

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-\_\_\_\_\_ (\_\_\_)**
  
:
  
: **Joint Administration Requested**
  
:
  
**Debtors.<sup>1</sup>** :
  
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:
  
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**MOTION OF DEBTORS  
FOR ENTRY OF ORDER (I) APPROVING  
PROPOSED DISCLOSURE STATEMENT AND FORM  
AND MANNER OF NOTICE OF DISCLOSURE STATEMENT  
HEARING, (II) ESTABLISHING SOLICITATION AND VOTING  
PROCEDURES, (III) SCHEDULING CONFIRMATION HEARING  
AND (IV) ESTABLISHING NOTICE AND OBJECTION PROCEDURES FOR  
CONFIRMATION OF THE PROPOSED PLAN PURSUANT TO SECTIONS 105, 502,  
1125, 1126, AND 1128 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES  
2002, 3003, 3017, 3018, 3020, AND 9006 AND LOCAL RULES 2002-1, 3017-1, AND 9006-1**

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 105, 502, 1125, 1126, and 1128 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rules 2002, 3003, 3017, 3018, 3020, and 9006 of

<sup>1</sup> 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 Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Local Rules 2002-1, 3017-1, and 9006-1, the Debtors request approval of an order substantially in the form attached hereto as **Exhibit A** (the “**Proposed Order**”) (a) approving the form and manner of notice and hearing to consider the proposed Disclosure Statement for Joint Chapter 11 Plan of Paragon Offshore PLC and Its Affiliated Debtors (the “**Proposed Disclosure Statement**”),<sup>2</sup> (b) approving the Proposed Disclosure Statement, a copy of which was filed contemporaneously herewith, as containing adequate information pursuant to section 1125 of the Bankruptcy Code, (c) scheduling a hearing (the “**Confirmation Hearing**”) to consider confirmation of the proposed Joint Chapter 11 Plan of Paragon Offshore PLC and Its Affiliated Debtors (the “**Proposed Plan**”), (d) approving the below described solicitation procedures for the Proposed Plan and (e) approving the below described confirmation procedures for the Proposed Plan.

2. For the Court’s convenience, the below chart provides the key dates sought pursuant to the Proposed Order:

<b>PROPOSED SOLICITATION AND CONFIRMATION TIMETABLE</b>	
Disclosure Statement Objection Deadline	<b>Monday, March 21, 2016 at 4:00 p.m. (prevailing Eastern Time)</b>
Deadline to Reply to Disclosure Statement Objection(s)	<b>Thursday, March 24, 2016 at 5:00 p.m. (prevailing Eastern Time)</b>
Disclosure Statement Hearing	<b>Wednesday, March 30, 2016 at __: __ (a.m./p.m.) (prevailing Eastern Time)</b>
Record Voting Date	<b>Wednesday, March 30, 2016</b>
Solicitation Date	<b>Wednesday, April 6, 2016</b>
Plan Supplement Filing Deadline	<b>Tuesday, May 10, 2016</b>
Voting Deadline	<b>Friday, May 20, 2016 at 5:00 p.m. (prevailing Eastern Time)</b>

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Proposed Disclosure Statement.

<b>PROPOSED SOLICITATION AND CONFIRMATION TIMETABLE</b>	
Voting Certification Deadline	<b>Friday, May 27, 2016 at 5:00 p.m. (prevailing Eastern Time)</b>
Plan Confirmation Objection Deadline	<b>Friday, May 20, 2016 at 5:00 p.m. (prevailing Eastern Time)</b>
Deadline to File Confirmation Brief	<b>Tuesday, June 7, 2016 at 5:00 p.m. (prevailing Eastern Time)</b>
Deadline to Reply to Plan Objection(s)	<b>Tuesday, June 7, 2016 at 5:00 p.m. (prevailing Eastern Time)</b>
Confirmation Hearing	<b>Friday, June 10, 2016 at __: __ (a.m./p.m.) (prevailing Eastern Time)</b>

3. For the Court's further reference, the Debtors provide below a list of the various exhibits and documents cited throughout the Motion:

<b>Document</b>	<b>Exhibit</b>
Proposed Order	Exhibit A
Notice of the Disclosure Statement Hearing	Exhibit B
Proposed Disclosure Statement	Filed Contemporaneously Herewith
Proposed Plan	Exhibit A to the Proposed Disclosure Statement
Notice of the Confirmation Hearing	Exhibit 1 to the Proposed Order
Revolving Credit Agreement Claim Ballot	Exhibit 2 to the Proposed Order
Senior Notes Claim Master Ballot	Exhibit 3-1 to the Proposed Order
Senior Notes Claim Beneficial Ballot	Exhibit 3-2 to the Proposed Order
Notice of Non-Voting Status	Exhibit 4 to the Proposed Order

### **Jurisdiction**

4. 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, 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**

5. 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.

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

7. 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 Proposed Disclosure Statement**

8. Under section 1125 of the Bankruptcy Code and Bankruptcy Rule 3016(b), the Debtors prepared and filed the Proposed Disclosure Statement to provide parties adequate information and disclosure regarding the terms of the Proposed Plan. The Debtors intend to provide parties with copies of the Proposed Disclosure Statement, once approved, in connection with the Debtors' solicitation of votes to accept or reject the Proposed Plan.

#### **A. Approval of the Disclosure Statement**

9. Pursuant to section 1125(b) of the Bankruptcy Code, a plan proponent must provide holders of impaired claims and equity interests with "adequate information" regarding a proposed chapter 11 plan of reorganization. Section 1125(a)(1) of the Bankruptcy Code defines "adequate information" as:

information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records, including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case, that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan.

11 U.S.C. § 1125(a)(1).

10. Accordingly, a debtor's disclosure statement must provide sufficient information to permit an informed judgment by impaired creditors entitled to vote on the plan. *See, e.g., Century Glove, Inc. v. First Am. Bank of N.Y.*, 860 F.2d 94, 100 (3d Cir. 1988) ("[Section] 1125 seeks to guarantee a minimum amount of information to the creditor asked for its vote."); *In re Phoenix Petroleum, Co.*, 278 B.R. 385, 392 (Bankr. E.D. Pa. 2001) ("[T]he general purpose of the disclosure statement is to provide 'adequate information' to enable 'impaired' classes of creditors and interest holders to make an informed judgment about the

proposed plan and determine whether to vote in favor of or against that plan.”). The essential requirement of a disclosure statement is that it “clearly and succinctly inform the average unsecured creditor what it is going to get, when it is going to get it, and what contingencies there are to getting its distribution.” *In re Keisler*, No. 08-34321, 2009 WL 1851413, at \*4 (Bankr. E.D. Tenn. June 29, 2009) (quoting *In re Ferretti*, 128 B.R. 16, 19 (Bankr. D.N.H. 1991)).

11. Whether a disclosure statement required under 1125(b) contains adequate information “is not governed by any otherwise applicable nonbankruptcy law, rule, or regulation.” 11 U.S.C. § 1125(d). Instead, bankruptcy courts have broad discretion to determine the adequacy of the information contained in a disclosure statement. *See, e.g., In re Lisanti Foods, Inc.*, 329 B.R. 491, 507 (D.N.J. 2005) (“Section 1125 affords the Bankruptcy Court substantial discretion in considering the adequacy of a disclosure statement.” (citing *In re River Village Assoc.*, 181 B.R. 795, 804 (E.D. Pa. 1995)); *In re Phoenix Petroleum Co.*, 278 B.R. at 393 (noting that the determination of what is adequate information is “largely within the discretion of the bankruptcy court” (quoting *Texas Extrusion Corp. v. Lockheed Corp. (In re Texas Extrusion Corp.)*, 844 F.2d 1142, 1157 (5th Cir. 1988)). Congress granted bankruptcy courts such wide discretion in determining the adequacy of a disclosure statement to facilitate effective reorganizations of debtors in a broad range of businesses, taking into account the various circumstances that accompany chapter 11 cases. *See* H.R. REP. NO. 595, 95th Cong., 1st Sess. 408–09 (1977); *see also In re Copy Crafters Quickprint Inc.*, 92 B.R. 973, 979 (Bankr. N.D.N.Y. 1988) (noting that the adequacy of a disclosure statement “is to be determined on a case-specific basis under a flexible standard that can promote the policy of chapter 11 towards fair settlement through a negotiation process between informed interested parties”). Accordingly, the determination of whether a disclosure statement contains adequate information

is made on a case-by-case basis, focusing on the unique facts and circumstances of each case.

*See Oneida Motor Freight, Inc. v. United Jersey Bank*, 848 F.2d 414, 417 (3d Cir. 1988) (“From the legislative history of § 1125 we discern that adequate information will be determined by the facts and circumstances of each case.”).

12. In that regard, in determining whether a disclosure statement contains adequate information, courts generally examine a list of factors, including, but not limited to, whether the disclosure statement contains the following types of information, as applicable:

- (a) the circumstances that gave rise to the filing of the bankruptcy petition;
- (b) an explanation of the available assets and their value;
- (c) the anticipated future of the debtor(s);
- (d) the source of the information provided in the disclosure statement;
- (e) a disclaimer, which typically indicates that no statements or information concerning the debtor or its assets or securities are authorized, other than those set forth in the disclosure statement;
- (f) the condition and performance of the debtor while in chapter 11;
- (g) information regarding claims against the estate;
- (h) a liquidation analysis setting forth the estimated return that creditors would receive under chapter 7;
- (i) the accounting and valuation methods used to produce the financial information in the disclosure statement;
- (j) information regarding the future management of the debtor, including the amount of compensation to be paid to any insiders, directors and/or officers of the debtor;
- (k) a summary of the plan of reorganization or liquidation;
- (l) an estimate of all administrative expenses, including attorneys’ fees and accountants’ fees;
- (m) the collectibility of any accounts receivable;

- (n) any financial information, valuations, or pro forma projections that would be relevant to creditors' determinations of whether to accept or reject the plan;
- (o) information relevant to the risks being taken by the creditors and interest holders;
- (p) the actual or projected value that can be obtained from avoidable transfers;
- (q) the existence, likelihood, and possible success of nonbankruptcy litigation;
- (r) the tax consequences of the plan; and
- (s) the relationship of the debtor with its affiliates.

*See, e.g., In re Scioto Valley Mortgage Co.*, 88 B.R. 168, 170–71 (Bankr. S.D. Ohio 1988); *see also In re Oxford Homes*, 204 B.R. 264, 269 n.17 (Bankr. D. Me. 1997) (using a similar list).

Such a list is not meant to be comprehensive and a debtor is not required to provide all the information on the list. Rather, the bankruptcy court must decide what is appropriate in each case in light of the particular facts and circumstances present. *See Ferretti*, 128 B.R. at 18–19 (adopting a similar list); *see also In re Phoenix Petroleum Co.*, 278 B.R. at 393 (making use of a similar list but cautioning that “no one list of categories will apply in every case”).

13. The Proposed Disclosure Statement provides many of the types of information identified in the applicable categories above, including, but not limited to:

- (a) an overview of the Proposed Plan (§ VI);
- (b) key events leading to the commencement of the Debtors' chapter 11 cases (§ III);
- (c) an explanation of the Debtors' available assets (§ II);
- (d) the anticipated future of the Debtors (§ VII)
- (e) the operation of the Debtors' businesses (§ II);
- (f) the indebtedness of the Debtors and information regarding pending claims and administrative expenses (§§ II, VI);



- (g) a disclaimer, which indicates that no statements or information concerning the debtors or their assets or securities are authorized, other than those set forth in the Proposed Disclosure Statement;
- (h) anticipated events during the chapter 11 cases (§ IV);
- (i) an overview of a liquidation analysis under chapter 7 (§XIV, Ex. E);
- (j) the accounting and valuation methods used to produce the financial information in the disclosure statement (§§ VII, VIII);
- (k) risk factors affecting the Debtors (§ XI);
- (l) the relationship of the Debtors with their affiliates (§ II, Ex. C, Ex. D);
- (m) any financial information, valuations, or pro forma projections that would be relevant to creditors' determinations of whether to accept or reject the plan (§§ VII, VIII, Ex. E);
- (n) requirements for confirmation of the Proposed Plan (§ XIII); and
- (o) tax consequences of the Proposed Plan (§ X).

14. In addition to the type of information that courts typically look for in a disclosure statement, the Proposed Disclosure Statement provides an analysis of the alternatives to confirmation and consummation of the Proposed Plan (§ XIV, Ex. E), and concludes with the Debtors' recommendation that holders of Claims eligible to vote should vote to accept the Proposed Plan because it provides the highest and best recoveries to holders of Claims against the Debtors. (*See* §§ XIV, XV).

15. Based on the foregoing, the Debtors submit that the Proposed Disclosure Statement contains sufficient information for a voting creditor to make an informed judgment regarding whether to vote to accept or reject the Proposed Plan. Thus, the Debtors respectfully request that the Court approve the Proposed Disclosure Statement as containing adequate information in satisfaction of the requirements of section 1125 of the Bankruptcy Code.

**B. The Proposed Disclosure Statement Provides Adequate Notice of Release, Exculpation, and Injunction Provisions in the Proposed Plan**

16. Pursuant to Bankruptcy Rule 3016(c), “[i]f a plan provides for an injunction against conduct not otherwise enjoined under the Code, the plan and disclosure statement [must] describe in specific and conspicuous language (bold, italic, or underlined text) all acts to be enjoined and identify the entities that would be subject to the injunction.” Fed. R. Bankr. P. 3016(c).

