Malaysia	Level 51, Menara TM, Kuala Lumpur, Kuala Lumpur, Malaysia, 50672	Telecommunications	\$33.33	\$16.67
Telekom Malaysia Berhad	Level 51, Menara TM, Kuala Lumpur, Kuala Lumpur, Malaysia, 50672	Telecommunications	\$79.17	\$39.59
Tenaga Nasional Berhad	Aras 16, Wisma TNB, No. 19, Jalan Timur, Petaling Jaya, Selangor, Malaysia, 46200	Electricity	\$744.80	\$372.40

Utility Company	Address	Description of Utility Services	Average Monthly Expense (\$)	Proposed Adequate Assurance (\$)
The Call Centre Inc. DbA	44 Austin Street, St. John's, Nfld., A1B 3M7, Canada	Telecommunications	\$241.99	\$120.99
The Conference Group Llc	254 Chapman Rd Topkis Bldg, Ste. 2, Newark, DE, 19702	Telecommunications	\$2.67	\$1.34
Tridium Technology Sdn Bhd	No. 1, Jalan Dutamas 1, Kuala Lumpur, Psk, 50480, Malaysia	Telecommunications	\$1,357.75	\$678.88
Tridium Technology Sdn. Bhd	Unit C4-2-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, Kuala Lumpur, Malaysia, 50480	Telecommunications	\$1,585.51	\$792.76
TW Telecom Holdings Inc.	10475 Park Meadows Drive, Littleton, Co, 80124	Telecommunications	\$14,147.83	\$7,073.92
Vodafone Uk	Vodaphone House The Connection, Newbury, BK, RG142FN, Great Britain (U.K.)	Telecommunications	\$1,724.17	\$862.09
Vodaphone	Postbus 1500, Maastricht, NL, 6201 BM	Telecommunications	\$307.88	\$153.94
Waternet	Postbus 94128, Amsterdam, NL, 1090 GC	Water	\$11.60	\$5.80
Total			\$500,601.81	\$250,300.91

Exhibit B

Proposed Final Order

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

-----X
 :
In re : **Chapter 11**
 :
PARAGON OFFSHORE PLC, et al., : **Case No. 16-_____ (___)**
 :
 : **Joint Administration Requested**
Debtors.¹ :
 -----X

FINAL ORDER (I) APPROVING DEBTORS’ PROPOSED FORM OF ADEQUATE ASSURANCE OF PAYMENT TO UTILITY COMPANIES, (II) ESTABLISHING PROCEDURES FOR RESOLVING OBJECTIONS BY UTILITY COMPANIES, AND (III) PROHIBITING UTILITY COMPANIES FROM ALTERING, REFUSING, OR DISCONTINUING SERVICE PURSUANT TO SECTIONS 366 AND 105(a) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 6003 AND 6004

Upon the motion, dated February 14, 2016 (the “**Motion**”),² of Paragon Offshore plc and its affiliated debtors, as debtors and debtors in possession (collectively, the “**Debtors**”), for an order (i) approving the Debtors’ proposed form of adequate assurance of payment to Utility Companies; (ii) establishing procedures for resolving Objections by Utility Companies; and (iii) prohibiting Utility Companies from altering, refusing, or discontinuing Utility Services, pursuant to sections 366 and 105(a) of title 11 of the United States Code (the “**Bankruptcy**”

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Paragon Offshore plc (6017); Paragon Offshore Finance Company (6632); Paragon International Finance Company (8126); Paragon Offshore Holdings US Inc. (1960); Paragon Offshore Drilling LLC (4541); Paragon FDR Holdings Ltd. (4731); Paragon Duchess Ltd.; Paragon Offshore (Luxembourg) S.à r.l. (5897); PGN Offshore Drilling (Malaysia) Sdn. Bhd. (9238); Paragon Offshore (Labuan) Pte. Ltd. (3505); Paragon Holding SCS 2 Ltd. (4108); Paragon Asset Company Ltd. (2832); Paragon Holding SCS 1 Ltd. (4004); Paragon Offshore Leasing (Luxembourg) S.à r.l. (5936); Paragon Drilling Services 7 LLC (7882); Paragon Offshore Leasing (Switzerland) GmbH (0669); Paragon Offshore do Brasil Ltda.; Paragon Asset (ME) Ltd. (8362); Paragon Asset (UK) Ltd.; Paragon Offshore International Ltd. (6103); Paragon Offshore (North Sea) Ltd.; Paragon (Middle East) Limited (0667); Paragon Holding NCS 2 S.à r.l. (5447); Paragon Leonard Jones LLC (8826); Paragon Offshore (Nederland) B.V.; and Paragon Offshore Contracting GmbH (2832). The Debtors’ mailing address is 3151 Briarpark Drive, Suite 700, Houston, Texas 77042. The Debtors’ mailing address is 3151 Briarpark Drive, Suite 700, Houston, Texas 77042.