17. The Proposed Plan includes injunctions, releases, and exculpations highlighted in bold in sections 10.6, 10.7, and 10.8. The Proposed Disclosure Statement in section VII.6. describes in detail the releases provided under the plan, the entities providing such releases, the entities being released, and the Claims and Causes of action so released. Additionally, section VII.7 of the Proposed Disclosure Statement sets forth the terms of the exculpation provision under the Proposed Plan, and section VII.8 sets forth the injunction related to the release and exculpation provisions in the Proposed Plan. Each of the foregoing sections is set forth in conspicuous, bold print. Accordingly, the Debtors respectfully submit that the Proposed Disclosure Statement complies with Bankruptcy Rule 3016(c).

**C. Approval of the Notice of Disclosure Statement Hearing**

18. In accordance with Bankruptcy Rules 3017(a) and 2002 and Local Rule 3017-1, in connection with the filing of this Motion, on or before February 22, 2016, the Debtor will serve a notice of the hearing on this Motion (the “**Disclosure Statement Notice**”), substantially in the form annexed hereto as **Exhibit B**, by electronic transmission, by overnight mail, or by first class mail on (a) the Office of the United States Trustee for the District of Delaware, (b) the Debtors’ thirty (30) largest unsecured creditors on a consolidated basis, (c) Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, NY 10017 (Attn:

Sandeep Qusba, Esq. and Kathrine McClendon, Esq.), counsel to JPMorgan Chase Bank, N.A. (i) as administrative agent under the Senior Secured Revolving Credit Agreement, dated as of June 17, 2014 (the “**Revolver Agent**”), and (ii) as collateral agent under the Guaranty and Collateral Agreement, dated as of July 18, 2014 (the “**Collateral Agent**”); (d) Landis Rath & Cobb LLP, 919 Market Street, Wilmington, DE 19801 (Attn: Adam G. Landis, Esq. and Kerri Mumford, Esq.), (e) 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; (f) 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; (g) 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, (h) 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 (collectively, the “**Noteholders**”), (i) 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; (j) the Securities and Exchange Commission, (k) the Internal Revenue Service, (l) the registered and beneficial holders of Interests (as defined in the Proposed Plan) in the Debtors, and (m) any

other known holders of Claims or potential Claims against the Debtors (collectively, the “**Notice Parties**”). The Disclosure Statement Notice provides at least 28 days’ notice of the hearing to approve the Proposed Disclosure Statement (the “**Disclosure Statement Hearing**”) and of the deadline by which objections must be filed to approval of the Disclosure Statement (the “**Disclosure Statement Objection Deadline**”). The Debtors respectfully submit that such notice is sufficient under the circumstances. The Debtors request that the Court find that such notice is due and proper and that no further notice is necessary.

19. Also contemporaneously herewith, the Debtors have or will provide, at their expense, by electronic and/or first class mail, copies of the Proposed Disclosure Statement and the Proposed Plan with the Disclosure Statement Notice to: (a) the U.S. Trustee; (b) any Official Committee of Unsecured Creditors that may be appointed in these cases; (c) the Securities and Exchange Commission; (d) all parties that request or that are required to receive notice pursuant to Bankruptcy Rule 2002; and (e) all parties who have specifically requested such documents in the manner specified in the Disclosure Statement Notice. Copies of the Proposed Disclosure Statement and the Proposed Plan are also on file with the Office of the Clerk of the Bankruptcy Court for review during normal business hours (a fee may be charged) and are also available free-of-charge on the Debtors’ claims agent’s website at <http://www.kccllc.net/paragon>.

20. The Debtor submits that the foregoing procedures provide adequate notice of the Disclosure Statement Hearing for all purposes and, accordingly, request that the Court approve such procedures as adequate.

**D. Approval of Procedures for the Filing of Objections to the Disclosure Statement**

21. The Debtors propose the procedures described below for parties to object or respond to the Motion (the “**Disclosure Statement Objection Procedures**”).

22. The Debtors propose that objections and responses, if any, to the Motion and the relief requested herein, must: (a) be in writing; (b) conform to the applicable Bankruptcy Rules and the Local Rules; (c) set forth the name of the objecting party and the nature and amount of Claims or Interests held or asserted by such party against the Debtors’ estates or property; and (d) provide the basis for the objection and the specific grounds therefor.

23. The Debtors further propose that registered users of the Bankruptcy Court’s case filing system must electronically file their objections and responses. All other parties-in-interest must file their objections and responses in writing, together with proof of service thereof, with the United States Bankruptcy Court Clerk’s Office, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801.

24. In accordance with Bankruptcy Rule 3017(a), any objection or response also must be served upon the following parties:

***Debtors***

Paragon Offshore plc  
3151 Briarpark Drive  
Houston, TX 77042  
Attn: Todd Strickler, Vice President, General  
Counsel and Corporate Secretary  
Telephone: (832) 783-4000  
Email: tstrickler@paragonoffshore.com

***Office of the U.S. Trustee***

Office of the U.S. Trustee for  
the District of Delaware  
844 King Street, Suite 2207, Lockbox 35  
Wilmington, Delaware 19801  
Attn: Natalie Cox

***Counsel to the Debtors***

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Attn: Gary T. Holtzer  
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***Counsel to the Ad Hoc Committee of Senior Noteholders***

Paul, Weiss, Rifkind, Wharton & Garrison LLP  
1285 Avenue of the Americas  
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Attn: Andrew N. Rosenberg  
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***Counsel to the Revolving Credit Facility Agent***

Simpson Thacher & Bartlett LLP  
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New York, NY 10017  
Attn: Sandeep Qusba, Esq.  
Kathrine A. McLendon, Esq.  
Telephone: (212) 455-2000  
Email: squsba@stblaw.com  
kmclendon@stblaw.com

and any other entity designated by the Court (collectively, the “**Notice Parties**”) so as to be actually received by the Notice Parties no later than **Monday, March 21, 2016 at 4:00 p.m. (prevailing Eastern Time)**.

25. Requiring objections and responses to the Proposed Disclosure Statement to be filed and served in accordance with the Disclosure Statement Objection Procedures will afford the Court, the Debtors, and other parties-in-interest sufficient time before the Disclosure Statement Hearing to consider and potentially resolve any objections and responses to the Proposed Disclosure Statement. Based upon the foregoing, the Debtors respectfully request that the Court find that the Disclosure Statement Objection Procedures comply with the requirements of Bankruptcy Rule 3017(a).

**The Solicitation Procedures**

26. In connection with the Proposed Disclosure Statement and Proposed Plan, the Debtors propose to implement the solicitation and balloting procedures described below. The Debtors propose to use Kurtzman Carson Consultants LLC (“KCC”) as their claims, noticing, and administrative agent to implement these procedures. Contemporaneously herewith, the Debtors have filed an application requesting authority to retain and employ KCC as the Debtors’ claims and noticing agent. Shortly following the Petition Date, the Debtors will file an application requesting authority to retain and employ KCC as the Debtors’ administrative agent under 11 U.S.C. § 327(a).

**A. Parties Entitled to Vote**

27. Pursuant to the Proposed Plan, the Debtors have created nine (9) classes of Claims and Interests. Of those classes, the Debtors submit that the following classes are impaired but entitled to receive distributions under the Proposed Plan and, thus, may vote to accept or reject the Proposed Plan, subject to certain exceptions discussed below (collectively, the “**Voting Classes**”):

Class	Description
Class 3	Revolving Credit Agreement Claims
Class 5	Senior Notes Claims

28. A creditor who holds a Claim in a Voting Class is nonetheless **not** entitled to vote to the extent that:

- (a) as of the Record Voting Date (as defined below), the outstanding amount of such creditor’s Claim is zero (\$0.00);
- (b) as of the Record Voting Date, such creditor’s Claim has been disallowed, expunged, disqualified or suspended;

- (c) such creditor has not filed a proof of claim as of the Record Voting Date and the Debtors scheduled such creditor's Claim in an undetermined amount or as contingent, unliquidated, or disputed, *provided, however*, that the holders of Claims in Class 3 (Revolving Credit Agreement Claims) shall be authorized to vote the full amount of their Revolving Credit Exposure (as defined in the Revolving Credit Agreement), including any portion that constitutes a contingent Claim; or
- (d) such creditor's Claim is subject to an objection or request for estimation as of the Record Voting Date, subject to the procedures set forth below.
29. Section 1126(f) of the Bankruptcy Code provides that, for the purposes of

soliciting votes on confirmation of a plan of reorganization, "a class that is not impaired under a plan, and each holder of a claim or interest of such class, are conclusively presumed to have accepted the plan, and solicitation of acceptances with respect to such class from the holders of claims or interests of such class is not required." 11 U.S.C. § 1126(f).

30. The Proposed Plan does not impair certain Claims and Interests. Pursuant to section 1126(f) of the Bankruptcy Code, the holders of such Claims and Interests are conclusively deemed to accept the Proposed Plan and, accordingly, are not entitled to vote (collectively, the "**Non-Voting Creditors and Interest Holders**").

31. Holders of Claims or Interests in the following classes constitute Non-Voting Creditors and Interest Holders who are not entitled to vote (collectively, the "**Non-Voting Classes**"):

<b>Class</b>	<b>Description</b>	<b>Impairment</b>	<b>Acceptance / Rejection</b>
Class 1	Priority Non-Tax Claims	Unimpaired	Deemed to accept
Class 2	Other Secured Claims	Unimpaired	Deemed to accept
Class 4	Secured Term Loan Claims	Unimpaired	Deemed to accept
Class 6	General Unsecured Claims	Unimpaired	Deemed to accept
Class 7	Intercompany Claims	Unimpaired	Deemed to accept
Class 8	Parent Interests	Unimpaired	Deemed to accept
Class 9	Intercompany Interests	Unimpaired	Deemed to accept



## **B. Temporary Allowance / Disallowance of Claims**

32. Pursuant to section 1126(a) of the Bankruptcy Code, the holder of an “allowed” claim may accept or reject a chapter 11 plan. A class of claims accepts a plan if such plan has been accepted by creditors that hold at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors that voted. 11 U.S.C. § 1126(c). Bankruptcy Rule 3018(a) provides that the court may temporarily allow a claim in an amount that the bankruptcy court deems appropriate for the purpose of such claim holder accepting or rejecting a plan.

33. The Debtors propose that, solely for voting purposes, each Claim within each Voting Class be temporarily Allowed in an amount equal to the amount of such Claim set forth either in the Schedules (as such term is defined in the Proposed Plan) or in a properly filed proof of claim, subject to the following exceptions:

- (a) If a proof of claim was filed by the Record Voting Date in an amount that is liquidated, non-contingent, and undisputed such Claim is temporarily Allowed for voting purposes in the amount set forth on the proof of claim, unless such Claim is disputed as set forth in subparagraph (f) below;
- (b) If a Claim has been estimated or otherwise Allowed for voting purposes by order of this Court, such Claim is temporarily Allowed in the amount so estimated or Allowed by this Court;
- (c) If a Claim is listed in the Schedules as contingent, unliquidated, or disputed and a proof of claim has not yet been filed as of the Record Voting Date, such Claim is disallowed for voting purposes and for purposes of allowance and distribution pursuant to Bankruptcy Rule 3003(c), unless such Claim is a Class 3 (Revolving Credit Agreement Claim) as set forth in subparagraph (e) below;
- (d) If a proof of claim was filed by the Record Voting Date in an amount that is contingent or unliquidated, such Claim is accorded one vote and valued temporarily in the amount of one dollar (\$1.00), unless such Claim is disputed as set forth in subparagraph (f) below or is a Class 3 (Revolving Credit Agreement Claim) as set forth in subparagraph (e) below;

- (e) If a Claim is listed in the Schedules or on a proof of claim filed by the Record Voting Date as contingent, unliquidated, or disputed in part, such Claim is temporarily Allowed in the amount that is liquidated, non-contingent, and undisputed, unless such Claim is disputed as set forth in subparagraph (f) below, *provided, however*, that the holders of Claims in Class 3 (Revolving Credit Agreement Claims) shall be authorized to vote the full amount of their Revolving Credit Exposure (as defined in the Revolving Credit Agreement), including any portion that constitutes a contingent Claim; and
- (f) If the Debtors have filed an objection to or a request for estimation of a Claim on or before **Friday, May 6, 2016**, such Claim is temporarily disallowed, except as ordered by the Court before the Voting Deadline; *provided, however*, that, if the Debtors' objection seeks to reclassify or reduce the Allowed amount of such Claim, then such Claim is temporarily Allowed for voting purposes in the reduced amount and/or as reclassified, except as may be ordered by this Court before the Voting Deadline.

34. If any creditor seeks to challenge the amount Allowed on account of its Claim for voting purposes, the Debtors propose that such creditor must file with the Court a motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such Claim for voting purposes in a different amount (a "**Rule 3018(a) Motion**"). Upon the filing of a Rule 3018(a) Motion, the Debtors propose that such creditor's Ballot (as defined below) be counted in accordance with the above-designated guidelines, unless temporarily Allowed in a different amount by an order of the Court entered prior to or concurrent with entry of an order confirming the Proposed Plan. The Debtors propose that any Rule 3018(a) Motion must be filed on or before **Wednesday, May 18, 2016 at 4:00 p.m. (prevailing Eastern Time)**.

### **C. The Record Voting Date**

35. Bankruptcy Rule 3017(d) provides, in relevant part, that, for the purposes of soliciting votes in connection with the confirmation of a plan of reorganization, "creditors and equity security holders [must] include holders of stock, bonds, debentures, notes and other securities of record on the date the order approving the disclosure statement is entered or another date fixed by the court, for cause, after notice and a hearing." Fed. R. Bankr. P. 3017(d).

36. To identify and set the universe of creditors entitled to vote on the Proposed Plan, the Debtors request that the Court set **Wednesday, March 30, 2016** as the date for determining which creditors are entitled to vote on the Proposed Plan (the “**Record Voting Date**”). With respect to transfers of Claims filed pursuant to Bankruptcy Rule 3001(e), the transferee shall be entitled to receive a Solicitation Package and, if the holder of such Claim is entitled to vote with respect to the Proposed Plan, cast a Ballot on account of such Claim only if:

- (a) all actions necessary to transfer such Claim are completed by the Record Voting Date or
- (b) the transferee files by the Record Voting Date (i) all documentation required by Bankruptcy Rule 3001(e) to evidence the transfer and (ii) a sworn statement of the transferor supporting the validity of the transfer. In the event a Claim is transferred after the Record Voting Date, the transferee of such Claim shall be bound by any vote on the Proposed Plan made by the holder of such Claim as of the Record Voting Date.

37. In addition, the Debtors request that the Court establish the Record Voting Date as the date for determining which creditors and interest holders in Non-Voting Classes are entitled to receive a Notice of Non-Voting Status (as defined below). The Debtors believe that the Record Voting Date is appropriate, as it facilitates the determination of which creditors are entitled to vote on the Proposed Plan or, in the case of Non-Voting Creditors and Interest Holders, to receive the Notice of Non-Voting Status.

**D. Approval of Solicitation Packages and Procedures for Distribution Thereof**

38. Bankruptcy Rule 3017(d) lists the materials that must be provided to holders of Claims and interests for the purpose of soliciting votes on a chapter 11 plan and providing adequate notice of the hearing to consider confirmation thereof. Specifically, Bankruptcy Rule 3017(d) provides, in relevant part, that:

[u]pon approval of a disclosure statement, — except to the extent that the court orders otherwise with respect to one or more unimpaired classes of creditors or equity security holders — the debtor in possession, trustee, proponent of the plan, or clerk as the court orders shall mail to all creditors and equity security holders, and in a chapter 11 reorganization case shall transmit to the United States trustee:

- (a) the plan or a court-approved summary of the plan;
- (b) the disclosure statement approved by the court;
- (c) notice of the time within which acceptances and rejections of the plan may be filed; and
- (d) any other information as the court may direct, including any court opinion approving the disclosure statement or a court-approved summary of the opinion.

Fed. R. Bankr. P. 3017(d).

39. The Debtors propose to mail or cause to be mailed solicitation packages (the “**Solicitation Packages**”) containing the information described below as soon as practicable after entry of an order approving the Proposed Disclosure Statement (as approved, the “**Disclosure Statement**”) as containing adequate information pursuant to section 1125 of the Bankruptcy Code, but not later than five (5) business days after the date of entry of an order approving the Disclosure Statement (the “**Solicitation Date**”), to the U.S. Trustee and holders of Claims in Voting Classes, as required by Bankruptcy Rule 3017(d).

40. In accordance with Bankruptcy Rule 3017(d), Solicitation Packages shall contain copies of:

- (a) the Proposed Order, as entered by the Court and without attachments;
- (b) the Notice of (I) Approval of Disclosure Statement (II) Establishment of Record Voting Date, (III) Hearing on Confirmation of the Proposed Plan, (IV) Procedures for Objecting to the Confirmation of the Proposed Plan, and (V) Procedures and Deadline for Voting on the Proposed Plan (the “**Confirmation Hearing Notice**”);
- (c) a CD-ROM containing the Disclosure Statement, which shall include the Proposed Plan as an attachment (except as provided below); and
- (d) if the recipient is entitled to vote on the Proposed Plan (as set forth herein), a Ballot (as defined below) customized for such holder and conforming to Official Bankruptcy Form No. B 314, in the form described below, and a postage-prepaid return envelope.<sup>3</sup>

41. To reduce costs and the impact on the environment, the Debtors propose to send the Disclosure Statement and Proposed Plan in CD-ROM format instead of printed hard copies. Moreover, the Proposed Plan and Disclosure Statement will be available at no charge via the Internet at <http://www.kccllc.net/paragon>. However, if service by CD-ROM imposes a hardship for any creditor entitled to receive a copy of the Proposed Plan and the Disclosure Statement (*e.g.*, the creditor does not own or have access to a computer or the Internet), the Debtors propose that such creditor may request a paper copy of the Proposed Plan and the Disclosure Statement by contacting KCC in writing at 2335 Alaska Avenue, El Segundo, California 90245, or by telephone at 866-967-0491 (Toll-Free) or 310-751-2691 (if calling from outside the US or Canada). Upon receipt of such request, the Debtors will provide such creditor with a paper copy of the Proposed Plan and the Disclosure Statement at no cost to the creditor within five (5) days thereafter.

42. The Debtors will not mail Solicitation Packages to creditors that have Claims that have already been paid in full; *provided, however*, that if any such creditor would be

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<sup>3</sup> Official Bankruptcy Form No. B 314 can be found at <http://www.uscourts.gov/forms/bankruptcy-forms>, the official website for the United States Bankruptcy Courts.

entitled to receive a Solicitation Package for any other reason, then the Debtors will send such creditor a Solicitation Package in accordance with the procedures set forth herein.

43. The Debtors anticipate that the United States Postal Service may return some Solicitation Packages as undeliverable. The Debtors submit that it is costly and wasteful to mail Solicitation Packages to the same addresses from which mail previously was returned as undeliverable. Therefore, the Debtors request the Court waive the strict notice rule and excuse the Debtors from mailing Solicitation Packages to addresses from which the Debtors received mailings returned as undeliverable, unless the Debtors are provided with a new mailing address sufficiently before the Voting Deadline.

44. Although the Debtors have made, and will make, every effort to ensure that the Solicitation Packages as described herein and as approved by the Court are in final form, the Debtors nonetheless request authority to make non-substantive changes in accordance with the terms of the Plan Support Agreement, dated February 12, 2016, to which each Debtor is a party, to the Disclosure Statement, the Proposed Plan, and related documents without further order of the Court, including ministerial changes to correct typographical and grammatical errors, and to make conforming changes among the Disclosure Statement, the Proposed Plan, and any other materials in the Solicitation Packages prior to mailing.

45. The Debtors submit that they have shown good cause for implementing the proposed notice and service procedures and request the Court's approval thereof.

**E. Approval of Notice of Non-Voting Status**

46. Bankruptcy Rule 3017(d) permits a court to order that the Proposed Plan and Disclosure Statement need not be mailed to unimpaired classes. In lieu thereof, a bankruptcy court may order that "notice that the class is designated in the plan as unimpaired and

notice of the name and address of the person from whom the plan or summary of the plan and disclosure statement may be obtained upon request and at the plan proponent's expense, [and] notice of the time fixed for filing objections to and the hearing on confirmation” be mailed to such classes.

47. As discussed above, the Non-Voting Classes are unimpaired and, therefore, not entitled to vote on the Proposed Plan. Accordingly, the Debtors propose to mail to holders of Class 1 (Priority Non-Tax Claims), Class 2 (Other Secured Claims), Class 4 (Secured Term Loan Claims), Class 6 (General Unsecured Claims), and Class 8 (Parent Interests) the Confirmation Hearing Notice and a notice of non-voting status, substantially in the form attached to the Proposed Order as Exhibit 4 (the “**Notice of Non-Voting Status**”), in lieu of a Solicitation Package. The Notice of Non-Voting Status provides (a) notice of the approval of the Disclosure Statement, (b) notice of the filing of the Proposed Plan, (c) notice of the holders non-voting status, and (d) information on how copies of the Disclosure Statement and Proposed Plan can be obtained.

48. The Debtors submit that mailing the Notice of Non-Voting Status and Confirmation Order to Non-Voting Classes satisfies the requirements of Bankruptcy Rule 3017(d). Accordingly, the Debtors request that the Court direct that the Solicitation Package need not be mailed to Non-Voting Creditors and Interest Holders. Additionally, with respect to Class 7 (Intercompany Claims) and Class 9 (Intercompany Interests), the Debtors request a waiver of any requirement to serve a Notice of Non-Voting Status or any other type of notice in connection with solicitation of the Proposed Plan because such Claims are held by the Debtors or the Debtors’ affiliates and are unimpaired by the Proposed Plan.

## F. Approval of Forms of Ballots

49. Bankruptcy Rule 3017(d) requires the Debtors to mail a form of ballot, which substantially conforms to Official Bankruptcy Form No. B 314, to “creditors and equity security holders entitled to vote on the plan.” Fed. R. Bankr. P. 3017(d). The Debtors propose to distribute to holders of Claims in Voting Classes that are otherwise eligible to vote, ballots substantially in the forms attached to the Proposed Order as Exhibits 2, 3-1, and 3-2 (collectively, the “**Ballots**”), which are incorporated herein by reference. Although the Ballots are based on Official Bankruptcy Form No. B 314, they have been modified to address the specific circumstances of these chapter 11 cases and to include certain additional information that the Debtors believe is relevant and appropriate for each Voting Class.

50. The Debtors propose to send the Ballots substantially in the form attached to the Proposed Order as Exhibits 2, 3-1, and 3-2 to holders of Claims in the Voting Classes who are eligible to vote.

51. Additionally, with respect to Ballots that will be sent to certain holders of Claims entitled to vote on the Proposed Plan in Class 5 (Senior Notes Claims), the Debtors propose to deliver Ballots to record holders of such Claims, including, without limitation, representatives such as brokers, banks, commercial banks, trust companies, dealers, or other agents or nominees (collectively, the “**Nominees**”). Once the Record Voting Date has passed, the Debtors will cause to be distributed, to each Nominee, reasonably sufficient numbers of Solicitation Packages, including a Master Ballot (as hereinafter defined) and sufficient Beneficial Ballots (the “**Beneficial Ballots**”), to distribute via first class mail to the beneficial holders of the Claims as of the Record Voting Date for whom such Nominee acts (collectively, the “**Beneficial Holders**”).



52. The Debtors request that the Court require such Nominees, upon receipt of the Solicitation Packages, to promptly distribute such Solicitation Packages (including Beneficial Ballots) to Beneficial Holders using one of the following two methods (to be selected by the Nominee) within five (5) business days of receipt of the Solicitation Packages:

- (a) **Pre-Validated Ballots:** The Nominee may “pre-validate” a Beneficial Ballot by (i) signing the Beneficial Ballot and indicating on the Beneficial Ballot the name of the Nominee and DTC Participant Number, (ii) the amount and the account number of the Senior Notes Claims held by the Nominee for the Beneficial Holder, and (iii) forwarding such Beneficial Ballot, together with the Disclosure Statement, a pre-addressed, postage-paid return envelope addressed to, and provided by, KCC, and other materials requested to be forwarded, to the Beneficial Holder for voting. The Beneficial Holder must then complete the information requested in Item 2, Item 3, and Item 4 of the Beneficial Ballot, and return the Beneficial Ballot directly to KCC in the pre-addressed, postage-paid return envelope so that it is RECEIVED by KCC on or before the Voting Deadline. A list of the Beneficial Holders to whom “pre-validated” Beneficial Ballots were delivered should be maintained by Nominees for inspection for at least one (1) year from the Voting Deadline.
- (b) **Master Ballots:** If the Nominee elects not to pre-validate Beneficial Ballots, the Nominee may obtain the votes of Beneficial Holders by forwarding to the Beneficial Holders the unsigned Beneficial Ballots, together with the Disclosure Statement, a pre-addressed, postage-paid return envelope provided by, and addressed to, the Nominee, and other materials requested to be forwarded. Each such Beneficial Holder must then indicate his, her, or its vote on the Beneficial Ballot, complete the information requested on the Beneficial Ballot, review the certifications contained on the Beneficial Ballot, execute the Beneficial Ballot, and return the Beneficial Ballot to the Nominee. After collecting the Beneficial Ballots, the Nominee should, in turn, complete a master ballot (the “**Master Ballot**”) compiling the votes and other information from the Beneficial Ballots, execute the Master Ballot, and deliver the Master Ballot to KCC so that it is RECEIVED by KCC on or before the Voting Deadline. All Beneficial Ballots returned by Beneficial Holders should either be forwarded to KCC (along with the Master Ballot) or retained by Nominees for inspection for at least one (1) year from the Voting Deadline. EACH NOMINEE SHOULD ADVISE ITS BENEFICIAL HOLDERS TO RETURN THEIR BENEFICIAL BALLOTS TO THE NOMINEE BY A DATE CALCULATED BY THE NOMINEE TO ALLOW IT TO PREPARE AND RETURN THE MASTER BALLOT TO KCC SO THAT IT IS RECEIVED BY KCC ON OR BEFORE THE VOTING DEADLINE.