² All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

Code”) and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), as more fully set forth in the Motion; and upon consideration of the Mesterharm Declaration; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and the Amended Standing Order of Reference from the United States District Court for the District of Delaware dated February 29, 2012; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having held a hearing on the Motion on February __, 2016; and the Court having granted interim relief on the Motion on February __, 2016 (Docket No. __); and the Court having held a final hearing on the Motion on February __, 2016; and all objections to the Motion having been withdrawn, resolved or overruled; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors and their respective estates and creditors; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted.
2. The Proposed Adequate Assurance satisfies the requirements set forth in section 366 of the Bankruptcy Code.

3. Any Utility Company not in compliance with the below Objection

Procedures shall not be permitted to alter, refuse, or discontinue service or demand adequate assurance other than as provided in this Final Order:

- a. If a Utility Company is not satisfied with the Proposed Adequate Assurance, it must serve a written request (a “**Request**”) upon the proposed counsel to the Debtors: (i) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Jessica Diab, Esq.) and (ii) Richards Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins, Esq. and Amanda R. Steele, Esq.), and the Request must set forth: (i) the location(s) for which Utility Services are provided; (ii) the account number(s) for such location(s); (iii) the outstanding balance for each account; and (iv) an explanation of why the Utility Company believes the Adequate Assurance Deposit is not adequate assurance of payment.
 - b. If the Debtors, in their sole discretion, determine that a Request or any consensual agreement reached in connection therewith is reasonable, the Debtors, without further order of the Court, may enter into agreements granting additional adequate assurance to the Utility Company serving such Request and, in connection with such agreements, provide the Utility Company with additional adequate assurance of payment, including payments on prepetition amounts owing, cash deposits, prepayments, or other forms of security.
 - a. If the Debtors, in their sole discretion, determine that a Request is unreasonable, then they shall, within thirty (30) days after receipt of such Request, or such longer period as may be agreed to between the Debtors and the Utility Company, file a motion (a “**Determination Motion**”) pursuant to section 366(c)(3) of the Bankruptcy Code seeking a determination from the Court that the Proposed Adequate Assurance, plus any additional consideration offered by the Debtors, constitutes adequate assurance of payment. Pending notice and a hearing on the Determination Motion, the Utility Company that is the subject of the unresolved Request may not alter, refuse, or discontinue services to the Debtors; *provided, however,* that, while such Determination Motion is pending, at any time after twenty (20) days after entry of the Final Order, such Utility Company may file a motion seeking a determination that the Proposed Adequate Assurance does not constitute adequate assurance of payment.
4. The Adequate Assurance Deposit shall be deemed adequate assurance of

payment, and any Utility Company that does not make a Request or otherwise comply with the Objection Procedures shall be prohibited from altering, refusing, or discontinuing Utility

Services, including as a result of the Debtors' failure to pay charges for prepetition Utility Services or to provide adequate assurance of payment in addition to the Proposed Adequate Assurance.

5. The Adequate Assurance Deposit shall automatically, without further Court order, be available to the Debtors upon the effective date of a chapter 11 plan for the Debtors; *provided, however*, that there are no outstanding disputes related to postpetition payments due.

6. The inclusion of any entity in, as well as any omission of any entity from, the Utility Services List shall not be deemed an admission by the Debtors that such entity is, or is not, a utility within the meaning of section 366 of the Bankruptcy Code, and the Debtors reserve all rights and defenses with respect thereto.

7. The Debtors are authorized to amend the Utility Services List to the extent the Debtors terminate the services of any Utility Company or identify additional Utility Companies and this Final Order shall apply to any such Utility Company that is added to the Utility Services List.

8. The Debtors shall increase the amount of the Adequate Assurance Deposit in the event an additional Utility Company is added to the Utility Services List by an amount equal to two (2) weeks of Utility Services provided by such additional Utility Company, calculated using the historical average for such payments during the past twelve (12) months.

9. The Debtors may terminate the services of any Utility Company and are immediately authorized to reduce the Adequate Assurance Deposit by the amount held on account of such terminated Utility Company; *provided, however*, that there are no outstanding disputes related to postpetition payments due. The Debtors may amend the Utility Service List

to delete a Utility Company only if it has provided two weeks' advance notice to such Utility Company, and has not received any objection from such Utility Company. If an objection is received, the Debtors shall request a hearing before this Court at the next omnibus hearing date, or such other date that the Debtors and the Utility Company may agree.

10. The Debtors shall serve a copy of the Motion and this Final Order upon any Utility Company added to the Utility Services List.

11. Nothing contained in this Final Order or any action taken by the Debtors in implementing this Final Order shall be deemed (i) an admission as to the validity of any claim against the Debtors; (ii) a waiver of the Debtors' or any party in interest's rights to dispute the amount of, basis for, or validity of any claim of any Utility Company under applicable nonbankruptcy law; (iii) a waiver of any claims or causes of action which may exist against any Utility Company; or (iv) an assumption, adoption, or rejection of any agreement, contract, or lease between the Debtors and any third party under section 365 of the Bankruptcy Code.

12. Notwithstanding anything in this Final Order to the contrary, the Debtors' authority to use or transfer cash hereunder shall be subject to the same limitations and restrictions as are provided for with respect to the use or transfer of cash in the cash collateral order (as applicable, the "**Cash Collateral Order**"). To the extent there is any conflict between this Final Order and any Cash Collateral Order, the terms of the Cash Collateral Order shall control.

13. Notwithstanding any applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Final Order shall be immediately effective and enforceable upon its entry.

14. The Debtors are authorized to take all steps necessary to carry out this Final Order.

15. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Final Order.

Dated: _____, 2016
Wilmington, Delaware

UNITED STATES BANKRUPTCY JUDGE

Exhibit 1 to the Final Order**Nonexclusive Utility Services List**

Utility Company	Address	Description of Utility Services	Average Monthly Expense (\$)	Proposed Adequate Assurance (\$)
Access Trading & Maintenance Co.	P.O. Box 16504, Doha, Qatar	Gas	\$26.25	\$13.13
Abu Dhabi Distribution Company	Abu Dhabi P.O. 219, Abu Dhabi, U.A.E, 219	Water & Electricity	\$4,505.05	\$2,252.52
Ampla	Praça Leoni Ramos 01, Bloco 1, 7º andar, São Domingos, Niterói, Rio de Janeiro, Brazil	Electricity	\$9,445.78	\$4,722.89
Aquaservices	Ave 2, Oriente Mza. G, Lote 4 A2, Ciudad Del Carmen, Campeche, Mexico, 24140	Water	\$177.01	\$88.50
Arkadin, Inc.	Lockbox #32726 Collections Center D, Chicago, IL, 60693	Telecommunications	\$565.59	\$282.79
ASM Alarmas	Calle 47, No. 758, Ciudad Del Carmen, Campeche, Mexico, 24110	Other Utility Service	\$141.04	\$70.52
Astro	All Asia Broadcast Centre, Technology Park Malaysia, Lebuhraya Puchong-Sg. Besi, Bukit Jalil, Kuala Lumpur, Malaysia, 57000	Other Utility Service	\$88.79	\$44.39
AT&T Comunicaciones Digitales	Paseo De Los Tamarindos 90, Piso 24, D.F., Mexico, 05120	Telecommunications	\$31.53	\$15.77
AT&T Mobility	P.O. Box 6463, Carol Stream, IL, 60197-6463	Telecommunications	\$254.73	\$127.37
Ax Servicios Y Concesiones, S.A. De C.V.	Calle Peten No. 26, Col Fracc. Mundo Maya, Ciudad Del Carmen, Campeche, Mexico, 24157	Waste Disposal	\$23.42	\$11.71
Bell Aliant	P.O. Box 2110, St. John's, Nfld., A1C 5H6, Canada	Telecommunications	\$809.66	\$404.83
Bell Mobility Inc.	Po Box 5102, Burlington, ON, L7R 4R7, Canada	Telecommunications	\$768.33	\$384.17