### **G. The Voting Deadline**

53. Bankruptcy Rule 3017(c) provides that, “[o]n or before approval of [a] disclosure statement, the court shall fix a time within which the holders of claims and interests may accept or reject [a] plan. . . .” Fed. R. Bankr. P. 3017(c). The Debtors anticipate completing substantially all mailing of the Solicitation Packages by the Solicitation Date. Based on such schedule, the Debtors propose, that, to be counted as a vote to accept or reject the Proposed Plan, each Ballot must be properly executed, completed, and delivered to KCC: (a) by first-class mail in the return envelope provided with each Ballot; (b) by overnight courier; or (c) by hand delivery, so that it is actually received by KCC no later than **Friday, May 20, 2016 at 5:00 p.m. (prevailing Eastern Time)** (the “**Voting Deadline**”). The Debtors submit that the proposed forty-four (44) day solicitation period is a sufficient period within which creditors can make an informed decision whether to accept or reject the Proposed Plan.

### **H. Tabulation Procedures**

54. In addition, the Debtors request that the following procedures apply to tabulating Ballots:

- (a) Whenever a creditor casts more than one Ballot voting the same Claim(s) before the Voting Deadline, the last valid Ballot received on or before the Voting Deadline shall be deemed to reflect such creditor’s intent, and thus, to supersede any prior Ballot.
- (b) Whenever a creditor casts a Ballot that is properly completed, executed and timely returned to KCC, but does not indicate either an acceptance or rejection of the Proposed Plan, the Ballot will not be counted.
- (c) Whenever a creditor casts a Ballot that is properly completed, executed, and timely returned to KCC, but indicates both an acceptance and a rejection of the Proposed Plan, the Ballot will not be counted.
- (d) A creditor shall be deemed to have voted the full amount of its Claim in each class and shall not be entitled to split its vote within a particular class. Any creditor’s Ballot that partially accepts and partially rejects the Proposed Plan will not be counted.

- (e) Whenever a creditor casts Ballots received by KCC on the same day, but which are voted inconsistently, such Ballots will not be counted.
- (f) The following Ballots shall not be counted:
  - i. Any Ballot received after the Voting Deadline, unless the Debtors shall have granted an extension of the Voting Deadline in writing with respect to such Ballot;
  - ii. Any Ballot that is illegible or contains insufficient information to permit the identification of the claimant;
  - iii. Any Ballot cast by a person or entity that does not hold a Claim in a Class that is entitled to vote to accept or reject the Proposed Plan;
  - iv. Any Ballot cast by a person who is not entitled to vote, even if such individual holds a Claim in a Voting Class;
  - v. Any unsigned Ballot;
  - vi. Any Ballot which the Court determines, after notice and a hearing, that such vote was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code; or
  - vii. Any Ballot transmitted to KCC by facsimile or other means not specifically approved herein.
- (g) A holder of Claims in more than one Class must use separate Ballots for each Class of Claims.

55. To assist in the solicitation process, the Debtors request that the Court grant KCC the authority to contact parties that submit incomplete or otherwise deficient Ballots to make a reasonable effort to cure such deficiencies.

### **Confirmation**

#### **A. The Confirmation Hearing**

56. Bankruptcy Rule 3017(c) provides that, “[o]n or before approval of the disclosure statement, the court shall . . . fix a date for the hearing on confirmation” of a chapter 11 plan. Fed. R. Bankr. P. 3017(c). Pursuant to Bankruptcy Rule 2002(b), creditors must receive at least twenty-eight (28) days’ notice of a confirmation hearing. In accordance with

these rules, and in view of the Debtors' proposed solicitation schedule outlined herein, the Debtors request that a hearing on confirmation of the Proposed Plan (the "**Confirmation Hearing**") be scheduled for **Friday, June 10, 2016 at \_\_: \_\_ (a.m./p.m.) (prevailing Eastern Time)**, or on such date and time as is convenient to the Court. The Confirmation Hearing may be adjourned or continued from time to time by the Court or the Debtors without further notice other than adjournments announced in open Court or as indicated in any notice of agenda of matters scheduled for hearing filed with the Court. The Debtors request that the Court find that the proposed date for the Confirmation Hearing is in compliance with the Bankruptcy Rules and the Local Rules, and will enable the Debtors to pursue confirmation of the Proposed Plan in a timely fashion.

#### **B. Objection Procedures**

57. Pursuant to Bankruptcy Rule 3020(b)(1), objections to confirmation of a plan must be filed and served "within a time fixed by the court." Bankruptcy Rule 2002(b) provides that parties must receive at least twenty-eight (28) days' notice of the deadline for filing objections to confirmation. Accordingly, and in view of the Debtors' proposed solicitation schedule outlined herein, the Debtors propose **Friday, May 20, 2016 at 5:00 p.m. (prevailing Eastern Time)** as the deadline to object or respond to confirmation of the Proposed Plan (the "**Plan Objection Deadline**").

58. The Debtors request that objections and responses, if any, to confirmation of the Proposed Plan: (a) be in writing; (b) conform to the Bankruptcy Rules and the Local Rules; (c) set forth the name of the objecting party and the nature and amount of Claims or Interests held or asserted by the objecting party against the Debtors' estates or property; and (d) provide the basis for the objection and the specific grounds thereof.

59. The Debtors further request that registered users of the Bankruptcy Court's case filing system must electronically file their objections and responses. All other parties in interest must file their objections and responses in writing with the United States Bankruptcy Court Clerk's Office, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801.

60. Any objection or response also must be served upon and received by the Notice Parties no later than the Plan Objection Deadline. Pursuant to Bankruptcy Rule 3020(b), "if no objection is timely filed, the [C]ourt may determine that the plan has been proposed in good faith and not by any means forbidden by law without receiving evidence on such issues." Fed. R. Bankr. P. 3020(b).

61. The Debtors submit that, if there are objections to confirmation, it will assist the Court and may expedite the Confirmation Hearing if the Debtors reply to any such objections. Accordingly, the Debtors request that they be authorized to file and serve an omnibus reply (the "**Omnibus Reply**") to any such objections in accordance with Local Rule 9006-1(d) and that the Court set **Tuesday, June 7, 2016 at 5:00 p.m. (prevailing Eastern Time)** as the deadline for filing and service of replies or an Omnibus Reply to any objections to confirmation of the Proposed Plan.

62. The Debtors also request that the Court establish **Tuesday, June 7, 2016 at 5:00 p.m. (prevailing Eastern Time)** as the deadline for the Debtors to file their brief in support of confirmation of the Proposed Plan (the "**Confirmation Brief**").

63. The Debtors respectfully request that the Court approve the procedures for filing objections to the Proposed Plan and replies thereto and find that such procedures comply with Bankruptcy Rules 2002, 3017, and 3020.

### C. Confirmation Hearing Notice

64. Pursuant to Bankruptcy Rule 3017(d), notice of a plan confirmation objection deadline and hearing must be provided to all creditors and equity security holders in accordance with Bankruptcy Rule 2002. Bankruptcy Rules 2002(b) and (d) require notice to all creditors, indenture trustees, and equity security holders of the time set for filing objections to, and the hearing to consider confirmation of a plan.

65. In accordance with the foregoing, by **no later than five (5) business days after entry of the Disclosure Statement Order**, the Debtors propose to provide a copy of the Confirmation Hearing Notice setting forth (a) the Voting Deadline, (b) the Plan Objection Deadline and procedures for filing objections and responses to confirmation of the Proposed Plan, and (c) the time, date, and place for the Confirmation Hearing, with service provided by electronic and/or first class mail on the Notice Parties.

66. The Debtors submit that the foregoing notice procedures comply with all notice requirements under Bankruptcy Rules 3017(d) and 2002(b) and (d). Accordingly, the Debtors request that the Court find that such notice is due and proper and no further notice is necessary.

#### Notice

67. No trustee, examiner, or statutory committee of creditors has been appointed in these chapter 11 cases. Notice of this Motion will be provided to (a) the Office of the United States Trustee for the District of Delaware; (b) the Debtors' thirty (30) largest unsecured creditors on a consolidated basis; (c) 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. (i) as administrative agent under the Senior Secured Revolving Credit Agreement, dated as of June 17, 2014 (the "**Revolver**

**Agent**”), and (ii) as collateral agent under the Guaranty and Collateral Agreement, dated as of July 18, 2014 (the “**Collateral Agent**”); (d) Landis Rath & Cobb LLP, 919 Market Street, Wilmington, DE 19801 (Attn: Adam G. Landis, Esq. and Kerri Mumford, Esq.); (e) 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; (f) 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; (g) 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; (h) 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; (i) 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; (j) the Office of the Delaware Secretary of State; (k) the Delaware State Treasury; (l) the Securities and Exchange Commission; (m) the Internal Revenue Service; (n) the United States Attorney’s Office for the District of Delaware; and (o) all known creditors, counterparties, and equity holders. The Debtors respectfully submit that no further notice of this Motion is required.

**No Previous Request**

68. 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 that the Court grant the relief requested herein and such other and further relief as it deems just and proper.

Dated: February 14, 2016  
Wilmington, Delaware

/s/ Mark D. Collins

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*Attorneys for Debtors and Debtors in Possession*



**EXHIBIT A**

**Proposed Order**

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

-----X  
:
  
**In re** : **Chapter 11**
  
:
  
**PARAGON OFFSHORE PLC, et al.,** : **Case No. 16-\_\_\_\_\_ (\_\_\_)**
  
:
  
: **Jointly Administered**
  
:
  
**Debtors.**<sup>1</sup> :
  
-----X **Re: Docket No. \_\_\_\_**

**ORDER (I) APPROVING  
PROPOSED DISCLOSURE  
STATEMENT AND FORM AND MANNER  
OF NOTICE OF DISCLOSURE STATEMENT  
HEARING, (II) ESTABLISHING SOLICITATION  
AND VOTING PROCEDURES, (III) SCHEDULING  
CONFIRMATION HEARING AND (IV) ESTABLISHING  
NOTICE AND OBJECTION PROCEDURES FOR CONFIRMATION OF  
THE PROPOSED PLAN PURSUANT TO SECTIONS 105, 502, 1125, 1126, AND  
1128 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 2002, 3003,  
3017, 3018, 3020, AND 9006 AND LOCAL RULES 2002-1, 3017-1, AND 9006-1**

Upon the motion, dated February 14, 2016 (the “**Motion**”),<sup>2</sup> of Paragon Offshore plc and its affiliated debtors, as debtors and debtors in possession (collectively, the “**Debtors**”), for (a) approval of the form and manner of notice and hearing to consider the Proposed Disclosure Statement for Joint Chapter 11 Plan of Paragon Offshore PLC and Its Affiliated Debtors (Docket No. \_\_) (the “**Proposed Disclosure Statement**”), (b) approval of the Proposed

<sup>1</sup> 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.

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

Disclosure Statement as containing adequate information pursuant to section 1125 of the Bankruptcy Code, (c) scheduling a hearing (the “**Confirmation Hearing**”) to consider confirmation of the Joint Chapter 11 Plan of Paragon Offshore PLC and Its Affiliated Debtors (Docket No. \_\_) (the “**Proposed Plan**”), (d) approval of the solicitation procedures for the Proposed Plan, and (e) approval of confirmation procedures for the Proposed Plan pursuant to sections 105, 502, 1125, 1126, and 1128 of title 11 of the Bankruptcy Code, Rules 2002, 3003, 3017, 3018, 3020, and 9006 of the Bankruptcy Rules and Rules 2002-1, 3017-1, and 9006-1 of the Local Rules, all as more fully set forth in the Motion; 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; 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 FOUND AND DETERMINED THAT**

**Notice of the Disclosure Statement Hearing and Disclosure Statement Objection Deadline**

A. The procedures proposed in the Motion providing notice to all parties of the time, date, and place of the hearing to consider approval of the Proposed Disclosure Statement (the “**Disclosure Statement Hearing**”) and the deadline for filing objections to the Proposed Disclosure Statement, provide due, proper, and adequate notice, comport with due process and comply with Bankruptcy Rules 2002 and 3017 and Local Rules 2002-1, 3017-1, and 9006-1. No further notice is required.

**The Disclosure Statement**

B. The Proposed Disclosure Statement contains adequate information within the meaning of section 1125 of the Bankruptcy Code. No further information is necessary.

**Balloting and Voting Procedures**

C. The procedures set forth in the Motion for the solicitation and tabulation of votes to accept or reject the Proposed Plan provide for a fair and equitable voting process and are consistent with section 1126 of the Bankruptcy Code.

**Ballots**

D. The ballot substantially in the forms annexed hereto as **Exhibits 2, 3-1,** and **3-2** (collectively, the “**Ballots**”), including all voting instructions provided therein, are consistent with Official Bankruptcy Form No. B 314, address the particular needs of these chapter 11 cases, and provide adequate information and instructions for each individual entitled to vote to accept or reject the Proposed Plan. No further information or instructions are necessary.

**Parties Entitled to Vote**

E. Pursuant to the Proposed Plan, holders of Claims in Class 3 (Revolving Credit Agreement Claims) and Class 5 (Senior Notes Claims) are impaired and are entitled to receive distributions under the Proposed Plan. Accordingly, holders of Allowed Claims in such classes are entitled to vote on account of such Claims.

**Parties Not Entitled to Vote**

F. Pursuant to the Proposed Plan, holders of Claims in Class 1 (Priority Non-Tax Claims), Class 2 (Other Secured Claims), Class 4 (Secured Term Loan Claims), Class 6 (General Unsecured Claims), Class 7 (Intercompany Claims), Class 8 (Parent Interests), and Class 9 (Intercompany Interests) are Unimpaired and, accordingly, pursuant to section 1126(f) of the Bankruptcy Code, are conclusively presumed to accept the Proposed Plan and are not entitled to vote on account of such Claims.