Utility Company	Address	Description of Utility Services	Average Monthly Expense (\$)	Proposed Adequate Assurance (\$)
BT, Plc	TVTE, Newcastle Upon Tyne, U.K, Ne82 6Aa	Telecommunications	\$1,231.20	\$615.60
Business Stream	7 Lochside View, Edinburgh, MD, EH129DH, U.K.	Other Utility Service	\$0.00	\$0.00
Carrierwer Soluc Tecnologicas	Rua Voluntaria Da Patria-S11202 45, Rio De Janeiro, Rj, 22270-000, Brazil	Telecommunications	\$177.03	\$88.51
Cedae	Av. Presidente Vargas 2655, Cidade Nova, Rio de Janeiro, Rio de Janeiro, Brazil	Water	\$569.43	\$284.72
CEG	Av. Pedro II, 68, São Cristóvão, CEP 20941- 070, Rio de Janeiro,RJ	Gas	\$47.42	\$23.71
City Council	Business Hub 16, Aberdeen, U.K., AB10 1AB	Other Utility Service	\$3,610.64	\$1,805.32
Comision Federal De Electricidad	Av. Paseo de La Reforma No. 164, D.F., Mexico, 06600	Electricity	\$11,164.07	\$5,582.04
Comunicaciones Nextel	Paseo De Los Tamarindos 90, Piso 24, , D.F., Mexico, 05120	Telecommunications	\$865.51	\$432.76
Cyrus Networks, Llc DBA Cyrus One	4211 Southwest Freeway, Houston, TX, 77027	Telecommunications	\$15,815.86	\$7,907.93
Dacs Network Solutions Sdn Bhd	No. 1, Jalan Dutamas 1, Kuala Lumpur, Psk, 50480, Malaysia	Telecommunications	\$1,324.87	\$662.43
Dacs Network Solutionssdn Bhd	Unit C4-2-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, Kuala Lumpur, Malaysia, 50480	Telecommunications	\$1,251.84	\$625.92
Dewa	Dubai P.O. 564, Dubai, U.A.E, 564	Water & Electricity	\$1,679.68	\$839.84
Dimarco	Abu Dhabi P.O. 94625, Abu Dhabi, U.A.E, 94625	Water	\$271.96	\$135.98
Du	Al Salam Tower, Dubai Media City P.O.Box: 502666, Dubai, UAE	Telecommunications	\$102.41	\$51.20
Electronic Equipment Service BV	Plompertstraat 20-S, Rotterdam, 12, 3087 Bd, Netherlands	Telecommunications	\$288.78	\$144.39
Embratel	Av. Presidente Vargas, 1012 Rio de Janeiro; Brazil	Telecommunications	\$8,253.25	\$4,126.62
Empower	P.O. 8081, Dubai, U.A.E, 8081	Other Utility Service	\$388.74	\$194.37

Utility Company	Address	Description of Utility Services	Average Monthly Expense (\$)	Proposed Adequate Assurance (\$)
Estancias Extendidas	Presidente Mazarik No 29-E3, Polanc, Ciudad De Mexico, Df, 11560, Mexico	Telecommunications	\$1.89	\$0.95
Etisalat	Abu Dhabi & Dubai, Abu Dhabi, U.A.E,	Telecommunications	\$20,406.38	\$10,203.19
Felipe Robledo	Real Del Carmen 13, Ciudad Del Carmen, Campeche, Mexico, 24157	Telecommunications	\$145.63	\$72.81
Gas Malaysia Sdn Bhd	No. 20, Jalan Gurney, Kuala Lumpur, Kuala Lumpur, Malaysia, 54100	Gas	\$2.71	\$1.36
Gas Peninsular De Campeche	Carretera Campeche-China S/N, Campeche, Mexico, 24560	Gas	\$701.05	\$350.53
Gemente Beverwijk	Postbus 796, Hoofddorp, NL, 2130 AT	Other Utility Service	\$159.25	\$79.62
Gemente Den Helder	Postbus 796, Hoofddorp, NL, 2130 AT	Other Utility Service	\$137.68	\$68.84
Global Crossing Landing Mexicana	Lago Zurich #96, Cd De Mexico, Df, 11529, Mexico	Telecommunications	\$9,385.97	\$4,692.99
Golden Line	Estrada São José E Imboacica - s/n S 213, Macaé - RJ, Brazil	Telecommunications	\$9,080.09	\$4,540.05
Golden Line Telecom Ltda	Av. Das Americas - Sl. 211 E 2 1155, Rio De Janeiro-Rj, Rj, 22631-000, Brazil	Telecommunications	\$13,290.63	\$6,645.31
GPI Briarpark Green, Lp	5601 Granite Parkway, Plano, TX, 75024	Other Utility Service	\$2,288.14	\$1,144.07
Hollands Noord Kwartier	Bevelandsweg 1, Heerhugowaard, NL, 1703 AZ	Waste Disposal	\$31.21	\$15.61
Indah Water Konsortium Sdn Bhd	No. 44, Jalan Dungun, Damansara Heights, Kuala Lumpur, Malaysia, 50490	Waste Disposal	\$2.13	\$1.06
Ingenieria Aplicada Y Tratamiento	Privada 74, #180-A, Entre Periferic, Del Carmen, Cmp, 24117, Mexico	Waste Disposal	\$191.77	\$95.89
Intelisis Software Sa De Cv	Av Paseo De La Reforma, 2654 Ph, Miguel Hidalgo, Df. , Mexico	Telecommunications	\$1,056.10	\$528.05
Intercall, Inc	P.O. Box 281866, Atlanta, GA, 30384-1866	Telecommunications	\$8.65	\$4.33
International Health Care	Rua Joao Borges, 204 Gbvea, Rio de Janeiro, RJ, 22451-100, Brazil	Telecommunications	\$49.71	\$24.86
Joelma Tavares De Oliveira Dbá	Rua Crisanto Carvalho No 21, Macae, Rj, 27975-040, Brazil	Water	\$780.80	\$390.40
Kahramaa	P.O. Box 41 Doha, State of Qatar	Water & Electricity	\$1,517.17	\$758.58

Utility Company	Address	Description of Utility Services	Average Monthly Expense (\$)	Proposed Adequate Assurance (\$)
KPN	Postbus 30403, Den Haag, NL, 2500 GK	Telecommunications	\$7,208.07	\$3,604.03
La Centrale Informatique	472 Rue Berthault Bali, Douala, Littoral, Cameroon, P.O. Box 2770	Electricity	\$12,810.61	\$6,405.31
Level 3 Financing Inc	1025 Eldorado Blvd, Broomfield, Co, 80021	Telecommunications	\$16,069.09	\$8,034.55
Liander	Postbus 50, Duiven, NL, 6920 AB	Electricity	\$382.73	\$191.36
Lidia Nelly Solis Herrera / Satab	Avenue Adolfo Ruiz Cortines, Villahermosa, Tab, 86050, Mexico	Waste Disposal	\$13,656.48	\$6,828.24
Light	Av. Marechal Floriano 168, Centro, Rio de Janeiro, Rio de Janeiro, Brazil	Electricity	\$409.21	\$204.60
Mackay Communications, Inc	3691 Trust Drive, Raleigh, NC, 27616-2955	Telecommunications	\$1,451.71	\$725.86
Maegert & Co	Parallelstrasse 50, Frutigen, Switzerland, 3714	Electricity	\$68.21	\$34.11
Marlink Sa	Rue De Stallestraat 140, Brussels, 11, 1180, Belgium	Telecommunications	\$391.15	\$195.57
Martin Resource Management Corp.	3 Riverway, Suite 400, Houston, TX, 77056	Waste Disposal	\$1,466.67	\$733.33
Matrik Melati Sdn Bhd	UO350 Jalan Merdeka, POBox 80850,87015, Labuan F.T, Labuan F.T, Malaysia, 87015	Telecommunications	\$43.81	\$21.91
Mobile Phone	Rue Franqueville, Douala, Littoral, Cameroon, P.O. Box 1864	Telecommunications	\$1,129.61	\$564.80
Nssl Ltd, UK	6 Wells Place, Redhill, Surrey, Ab, Rh1 3Dr, Great Britain (U.K.)	Telecommunications	\$794.48	\$397.24
Nuon	Postbus 41920, Amsterdam, NL, 1009 DC	Electricity	\$859.68	\$429.84
O2 Uk Ltd 1001296	260 Bath Road, Slough, UK, SL1 4DX	Telecommunications	\$958.51	\$479.25
Oi / Vivo	Rua do Lavradio, 71, 2º andar, Rio de Janeiro, Rio de Janeiro, Brazil	Telecommunications	\$5,072.64	\$2,536.32
Ooredoo	P.O. Box 8008000, Doha, Qatar	Telecommunications	\$5,106.08	\$2,553.04
P.C. Rodrigues Transpotes E	Rua Academico P. S. Vasconcelos 213, Macae, Rj, 27930-260, Brazil	Water	\$51.55	\$25.78
Panamsat De Mexico, S De Rl De Cv	Paseo De Los Tamarindos 400, Cuajimalpa, Edo, Cmp, 05120, Mexico	Telecommunications	\$3,932.50	\$1,966.25