**Notice of Non-Voting Status**

G. The Notice of Non-Voting Status, substantially in the form attached hereto as **Exhibit 4**, complies with the Bankruptcy Code, applicable Bankruptcy Rules, and applicable Local Rules and, together with the Confirmation Hearing Notice, provides adequate notice to Non-Voting Creditors and Interest Holders of their non-voting status. No further notice is necessary.

**Solicitation**

H. The proposed distribution and contents of the Solicitation Packages comply with Bankruptcy Rules 2002 and 3017 and Local Rule 9006-1 and constitute sufficient notice to all interested parties of the Record Date, Voting Deadline, Plan Objection Deadline, Confirmation Hearing, and other related matters.

I. The period proposed by the Debtors in the Motion during which the Debtors may solicit votes to accept or reject the Proposed Plan is a reasonable and sufficient period of time for Voting Classes to make an informed decision regarding whether to accept or reject the Proposed Plan and timely return Ballots evidencing such decision.

**Notice of Confirmation Hearing and Plan Objection Deadline**

J. The procedures set forth in the Motion regarding notice to all parties of the time, date, and place of the hearing to consider confirmation of the Proposed Plan (the “**Confirmation Hearing**”) and for filing objections or responses to the Proposed Plan, provide due, proper, and adequate notice, comport with due process and comply with Bankruptcy Rules 2002 and 3017 and Local Rule 9006-1. No further notice is required.

K. All other notices to be provided pursuant to the procedures set forth in the Motion are good and sufficient notice to all parties in interest of all matters pertinent hereto and of all matters pertinent to the Confirmation Hearing. No further notice is required.

L. The legal and factual bases set forth in the Motion establish just and sufficient cause to grant the relief requested therein.

**IT IS HEREBY ORDERED THAT:**

1. The Motion is granted as set forth herein.

**Disclosure Statement**

2. The Proposed Disclosure Statement contains adequate information in accordance with section 1125 of the Bankruptcy Code and is approved.

3. All objections, if any, to the Proposed Disclosure Statement or Disclosure Statement procedures that have not been withdrawn or resolved as provided for in the record of the Hearing are overruled.

4. The form and manner of the notice of the hearing on the Proposed Disclosure Statement complied with all applicable Bankruptcy Rules and Local Rules.

5. The Disclosure Statement (including all applicable exhibits thereto) provides sufficient notice of the injunction, exculpation, and release provisions contained in sections 10.6, 10.7, and 10.8 of the Proposed Plan, in accordance with Bankruptcy Rule 3016(c).

### **Solicitation and Voting Procedures**

#### ***Temporary Allowance / Disallowance of Claims***

6. Solely for purposes of voting to accept or reject the Proposed Plan and not for the purpose of the allowance of, or distribution on account of, a Claim, and without prejudice to the rights of the Debtors in any other context, each Claim within a Class of Claims entitled to vote to accept or reject the Proposed Plan is temporarily Allowed in an amount equal to the amount of such Claim either as set forth in the Schedules or in a properly filed proof of claim; *provided, however*, that:

- (a) If a proof of claim was filed by the Record Voting Date in an amount that is liquidated, non-contingent, and undisputed such Claim is temporarily Allowed for voting purposes in the amount set forth on the proof of claim, unless such Claim is disputed as set forth in subparagraph (f) below;
- (b) If a Claim has been estimated or otherwise Allowed for voting purposes by order of this Court, such Claim is temporarily Allowed in the amount so estimated or Allowed by this Court;
- (c) If a Claim is listed in the Schedules as contingent, unliquidated, or disputed and a proof of claim has not yet been filed as of the Record Voting Date, such Claim is disallowed for voting purposes and for purposes of allowance and distribution pursuant to Bankruptcy Rule 3003(c), unless such Claim is a Class 3 (Revolving Credit Agreement Claim) as set forth in subparagraph (e) below;
- (d) If a proof of claim was filed by the Record Voting Date in an amount that is contingent or unliquidated, such Claim is accorded one vote and valued temporarily in the amount of one dollar (\$1.00), unless such Claim is disputed as set forth in subparagraph (f) below or is a Class 3 (Revolving Credit Agreement Claim) as set forth in subparagraph (e) below;

- (e) If a Claim is listed in the Schedules or on a proof of claim filed by the Record Voting Date as contingent, unliquidated, or disputed in part, such Claim is temporarily Allowed in the amount that is liquidated, non-contingent, and undisputed, unless such Claim is disputed as set forth in subparagraph (f) below, *provided, however*, that the holders of Claims in Class 3 (Revolving Credit Agreement Claims) shall be authorized to vote the full amount of their Revolving Credit Exposure (as defined in the Revolving Credit Agreement), including any portion that constitutes a contingent Claim; and
- (f) If the Debtors have filed an objection to or a request for estimation of a Claim on or before **Friday, May 6, 2016**, such Claim is temporarily disallowed, except as ordered by the Court before the Voting Deadline; *provided, however*, that, if the Debtors' objection seeks to reclassify or reduce the Allowed amount of such Claim, then such Claim is temporarily Allowed for voting purposes in the reduced amount and/or as reclassified, except as may be ordered by this Court before the Voting Deadline.

7. If any creditor seeks to challenge the allowance of its Claim for voting purposes, such creditor shall file with this Court a motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such Claim for voting purposes in a different amount (a "**Rule 3018(a) Motion**"). Upon the filing of any such motion, such creditor's Ballot shall be counted in accordance with the above-designated guidelines unless temporarily Allowed in a different amount by an order of this Court entered prior to or concurrent with entry of an order confirming the Proposed Plan. Any Rule 3018(a) Motion must be filed on or before **Wednesday, May 18, 2016 at 4:00 p.m. (prevailing Eastern Time)**.

8. Each creditor that votes to accept or reject the Proposed Plan is deemed to have voted the full amount of its Claim therefor.

***The Record Voting Date***

9. The Record Voting Date shall be set as **Wednesday, March 30, 2016**. Only holders of Claims as of the Record Voting Date shall be entitled to vote to accept or reject the Proposed Plan.



10. The record holders of Claims shall be determined, as of the Record Voting Date, based upon the records of the Debtors and KCC. Accordingly, any notice of claim transfer received by the record holder of the Debtors' debt securities, the Debtors, KCC, or other similarly situated registrar after the Record Voting Date shall not be recognized for purposes of voting or receipt of the Proposed Plan confirmation materials.

11. With respect to transfers of Claims filed pursuant to Bankruptcy Rule 3001(e), the transferee shall be entitled to receive a Solicitation Package and, if the holder of such Claim is entitled to vote with respect to the Proposed Plan, cast a Ballot on account of such Claim only if: (a) all actions necessary to transfer such Claim are completed by the Record Voting Date or (b) the transferee files by the Record Voting Date (i) all documentation required by Bankruptcy Rule 3001(e) to evidence the transfer and (ii) a sworn statement of the transferor supporting the validity of the transfer. In the event a Claim is transferred after the Record Voting Date, the transferee of such Claim shall be bound by any vote on the Proposed Plan made by the holder of such Claim as of the Record Voting Date.

***Solicitation Packages***

12. The Solicitation Packages are **approved**.

13. The Debtors shall mail the Solicitation Packages no later than **five (5) days following the date of entry of the Disclosure Statement Order** (the "**Solicitation Date**") to the U.S. Trustee and holders of Claims in Voting Classes entitled to vote on the Proposed Plan as of the Record Voting Date, as required by Bankruptcy Rule 3017(d).

14. Solicitation Packages shall contain a copy of:

- (a) this Order (without attachments);
- (b) the Confirmation Hearing Notice;

- (c) a CD-ROM containing the Disclosure Statement, which shall include the Proposed Plan as an exhibit; and
- (d) if the recipient is entitled to vote on the Proposed Plan, a Ballot customized for such holder in the form described below, and a postage-prepaid return envelope.

15. Any creditor may request an additional copy of the Disclosure Statement (and attachments) in CD-ROM or paper format by telephone or by written request. Upon receipt of a telephonic or written request, the Debtors will provide such creditor with a paper copy of the Proposed Plan and the Disclosure Statement at no cost to the creditor within five (5) days thereafter.

16. The Debtors shall not be required to send Solicitation Packages to creditors that have Claims that have already been paid in full; *provided, however*, that if any such creditor would be entitled to receive a Solicitation Package for any other reason, then the Debtors shall send such creditor a Solicitation Package in accordance with the procedures set forth herein.

17. With respect to addresses from which Solicitation Packages are returned as undeliverable by the United States Postal Service, the Debtors are excused from mailing Solicitation Packages or any other materials related to voting or confirmation of the Proposed Plan to those entities listed at such addresses unless the Debtors are provided with accurate addresses for such entities before the Voting Deadline, and failure to mail Solicitation Packages or any other materials related to voting or confirmation of the Proposed Plan to such entities will not constitute inadequate notice of the Confirmation Hearing or the Voting Deadline and shall not constitute a violation of Bankruptcy Rule 3017.

*Notice of Non-Voting Status*

18. The Notice of Non-Voting Status is approved.

19. To the holders of Claims or Interests in Non-Voting Classes, the Debtors shall send a Notice of Non-Voting Status substantially in the form attached hereto as **Exhibit 4**.

20. The Debtors shall not be required to provide the holders of Class 7 (Intercompany Claims) and Class 9 (Intercompany Interests) with a Notice of Non-Voting Status or any other type of notice in connection with solicitation of the Proposed Plan.

*Ballots*

21. The Ballots are **APPROVED**.

22. The Voting Deadline shall be **Friday, May 20, 2016 at 5:00 p.m.** (prevailing Eastern Time).

23. All Ballots must be properly executed, completed, and delivered to KCC by first-class mail, overnight courier, or hand delivery, so that they are **actually received** by KCC no later than the Voting Deadline.

24. With respect to Ballots that will be sent to certain holders of Claims entitled to vote on the Proposed Plan in Class 5 (Senior Notes Claims), the Debtors propose to deliver Ballots to record holders of such Claims, including, without limitation, representatives such as brokers, banks, commercial banks, trust companies, dealers, or other agents or nominees (collectively, the “**Nominees**”). Once the Record Voting Date has passed, the Debtors shall cause to be distributed, to each Nominee, reasonably sufficient numbers of Solicitation Packages, including a Master Ballot (as hereinafter defined) and sufficient beneficial ballots (the “**Beneficial Ballots**”), to distribute via first class mail to the beneficial holders of the Senior

Notes Claims as of the Record Voting Date for whom such Nominee acts (collectively, the “**Beneficial Holders**”).

25. Such Nominees shall, upon receipt of the Solicitation Packages, promptly distribute such Solicitation Packages to Beneficial Holders (including Beneficial Ballots) using one of the following two methods (to be selected by the Nominee) within five (5) business days of receipt of the Solicitation Packages:

- (a) **Pre-Validated Ballots:** The Nominee may “pre-validate” a Beneficial Ballot by (i) signing the Beneficial Ballot and indicating on the Beneficial Ballot the name of the Nominee and DTC Participant Number, (ii) the amount and the account number of the Senior Notes Claims held by the Nominee for the Beneficial Holder, and (iii) forwarding such Beneficial Ballot, together with the Disclosure Statement, a pre-addressed, postage-paid return envelope addressed to, and provided by, KCC, and other materials requested to be forwarded, to the Beneficial Holder for voting. The Beneficial Holder must then complete the information requested in Item 2, Item 3, and Item 4 of the Beneficial Ballot, and return the Beneficial Ballot directly to KCC in the pre-addressed, postage-paid return envelope so that it is RECEIVED by KCC on or before the Voting Deadline. A list of the Beneficial Holders to whom “pre-validated” Beneficial Ballots were delivered should be maintained by Nominees for inspection for at least one (1) year from the Voting Deadline.
- (b) **Master Ballots:** If the Nominee elects not to pre-validate Beneficial Ballots, the Nominee may obtain the votes of Beneficial Holders by forwarding to the Beneficial Holders the unsigned Beneficial Ballots, together with the Disclosure Statement, a pre-addressed, postage-paid return envelope provided by, and addressed to, the Nominee, and other materials requested to be forwarded. Each such Beneficial Holder must then indicate his, her, or its vote on the Beneficial Ballot, complete the information requested on the Beneficial Ballot, review the certifications contained on the Beneficial Ballot, execute the Beneficial Ballot, and return the Beneficial Ballot to the Nominee. After collecting the Beneficial Ballots, the Nominee should, in turn, complete a master ballot (the “**Master Ballot**”) compiling the votes and other information from the Beneficial Ballots, execute the Master Ballot, and deliver the Master Ballot to KCC so that it is RECEIVED by KCC on or before the Voting Deadline. All Beneficial Ballots returned by Beneficial Holders should either be forwarded to KCC (along with the Master Ballot) or retained by Nominees for inspection for at least one (1) year from the Voting Deadline. EACH NOMINEE SHOULD ADVISE ITS BENEFICIAL HOLDERS TO RETURN THEIR BENEFICIAL BALLOTS TO THE

NOMINEE BY A DATE CALCULATED BY THE NOMINEE TO ALLOW IT TO PREPARE AND RETURN THE MASTER BALLOT TO KCC SO THAT IT IS RECEIVED BY KCC ON OR BEFORE THE VOTING DEADLINE.