Utility Company	Address	Description of Utility Services	Average Monthly Expense (\$)	Proposed Adequate Assurance (\$)
Picotec Sdn Bhd	Lot B005, 1st Floor, Financial Park Complex, Labuan F.T, Labuan F.T, Malaysia, 87011	Telecommunications	\$38.80	\$19.40
Policlõca Servicos Mõdicos Ltda	Rua Dr. Luiz Belegard, 148 Centro, Macaõ, RJ, 27913-260, Brazil	Telecommunications	\$1,132.53	\$566.26
Post Telecom S.A.	1 Rue Emile Bian Luxembourg, Luxembourg, LU, 2996	Telecommunications	\$1,242.67	\$621.34
Potencial 2007 Comercio E Servicos	Niteroi 1442, Jardim Marileia - Rio Das Ostras, Rj, 28890-000, Brazil	Water	\$408.78	\$204.39
Promotora Turistica Kan Pech	Av. Periferica Norte S/N Esquina, Cd. De Carmen, Cmp, 24170, Mexico	Telecommunications	\$1.77	\$0.88
Proteccion Y Telecom.	67C, 6C San Roman, Campeche, Mexico, 24040	Other Utility Service	\$27.27	\$13.63
PWN	Postbus 2100, Velsbroek, NL, 1990 AC	Water	\$15.98	\$7.99
Radiomovil Dipsa	Lago Alberto 366, Edificio Telcel I, Piso 2, D.F., Mexico, 11320	Telecommunications	\$3,300.00	\$1,650.00
Regus	1000 N. West Street, Wilmington, DE, USA, 19801	Telecommunications	\$60.47	\$30.23
RigNet	Av. Atlântica, 1764 - CavaleirosMacaé, Rio de Janeiro, Brazil	Telecommunications	\$40,463.02	\$20,231.51
RigNetServicos De Telecomunicacoes	Av. Rio Branco 181 Sala 1901 Parte, Rio De Janeiro, Rj, 20040-007, Brazil	Telecommunications	\$50,520.52	\$25,260.26
RigNetUK Limited	Nessco House Discovery Drive, Aberdeen, AB, AB326FG, Great Britain (U.K.)	Telecommunications	\$1,295.38	\$647.69
RigNetUK Ltd	Exploration Drive, Unit 12, Bridge Of Don, Ab, Ab23 8Gx, Great Britain (U.K.)	Telecommunications	\$6,537.03	\$3,268.51
Rignet, Inc.	1880 South Dairy Ashford, Suite 505, Houston, TX, 77077	Telecommunications	\$51,782.39	\$25,891.20
Rigstat, Lp	13003 Southwest Freeway, Suite 120, Stafford, TX, 77477	Telecommunications	\$15,820.55	\$7,910.27
Rogers Business Solutions	2235 Sheppard Ave E, Suite 600, Toronto, ON, M2J 5G1, Canada	Telecommunications	\$1,057.20	\$528.60