***Tabulation Procedures***

26. The following tabulation procedures are approved.
- (a) Whenever a creditor casts more than one Ballot voting the same Claim(s) before the Voting Deadline, the last valid Ballot received on or before the Voting Deadline shall be deemed to reflect such creditor's intent, and thus, to supersede any prior Ballot.
  - (b) Whenever a creditor casts a Ballot that is properly completed, executed, and timely returned to KCC, but does not indicate either an acceptance or rejection of the Proposed Plan, the Ballot will not be counted.
  - (c) Whenever a creditor casts a Ballot that is properly completed, executed, and timely returned to KCC, but indicates both an acceptance and a rejection of the Proposed Plan, the Ballot will not be counted.
  - (d) A creditor shall be deemed to have voted the full amount of its Claim in each class and shall not be entitled to split its vote within a particular class. Any creditor's Ballot that partially accepts and partially rejects the Proposed Plan will not be counted.
  - (e) Whenever a creditor casts Ballots received by KCC on the same day, but which are voted inconsistently, such Ballots will not be counted.
  - (f) The following Ballots shall not be counted:
    - i. Any Ballot received after the Voting Deadline, unless the Debtors shall have granted an extension of the Voting Deadline in writing with respect to such Ballot;
    - ii. Any Ballot that is illegible or contains insufficient information to permit the identification of the claimant;
    - iii. Any Ballot cast by a person or entity that does not hold a Claim in a Class that is entitled to vote to accept or reject the Proposed Plan;
    - iv. Any Ballot cast by a person who is not entitled to vote, even if such individual holds a Claim in a Voting Class;
    - v. Any unsigned Ballot;

- vi. Any Ballot which the Court determines, after notice and a hearing, that such vote was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code; or
- vii. Any Ballot transmitted to KCC by facsimile or other means not specifically approved herein.

(g) A holder of Claims in more than one Class must use separate Ballots for each Class of Claims.

27. To assist in the solicitation process, KCC may, but is not obligated to, contact parties that submit incomplete or otherwise deficient ballots to make a reasonable effort to cure such deficiencies.

### **The Confirmation Hearing**

28. The Confirmation Hearing shall be held on **Friday, June 10, 2016 at \_\_\_:\_\_\_ (a.m./p.m.) (Prevailing Eastern Time)**; *provided, however*, that the Confirmation Hearing may be adjourned or continued from time to time by the Court or the Debtors without further notice other than adjournments announced in open Court or as indicated in any notice of agenda of matters scheduled for hearing filed by the Debtors with the Court.

### ***Objection Procedures***

29. The Debtors are authorized to file and serve a supplement to the Proposed Plan on or before **Tuesday, May 10, 2016**.

30. The deadline to object or respond to confirmation of the Proposed Plan shall be **Friday, May 20, 2016 at 5:00 p.m. (prevailing Eastern Time)**.

31. Objections and responses, if any, to confirmation of the Proposed Plan, must: (a) be in writing, (b) conform to the Bankruptcy Rules and the Local Rules, (c) set forth the name of the objecting party, the nature and amount of Claims or Interests held or asserted by the objecting party against the Debtors' estates or property, and (d) set forth the basis for the objection and the specific grounds therefor.

32. Registered users of this Court's case filing system must electronically file their objections and responses. All other parties in interest must file their objections and responses in writing with the United States Bankruptcy Court Clerk's Office, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801.

33. Pursuant to Bankruptcy Rule 3017, any objection or response also must be served upon and received by the following parties:

***Debtors***

Paragon Offshore plc  
3151 Briarpark Drive  
Houston, TX 77042  
Attn: Todd Strickler, Vice President, General  
Counsel and Corporate Secretary  
Telephone: (832) 783-4000  
Email: tstrickler@paragonoffshore.com

***Counsel to the Debtors***

Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, New York 10153  
Attn: Gary T. Holtzer  
Stephen A. Youngman  
Telephone: (212) 310-8000  
Email: gary.holtzer@weil.com  
stephen.youngman@weil.com

***Counsel to the Ad Hoc Committee of Senior  
Noteholders***

Paul, Weiss, Rifkind, Wharton & Garrison LLP  
1285 Avenue of the Americas  
New York, NY 10019  
Attn: Andrew N. Rosenberg  
Elizabeth R. McColm  
Telephone: (212) 373-3000  
Email: arosenberg@paulweiss.com  
emccolm@paulweiss.com

***Office of the U.S. Trustee***

Office of the U.S. Trustee for  
the District of Delaware  
844 King Street, Suite 2207, Lockbox 35  
Wilmington, Delaware 19801  
Attn: Natalie Cox

***Co-Counsel to the Debtors***

Richards, Layton & Finger, P.A.  
One Rodney Square  
920 North King Street  
Wilmington, Delaware 19801  
Attn: Mark D. Collins  
Amanda R. Steele  
Telephone: (302) 651-7700  
Email: collins@rlf.com  
steele@rlf.com

***Counsel to the Revolving Credit Facility  
Agent***

Simpson Thacher & Bartlett LLP  
425 Lexington Avenue  
New York, NY 10017  
Attn: Sandeep Qusba, Esq.  
Kathrine A. McLendon, Esq.  
Telephone: (212) 455-2000  
Email: squsba@stblaw.com  
kmclendon@stblaw.com

no later than the Plan Objection Deadline. Pursuant to Bankruptcy Rule 3020(b), if no objection is timely filed, this Court may determine that the plan has been proposed in good faith and not by any means forbidden by law without receiving evidence on such issues.

34. Objections to confirmation of the Proposed Plan that are not timely filed, served and actually received in the manner set forth above shall not be considered and shall be deemed overruled.

35. The Debtors are authorized to file and serve replies or an omnibus reply to any such objections along with their brief in support of confirmation of the Proposed Plan (the “**Confirmation Brief**”) either separately or by a single, consolidated reply, on or before **Tuesday, June 7, 2016 at 5:00 p.m. (prevailing Eastern Time)**.

*Confirmation Hearing Notice*

36. The Confirmation Hearing Notice substantially in the form attached hereto as **Exhibit 1** is **APPROVED**.

**General**

37. The Debtors are authorized to make non-substantive changes in accordance with the terms of the Plan Support Agreement, dated February 12, 2016, to which each Debtor is a party, to the Disclosure Statement, the Proposed Plan, the Ballots, and related documents without further order of the Court, including, without limitation, changes to correct typographical and grammatical errors and to make conforming changes among the Disclosure Statement, the Proposed Plan, and any other materials in the Solicitation Packages prior to mailing.

38. The Debtors are authorized to take all steps necessary or appropriate to carry out this Order.



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

Dated: \_\_\_\_\_, 2016  
Wilmington, Delaware

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UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT 1**

**Notice of Confirmation Hearing**

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

----- X  
 :  
**In re:** : **Chapter 11**  
 :  
**PARAGON OFFSHORE PLC, et al.,** : **Case No. 16-\_\_\_\_\_ (\_\_\_)**  
 :  
 : **Jointly Administered**  
 :  
**Debtors.<sup>1</sup>** :  
 :  
 ----- X

**NOTICE OF (I) APPROVAL  
 OF DISCLOSURE STATEMENT,  
 (II) ESTABLISHMENT OF RECORD VOTING DATE, (III) HEARING  
 ON CONFIRMATION OF THE PROPOSED PLAN, (IV) PROCEDURES  
 FOR OBJECTING TO THE CONFIRMATION OF THE PROPOSED PLAN,  
 AND (V) PROCEDURES AND DEADLINE FOR VOTING ON THE PROPOSED PLAN**

TO PARTIES IN INTEREST IN THE CHAPTER 11 CASES OF:

Paragon Offshore plc	Case No. 16-
Paragon Offshore Finance Company	Case No. 16-
Paragon International Finance Company	Case No. 16-
Paragon Offshore Holdings US Inc.	Case No. 16-
Paragon Offshore Drilling LLC	Case No. 16-
Paragon FDR Holdings Ltd.	Case No. 16-
Paragon Duchess Ltd.	Case No. 16-
Paragon Offshore (Luxembourg) S.à r.l.	Case No. 16-
PGN Offshore Drilling (Malaysia) Sdn. Bhd.	Case No. 16-
Paragon Offshore (Labuan) Pte. Ltd.	Case No. 16-
Paragon Holding SCS 2 Ltd.	Case No. 16-
Paragon Asset Company Ltd.	Case No. 16-

<sup>1</sup> 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.

Paragon Holding SCS 1 Ltd.	Case No. 16-
Paragon Offshore Leasing (Luxembourg) S.à r.l.	Case No. 16-
Paragon Drilling Services 7 LLC	Case No. 16-
Paragon Offshore Leasing (Switzerland) GmbH	Case No. 16-
Paragon Offshore do Brasil Ltda.; Paragon Asset (ME) Ltd.	Case No. 16-
Paragon Asset (UK) Ltd.	Case No. 16-
Paragon Offshore International Ltd.	Case No. 16-
Paragon Offshore (North Sea) Ltd.	Case No. 16-
Paragon (Middle East) Limited	Case No. 16-
Paragon Holding NCS 2 S.à r.l.	Case No. 16-
Paragon Leonard Jones LLC	Case No. 16-
Paragon Offshore (Nederland) B.V.	Case No. 16-
Paragon Offshore Contracting GmbH	Case No. 16-

## PLEASE TAKE NOTICE THAT:

1. **Approval of Disclosure Statement.** On [Wednesday, March 30, 2016], the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”) held a hearing at which it approved the *Disclosure Statement for the Joint Chapter 11 Plan of Paragon Offshore Plc and Its Affiliated Debtors*, dated February 14, 2016 (as may be further amended, the “**Disclosure Statement**”)<sup>2</sup> of Paragon Offshore plc and its affiliated debtors in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), and thereafter entered an order (the “**Order**”) with respect thereto. The Order, among other things, authorizes the Debtors to solicit votes to accept or reject *the Joint Chapter 11 Plan of Paragon Offshore Plc and Its Affiliated Debtors*, dated February 14, 2016 (as may be further amended, the “**Proposed Plan**”).

2. **Confirmation Hearing.** A hearing to consider confirmation of the Proposed Plan (the “**Confirmation Hearing**”) has been scheduled for [June 10, 2016 at \_\_:\_\_(a.m./p.m.)] (prevailing Eastern Time), before the Honorable [\_\_\_\_], United States Bankruptcy Judge, in the Bankruptcy Court. The Confirmation Hearing may be adjourned or continued from time to time without further notice other than the announcement by the Debtors of the adjourned date(s) at the Confirmation Hearing, or any continued hearing, or as indicated in any notice of agenda of matters scheduled for hearing filed by the Debtors with the Bankruptcy Court. The Proposed Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing.

3. **Record Voting Date.** The following holders of Claims against the Debtors as of [Wednesday, March 30, 2016] (the “**Record Voting Date**”) are entitled to vote on the Proposed Plan:

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Disclosure Statement or the Proposed Plan, as applicable.

- (a) record holders, as of the Record Voting Date, of Claims listed on the Debtors' schedules of liabilities, to the extent that such Claims (i) are listed in an amount greater than zero and are not identified as contingent, unliquidated, or disputed, and (ii) have not been superseded by a filed proof of claim, *provided, however*, that the holders of Claims in Class 3 (Revolving Credit Agreement Claims) shall be authorized to vote the full amount of their Revolving Credit Exposure (as defined in the Revolving Credit Agreement), including any portion that constitutes a contingent Claim; and
- (b) record holders as of the Record Voting Date, of Claims, to the extent that such Claims (i) are the subject of filed proofs of claim, (ii) have not been disallowed, expunged, disqualified, or suspended prior to the Record Voting Date, and (iii) are not the subject of a pending Claim objection or request for estimation as of the Record Voting Date, unless a Rule 3018(a) Motion (as defined below) has been filed.

4. ***Voting Deadline.*** All votes to accept or reject the Proposed Plan must be **actually received** by the Debtors' voting and tabulation agent, Kurtzman Carson Consultants LLC, at the address set forth below, by no later than **[Friday, May 20, 2016] at 5:00 p.m. (prevailing Eastern Time)** (the "**Voting Deadline**"). Any failure to follow the voting instructions included with your Ballot may disqualify your Ballot and your vote.

<p><b>Class 3 (Revolving Credit Agreement Claims) Ballots</b>                  Paragon Ballot Processing Center                  c/o KCC                  2335 Alaska Avenue                  El Segundo, CA 90245</p>	<p><b>Class 5 Master Ballots<sup>3</sup></b>                  Paragon Ballot Processing Center                  c/o KCC                  1290 Avenue of the Americas                  9th Floor                  New York, NY 10104</p>
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5. ***Parties in Interest Not Entitled to Vote.*** Holders of Unimpaired Claims and Interests in classes deemed to accept the Proposed Plan are not entitled to vote and will not receive a Ballot. Such holders will instead receive the Notice of Non-Voting Status. If you disagree with the amount set forth by the Debtors for your Claim in the Schedules or if you have filed a proof of claim and disagree with either (a) the Debtors' objection to your Claim and believe that you should be entitled to vote on the Proposed Plan or (b) the Debtors' classification or request for estimation of your Claim and believe that you should be entitled to vote on the Proposed Plan in a different amount or class, then you must serve on the parties identified in paragraph 8 below and file with the Bankruptcy Court a motion (a "**Rule 3018(a) Motion**") for an order pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") temporarily allowing your Claim in a different amount or in a different class for purposes of voting to accept or reject the Proposed Plan. All Rule 3018(a) Motions must be filed on or before **Wednesday, May 18, 2016 at 4:00 p.m.** Rule 3018(a) Motions that are not timely filed and served in the manner set forth above shall not be considered. As to any creditor filing a Rule 3018(a) Motion, such creditor's Ballot will not be counted except as may

<sup>3</sup> If you receive a Class 5 Beneficial Ballot, please return such Beneficial Ballot to your Nominee.

be otherwise ordered by the Bankruptcy Court. Creditors may contact Kurtzman Carson Consultants LLC in writing at 2335 Alaska Avenue, El Segundo, California 90245, or by telephone at 866-967-0491 (Toll-Free) or 310-751-2691 (if calling from outside the US or Canada) to receive an appropriate Ballot for any Claim for which a proof of Claim has been timely filed and a Rule 3018(a) Motion has been granted.

6. ***Objections to Confirmation.*** The deadline to object or respond to confirmation of the Proposed Plan is [**Friday, May 20, 2016**] at **5:00 p.m. (Prevailing Eastern Time)** (the “**Plan Objection Deadline**”).

7. Objections and responses, if any, to confirmation of the Proposed Plan, must: (a) be in writing; (b) conform to the Bankruptcy Rules and the Local Rules; (c) set forth the name of the objecting party and the nature and amount of Claims or Interests held or asserted by the objecting party against the Debtors’ estates or property; and (d) provide the basis for the objection and the specific grounds therefor.

8. Registered users of the Bankruptcy Court’s case filing system must electronically file their objections and responses. All other parties in interest must file their objections and responses in writing with the United States Bankruptcy Court Clerk’s Office, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801 to the attention of the chambers of the Honorable [\_\_\_\_], United States Bankruptcy Judge.

Any objections or responses must be served so that they are **actually received** by the following parties no later than the Plan Objection Deadline:

***Debtors***

Paragon Offshore plc  
3151 Briarpark Drive  
Houston, TX 77042  
Attn: Todd Strickler, Vice President, General  
Counsel and Corporate Secretary  
Telephone: (832) 783-4000  
Email: tstrickler@paragonoffshore.com

***Counsel to the Debtors***

Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, New York 10153  
Attn: Gary T. Holtzer  
Stephen A. Youngman  
Telephone: (212) 310-8000  
Email: gary.holtzer@weil.com  
stephen.youngman@weil.com

***Office of the U.S. Trustee***

Office of the U.S. Trustee for  
the District of Delaware  
844 King Street, Suite 2207, Lockbox 35  
Wilmington, Delaware 19801  
Attn: Natalie Cox

***Co-Counsel to the Debtors***

Richards, Layton & Finger, P.A.  
One Rodney Square  
920 North King Street  
Wilmington, Delaware 19801  
Attn: Mark D. Collins  
Amanda R. Steele  
Telephone: (302) 651-7700  
Email: collins@rlf.com  
steele@rlf.com

***Counsel to the Ad Hoc Committee of Senior Noteholders***

Paul, Weiss, Rifkind, Wharton & Garrison LLP  
1285 Avenue of the Americas  
New York, NY 10019  
Attn: Andrew N. Rosenberg  
Elizabeth R. McColm  
Telephone: (212) 373-3000  
Email: arosenberg@paulweiss.com  
emccolm@paulweiss.com

***Counsel to the Revolving Credit Facility Agent***

Simpson Thacher & Bartlett LLP  
425 Lexington Avenue  
New York, NY 10017  
Attn: Sandeep Qusba, Esq.  
Kathrine A. McLendon, Esq.  
Telephone: (212) 455-2000  
Email: squsba@stblaw.com  
kmclendon@stblaw.com

**9. IF ANY OBJECTION TO CONFIRMATION OF THE PROPOSED PLAN IS NOT FILED AND SERVED STRICTLY AS PRESCRIBED HEREIN, THE OBJECTING PARTY WILL BE BARRED FROM OBJECTING TO CONFIRMATION OF THE PROPOSED PLAN AND WILL NOT BE HEARD AT THE CONFIRMATION HEARING.**

10. ***Parties That Will Not Be Entitled to Vote or Receive Any Distribution.*** Any holder of a Claim, other than Class 3 (Revolving Credit Agreement Claims), that is scheduled in the Debtors' Schedules at \$0, or in an unknown amount, or as disputed, contingent, or unliquidated, and that has not filed a timely proof of claim, shall not be treated as a creditor with respect to such Claim for purposes of receiving distributions under the Proposed Plan. **PLEASE NOTE THAT, NOTWITHSTANDING YOUR FAILURE TO FILE A PROOF OF CLAIM OR BE SCHEDULED, YOUR RIGHTS MAY NEVERTHELESS BE IMPAIRED BY THE PROPOSED PLAN.**

11. ***Additional Information.*** Any party in interest wishing to obtain information about the solicitation procedures or copies of the Disclosure Statement or the Proposed Plan should contact the Debtors' voting and tabulation agent, Kurtzman Carson Consultants LLC in writing at 2335 Alaska Avenue, El Segundo, California 90245, or by telephone at 866-967-0491 (Toll-Free) or 310-751-2691 (if calling from outside the US or Canada). Interested parties may also review the Disclosure Statement and the Proposed Plan free of charge at <http://www.kccllc.net/paragon>. In addition, the Disclosure Statement and Plan are on file with the Bankruptcy Court and may be reviewed for a fee by accessing the Bankruptcy Court's website: [www.deb.uscourts.gov](http://www.deb.uscourts.gov). Note that a PACER password and login are needed to access documents on the Bankruptcy Court's website. A PACER password can be obtained at: [www.pacer.psc.uscourts.gov](http://www.pacer.psc.uscourts.gov). Copies of the Disclosure Statement and Proposed Plan may also be examined by interested parties during normal business hours at the office of the Clerk of the Bankruptcy Court.

12. ***Executory contracts and unexpired leases.*** All executory contracts and unexpired leases to which any of the Debtors are parties shall be deemed assumed as of the Effective Date and the payment of any applicable Cure Amount, except for an executory contract or unexpired lease that (a) has previously been assumed or rejected pursuant to a final order of the Bankruptcy Court, (b) is specifically designated as a contract or lease to be rejected on a schedule of contracts and leases filed and served prior to commencement of the Confirmation Hearing, (c) is the subject of a separate (i) assumption motion filed by the Debtors or (ii) rejection motion filed by the Debtors under section 365 of the Bankruptcy Code before the Confirmation Date, or (d) is the subject of a pending objection regarding assumption, cure,

“adequate assurance of future performance” (within the meaning of section 365 of the Bankruptcy Code) or other issues related to assumption of the contract or lease. The Debtors reserve the right to reject any executory contract or unexpired lease pursuant to the Proposed Plan.

**13. *Releases and Injunctions.* If the Proposed Plan is confirmed by the Bankruptcy Court, the Proposed Plan will be binding on all holders of a Claim against or Interest in any Debtor, regardless of whether the Claim or Interest of such holder is impaired under the Proposed Plan and whether such holder has accepted the Proposed Plan. Additionally, if the Proposed Plan is confirmed by the Bankruptcy Court, the release, injunction, and exculpation provisions set forth in sections 10.6, 10.7, and 10.8 of the Proposed Plan, respectively, will be binding on (a) the holders of all Claims or Interests who vote to accept the Proposed Plan, (b) the holders of Claims or Interests that are Unimpaired under the Proposed Plan, (c) the holders of Claims or Interests whose vote to accept or reject the Proposed Plan is solicited but who do not vote either to accept or to reject the Proposed Plan, (d) the holders of Claims or Interests who vote to reject the Proposed Plan but do not opt out of granting the releases set forth in section 10.6 of the Proposed Plan, (e) the Revolving Credit Facility Agent, and (f) the Senior Notes Indenture Trustee.**

Dated: \_\_\_\_\_, 2016  
Wilmington, Delaware

Gary T. Holtzer  
Stephen A. Youngman  
WEIL, GOTSHAL & MANGES LLP

767 Fifth Avenue  
New York, New York 10153  
Telephone: (212) 310-8000  
Facsimile: (212) 310-8007

Counsel to the Debtors and  
Debtors in Possession

Mark D. Collins (No. 2981)  
Amanda R. Steele (No. 5530)  
RICHARDS, LAYTON & FINGER, P.A.

One Rodney Square  
920 North King Street  
Wilmington, Delaware 19801  
Telephone: (302) 651-7700  
Facsimile: (302) 651-7701

Co-Counsel to the Debtors and  
Debtors in Possession



**EXHIBIT 2**

**Form of Revolving Credit Agreement Claims Ballot**

01:12669525.4

No person has been authorized to give any information or advice, or to make any representation, other than what is included in the Disclosure Statement accompanying this Ballot.<sup>1</sup>

PLEASE NOTE THAT, EVEN IF YOU INTEND TO VOTE TO REJECT THE PROPOSED PLAN, YOU MUST STILL READ, COMPLETE, AND EXECUTE THIS ENTIRE BALLOT.

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

	X	
	:	
<b>In re:</b>	:	<b>Chapter 11</b>
	:	
<b>PARAGON OFFSHORE PLC, et al.,</b>	:	<b>Case No. 16-_____ (____)</b>
	:	
<b>Debtors.<sup>2</sup></b>	:	<b>Jointly Administered</b>
	:	
	X	

**BALLOT FOR VOTING TO ACCEPT OR  
REJECT THE JOINT CHAPTER 11 PLAN OF REORGANIZATION  
OF PARAGON OFFSHORE PLC AND ITS AFFILIATED DEBTORS**

**CLASS 3: REVOLVING CREDIT AGREEMENT CLAIMS**

Paragon Offshore plc and its affiliated debtors in the above-captioned chapter 11 cases (collectively, the “**Debtors**”) are soliciting votes with respect to the *Joint Chapter 11 Plan of Paragon Offshore Plc and Its Affiliated Debtors*, dated February 14, 2016 (as may be further amended, the “**Proposed Plan**”). The Proposed Plan is attached as **Exhibit A** to the *Disclosure Statement for the Joint Chapter 11 Plan of Paragon Offshore Plc and Its Affiliated Debtors*, dated February 14, 2016 (as may be further amended, the “**Disclosure Statement**”).

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<sup>1</sup> All capitalized terms used but not defined herein or in the enclosed voting instructions have the meanings ascribed to them in the Proposed Plan, attached as Exhibit A to the Disclosure Statement.

<sup>2</sup> 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.

If you are, as of [**Wednesday, March 30, 2016**] (the “**Record Voting Date**”), a holder of a Class 3 Revolving Credit Agreement Claim, please use this “**Ballot**” to cast your vote to accept or reject the Proposed Plan.

The United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”) has approved the Disclosure Statement, which provides information to assist you in completing this Ballot. Bankruptcy Court approval of the Disclosure Statement does not indicate Bankruptcy Court approval of the Proposed Plan. If you do not have a Disclosure Statement, you may obtain a copy from (a) Kurtzman Carson Consultants LLC (the “**Voting Agent**”) at no charge by accessing the Debtors’ restructuring website at <http://www.kccllc.net/paragon>, by writing to 2335 Alaska Avenue, El Segundo, California 90245, or by telephone at 866-967-0491 (Toll-Free) or 310-751-2691 (if calling from outside the US or Canada), or by calling telephone at 866-967-0491 (Toll-Free) or 310-751-2691 (if calling from outside the US or Canada) or (b) for a fee via PACER at <http://www.deb.uscourts.gov>.

If you have any questions on how to properly complete this Ballot, please contact the Voting Agent at 866-967-0491 (Toll-Free) or 310-751-2691 (if calling from outside the US or Canada). Please be advised that the Voting Agent cannot provide legal advice.

**IMPORTANT**

**You should review the Disclosure Statement and the Proposed Plan before you submit this Ballot. You may wish to seek legal advice concerning the Proposed Plan and the classification and treatment of your Class 3 Claim under the Proposed Plan.**

**All Revolving Credit Agreement Claims against the Debtors have been placed in Class 3 under the Proposed Plan. If you hold Claims in more than one Class under the Proposed Plan, you may receive a Ballot for each such other Class and must complete such separate Ballot for each such Class.**

**VOTING DEADLINE: [FRIDAY, MAY 20, 2016] AT 5:00 P.M. (PREVAILING EASTERN TIME)**  
**(THE “VOTING DEADLINE”).**

**For your vote to be counted, this Ballot must be properly completed, signed, and returned so that it is actually received by the Voting Agent, Kurtzman Carson Consultants LLC, no later than [Friday, May 20, 2016] at 5:00 p.m. (prevailing Eastern Time), unless such time is extended in writing by the Debtors. Please mail or deliver your Ballot to:**

**Paragon Ballot Processing Center  
c/o KCC  
2335 Alaska Avenue  
El Segundo, CA 90245**

**BALLOTS WILL NOT BE ACCEPTED BY TELECOPY, FACSIMILE, E-MAIL, OR OTHER ELECTRONIC MEANS OF TRANSMISSION.**

**If your Ballot is not received by the Voting Agent on or before the Voting Deadline and such Voting Deadline is not extended as noted above, your vote will not be counted.**

**If the Proposed Plan is confirmed by the Bankruptcy Court, the Proposed Plan will be binding on you, regardless of whether you are impaired under the Proposed Plan and whether you have accepted the Proposed Plan. Additionally, if the Proposed Plan is confirmed by the Bankruptcy Court, the release, injunction, and exculpation provisions set**

forth in sections 10.6, 10.7, and 10.8 of the Proposed Plan, respectively, will be binding on (a) the holders of all Claims or Interests who vote to accept the Proposed Plan, (b) the holders of Claims or Interests that are Unimpaired under the Proposed Plan, (c) the holders of Claims or Interests whose vote to accept or reject the Proposed Plan is solicited but who do not vote either to accept or to reject the Proposed Plan, (d) the holders of Claims or Interests who vote to reject the Proposed Plan but do not opt out of granting the releases set forth in section 10.6 of the Proposed Plan, (e) the Revolving Credit Facility Agent, and (f) the Senior Notes Indenture Trustee.