Utility Company	Address	Description of Utility Services	Average Monthly Expense (\$)	Proposed Adequate Assurance (\$)
Royal Dirkzwager	Govert Van Wijnkade 50, Maassluis, 12, 3144 Eg, Netherlands	Telecommunications	\$389.75	\$194.87
Sabah Electricity Sdn Bhd	Wisma SESB, Jalan Tunku Abdul Rahman, Kota Kinabalu, Sabah, Malaysia, 88673	Water	\$25.76	\$12.88
Satellite TV	472 Rue Berthault Bali, Douala, Littoral, Cameroon, P.O. Box 2770	Satellite	\$1,675.06	\$837.53
Scottish Hydro	PO Box 2347, Cardiss, U.K., CF23 8AU	Electricity	\$80.76	\$40.38
Scottish Hydro Electric	200 Dunkeld Road, Havant, HA, PO95DD, Great Britain (U.K.)	Electricity	\$1,878.96	\$939.48
Sistema De Aguas De La Ciudad De Mexico	Nezahualcoyotl 109, Col. Centro, Del. Cuauhtémoc, D.F., Mexico, Mexico,	Water	\$41.42	\$20.71
Sistema Municipal De Agua Potable Y Alcantarillado De Carmen	Calle 33 No. 140, Ciudad Del Carmen, Campeche, Mexico, 24180	Water	\$180.15	\$90.07
Sita	Aziehavenweg 18, Amsterdam, NL, 1046 BK	Waste Disposal	\$383.61	\$191.81
Sita Recycling Services West B.V.	Postbus 7009, Arnhem, 04, 6801 Ha, Netherlands	Waste Disposal	\$212.50	\$106.25
Sky Brasil Serviços Ltda.	Santana de Parnaíba, São Paulo, Brazil	Satellite	\$19,015.16	\$9,507.58
Swisscom	Alte Tiefenaustrasse 6, Bern, Switzerland, 3050	Telecommunications	\$559.48	\$279.74
Symmetry Corporation	1201 N. Prospect Avenue, Milwaukee, WI, 53202	Telecommunications	\$82,861.67	\$41,430.83
Tasleem	Abu Dhabi P.O. 51726, Abu Dhabi, U.A.E, 51726	Other Utility Service	\$335.15	\$167.57
Telefonos De Mexico	Parque Via 198, Col Cuauhtemoc, D.F., Mexico, 06500	Telecommunications	\$4,041.70	\$2,020.85
Telekom Malaysia	Level 51, Menara TM, Kuala Lumpur, Kuala Lumpur, Malaysia, 50672	Telecommunications	\$33.33	\$16.67
Telekom Malaysia Berhad	Level 51, Menara TM, Kuala Lumpur, Kuala Lumpur, Malaysia, 50672	Telecommunications	\$79.17	\$39.59
Tenaga Nasional Berhad	Aras 16, Wisma TNB, No. 19, Jalan Timur, Petaling Jaya, Selangor, Malaysia, 46200	Electricity	\$744.80	\$372.40

Utility Company	Address	Description of Utility Services	Average Monthly Expense (\$)	Proposed Adequate Assurance (\$)
The Call Centre Inc. DbA	44 Austin Street, St. John's, Nfld., A1B 3M7, Canada	Telecommunications	\$241.99	\$120.99
The Conference Group Llc	254 Chapman Rd Topkis Bldg, Ste. 2, Newark, DE, 19702	Telecommunications	\$2.67	\$1.34
Tridium Technology Sdn Bhd	No. 1, Jalan Dutamas 1, Kuala Lumpur, Psk, 50480, Malaysia	Telecommunications	\$1,357.75	\$678.88
Tridium Technology Sdn. Bhd	Unit C4-2-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, Kuala Lumpur, Malaysia, 50480	Telecommunications	\$1,585.51	\$792.76
TW Telecom Holdings Inc.	10475 Park Meadows Drive, Littleton, Co, 80124	Telecommunications	\$14,147.83	\$7,073.92
Vodafone Uk	Vodaphone House The Connection, Newbury, BK, RG142FN, Great Britain (U.K.)	Telecommunications	\$1,724.17	\$862.09
Vodaphone	Postbus 1500, Maastricht, NL, 6201 BM	Telecommunications	\$307.88	\$153.94
Waternet	Postbus 94128, Amsterdam, NL, 1090 GC	Water	\$11.60	\$5.80
Total			\$500,601.81	\$250,300.91