Your receipt of this Ballot does not signify that your Claim(s) has been or will be allowed. The Debtors reserve all rights to dispute such Claim(s).

**HOW TO VOTE (AS MORE FULLY SET FORTH IN THE ATTACHED VOTING INSTRUCTIONS):**

1. COMPLETE ITEM 1.
2. COMPLETE ITEM 2.
3. REVIEW THE RELEASE SET FORTH IN ITEM 3 AND, IF APPLICABLE, ELECT WHETHER TO OPT OUT OF THE RELEASES.
4. REVIEW THE CERTIFICATIONS CONTAINED IN ITEM 4 AND ITEM 5 AND COMPLETE ITEM 5.
5. REVIEW ITEM 6.
6. **SIGN THE BALLOT.**
7. RETURN THE ORIGINAL SIGNED BALLOT IN THE ENCLOSED PRE-ADDRESSED POSTAGE-PAID ENVELOPE, BY HAND DELIVERY, OR BY OVERNIGHT COURIER SO THAT IT IS ACTUALLY RECEIVED BY THE VOTING AGENT BEFORE THE VOTING DEADLINE.
8. YOU MUST VOTE THE FULL AMOUNT OF THE CLAIM COVERED BY THIS BALLOT EITHER TO ACCEPT OR TO REJECT THE PROPOSED PLAN. YOU MAY NOT SPLIT YOUR VOTE. ANY EXECUTED BALLOT RECEIVED THAT PARTIALLY ACCEPTS AND PARTIALLY REJECTS THE PROPOSED PLAN WILL NOT BE COUNTED.
9. ANY EXECUTED BALLOT RECEIVED THAT (A) DOES NOT INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE PROPOSED PLAN OR (B) INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PROPOSED PLAN WILL NOT BE COUNTED.
10. ANY EXECUTED BALLOT RECEIVED THAT IS ILLEGIBLE OR INCOMPLETE WILL NOT BE COUNTED.

**VOTING INSTRUCTIONS FOR COMPLETING THE BALLOT  
FOR HOLDERS OF CLAIMS IN CLASS 3 (REVOLVING CREDIT AGREEMENT CLAIMS)**

1. This Ballot is submitted to you to solicit your vote to accept or reject the Proposed Plan. **PLEASE READ THE PROPOSED PLAN AND THE DISCLOSURE STATEMENT CAREFULLY BEFORE COMPLETING THIS BALLOT.**
2. The Proposed Plan will be accepted by Class 3 if it is accepted by the holders of two-thirds in amount and more than one-half in number of Claims in Class 3 that actually vote on the Proposed Plan. In the event that Class 3 rejects the Proposed Plan, the Bankruptcy Court may nevertheless confirm the Proposed Plan and thereby make it binding on you if the Bankruptcy Court finds that the Proposed Plan (a) does not unfairly discriminate against and accords fair and equitable treatment to the holders of Claims in Class 3 and all other Classes of Claims or Interests rejecting the Proposed

Plan and (b) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code. If the Proposed Plan is confirmed by the Bankruptcy Court, all holders of Claims against and Interests in the Debtors (including those holders who abstain from voting or reject the Proposed Plan, and those holders who are not entitled to vote on the Proposed Plan) will be bound by the confirmed Proposed Plan and the transactions contemplated thereby.

3. **Complete, sign, and return this Ballot to the Voting Agent so that it is actually received by the Voting Agent by no later than [Friday, May 20, 2016] at 5:00 p.m. (prevailing Eastern Time), the Voting Deadline, unless such time is extended in writing by the Debtors.** Ballots must be delivered either by first class mail with the enclosed envelope, by overnight courier, or by hand delivery to the Voting Agent at the following address:

**Paragon Ballot Processing Center  
c/o KCC  
2335 Alaska Avenue  
El Segundo, CA 90245**

**Ballots will not be accepted by telecopy, facsimile, e-mail, or other electronic means of transmission.**

4. To properly complete the Ballot, you must follow the procedures described below:
  - a. if you hold a Claim in Class 3, cast one vote to accept or reject the Proposed Plan by checking the appropriate box in Item 2;
  - b. if you are completing this Ballot on behalf of another person or entity, indicate your relationship with such person or entity and the capacity in which you are signing and submit satisfactory evidence of your authority to so act (*e.g.*, a power of attorney or a certified copy of board resolutions authorizing you to so act);
  - c. if you also hold other Claims, you may receive more than one Ballot, labeled for a different Class of Claims and you should separately complete and submit a Ballot for each Class of Claims in which you hold Claims. Your vote will be counted in determining acceptance or rejection of the Proposed Plan by each particular Class of Claims only if you complete, sign, and return the Ballot labeled for that Class of Claims in accordance with the instructions on such Ballot;
  - d. if you believe that you have received the wrong Ballot, please contact the Voting Agent immediately;
  - e. provide your name and mailing address on your Ballot;
  - f. sign and date your Ballot, and provide the remaining information requested; and
  - g. return your Ballot using the enclosed pre-addressed return envelope, by hand delivery, or by overnight courier.

**IF YOU HAVE ANY QUESTIONS REGARDING THE BALLOT, DID NOT RECEIVE A RETURN ENVELOPE WITH YOUR BALLOT, DID NOT RECEIVE A COPY OF THE DISCLOSURE STATEMENT OR PROPOSED PLAN, OR NEED ADDITIONAL COPIES OF**

THE BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE DEBTORS' VOTING AGENT, KURTZMAN CARSON CONSULTANTS LLC, AT 866-967-0491 (TOLL-FREE) OR 310-751-2691 (IF CALLING FROM OUTSIDE THE US OR CANADA).

COPIES OF THE PROPOSED PLAN AND DISCLOSURE STATEMENT MAY ALSO BE ACCESSED ON THE VOTING AGENT'S WEBSITE AT [HTTP://WWW.KCCLLC.NET/PARAGON](http://www.kccllc.net/paragon). PLEASE DO NOT DIRECT ANY INQUIRIES TO THE BANKRUPTCY COURT.

**ITEM 1. Amount of Class 3 Revolving Credit Agreement Claim.** The undersigned hereby certifies that as of the Record Voting Date, the undersigned was the Holder (or authorized signatory of such Holder) of a Revolving Credit Agreement Claim in the aggregate outstanding amount of the Revolving Credit Exposure (as defined in the Revolving Credit Agreement) inserted into the box below, without regard to any accrued but unpaid interest.

Amount of Class 3 Claim:  \$ _____
--

**ITEM 2. Class 3 Vote on the Proposed Plan.** The undersigned holder of a Class 3 Revolving Credit Agreement Claim in the amount identified in Item 1 above hereby votes to:

Check one box:

to **Accept** the Proposed Plan.

OR

to **Reject** the Proposed Plan.

**ITEM 3.** Important Information regarding Releases.

Section 10.6 of the Proposed Plan contains the following Release provision:

(b) **Releases by Holders of Claims and Interests.** As of the Effective Date, except for the rights that remain in effect from and after the Effective Date to enforce this Plan and the Plan Documents, for good and valuable consideration, the adequacy of which is hereby confirmed, including, without limitation, the service of the Released Parties to facilitate the reorganization of the Debtors and the implementation of the Restructuring, and except as otherwise provided in this Plan or in the Confirmation Order, the Released Parties are deemed forever released and discharged by (i) the holders of all Claims or Interests who vote to accept this Plan, (ii) the holders of Claims or Interests that are Unimpaired under this Plan, (iii) the holders of Claims or Interests whose vote to accept or reject this Plan is solicited but who do not vote either to accept or to reject this Plan, (iv) the holders of Claims or Interests who vote to reject this Plan but do not opt out of granting the releases set forth herein, (v) the Revolving Credit Facility Agent, and (vi) the Senior Notes Indenture Trustee, from any and all claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, losses, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtors, whether liquidated or

**unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that such holders or their affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in this Plan, the business or contractual arrangements between any Debtor and any Released Party, the Restructuring, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, the Restructuring Transactions, the Disclosure Statement, the Plan Support Agreement, and this Plan and related agreements, instruments, and other documents (including the Plan Documents), and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to this Plan, or any other act or omission, other than Claims or Causes of Action arising out of or related to any act or omission of a Released Party that is a criminal act or constitutes intentional fraud.**

AS A HOLDER OF AN IMPAIRED CLAIM UNDER THE PROPOSED PLAN, YOU ARE DEEMED TO PROVIDE THE RELEASE CONTAINED IN SECTION 10.6 OF THE PROPOSED PLAN, AS SET FORTH ABOVE. YOU MAY CHECK THE BOX BELOW TO OPT OUT OF THE RELEASE ONLY IF YOU VOTE TO REJECT THE PROPOSED PLAN. IF YOU (I) VOTE TO ACCEPT THE PROPOSED PLAN, (II) DO NOT SUBMIT A BALLOT TO ACCEPT OR REJECT THE PROPOSED PLAN, OR (III) REJECT THE PROPOSED PLAN BUT DO NOT OPT OUT OF THE RELEASE PROVISIONS OF THE PROPOSED PLAN, YOU WILL BE DEEMED TO HAVE GRANTED THE RELEASES IN SECTION 10.6 OF THE PROPOSED PLAN.

The undersigned holder of the Class 3 Revolving Credit Agreement Claim set forth in Item 1 elects to:

**Opt Out of the Releases by Holders of Claims and Interests.**

**Item 4. Certification as to Class 3 Revolving Credit Agreement Claims Held in Additional Accounts.** The undersigned hereby certifies that either (i) it has not submitted any other Ballots for other Class 3 Revolving Credit Agreement Claims held in other accounts or other record names, or (ii) if it has submitted Ballots for other such Claims held in other accounts or other record names, then such Ballots indicate the same vote to accept or reject the Proposed Plan.

**ITEM 5. Acknowledgements and Certification.** By signing this Ballot, the undersigned acknowledges that: (i) it has been provided with a copy of the Disclosure Statement, including all exhibits thereto; (ii) the Debtors' solicitation of votes is subject to all terms and conditions set forth in the Disclosure Statement, the order of the Bankruptcy Court approving the Disclosure Statement, and the procedures for the solicitation of votes to accept or reject the Proposed Plan contained therein; (iii) it is the holder of the Revolving Credit Agreement Claim identified in Item 1 above as of [**Wednesday, March 30, 2016**]; and (iv) it has full power and authority to vote to accept or reject the Proposed Plan and exercise elections with respect thereto.

**ITEM 6: Conditional Ballot.** Solely in the event the Plan Support Agreement is terminated as to the undersigned holder prior to consummation of the Proposed Plan, or as provided in the last

paragraph of Section 4(a) of the Plan Support Agreement, this ballot (to the extent the undersigned holder of Class 3 Revolving Credit Agreement Claims is party to the Plan Support Agreement) shall be immediately revoked and deemed void *ab initio*.

Print or Type Name of Claimant: \_\_\_\_\_

Last Four (4) Digits of Social Security  
or Federal Tax I.D. No. of Claimant: \_\_\_\_\_

Signature: \_\_\_\_\_

Name of Signatory (if different than Claimant): \_\_\_\_\_

If by Authorized Agent, Title of Agent: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State, and Zip Code: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Date Completed: \_\_\_\_\_

This Ballot shall not constitute or be deemed a proof of Claim or Interest, an assertion of a Claim or Interest, or the allowance of a Claim or Interest.



**EXHIBIT 3-1**

**Form of Senior Notes Claim Master Ballot**

No person has been authorized to give any information or advice, or to make any representation, other than what is included in the Disclosure Statement accompanying this Ballot.<sup>1</sup>

----- X  
 :  
**In re:** : **Chapter 11**  
 :  
**PARAGON OFFSHORE PLC, et al.,** : **Case No. 16-\_\_\_\_\_ (\_\_\_)**  
 :  
 : **Jointly Administered**  
**Debtors.**<sup>2</sup> :  
 :  
 :  
 ----- X

**MASTER BALLOT FOR VOTING TO ACCEPT OR REJECT THE JOINT CHAPTER 11 PLAN OF REORGANIZATION OF PARAGON OFFSHORE PLC AND ITS AFFILIATED DEBTORS**

**CLASS 5: SENIOR NOTES CLAIMS**

Paragon Offshore plc and its affiliated debtors in the above-captioned chapter 11 cases (collectively, the “**Debtors**”) are soliciting votes with respect to the *Joint Chapter 11 Plan of Paragon Offshore Plc and Its Affiliated Debtors*, dated February 14, 2016 (as may be further amended, the “**Proposed Plan**”). The Proposed Plan is attached as **Exhibit A** to the *Disclosure Statement for the Joint Chapter 11 Plan of Paragon Offshore Plc and Its Affiliated Debtors*, dated February 14, 2016 (as may be further amended, the “**Disclosure Statement**”).

The United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”) has approved the Disclosure Statement, which provides information to assist you in completing this master ballot (the “**Master Ballot**”). Bankruptcy Court approval of the Disclosure Statement does not indicate Bankruptcy Court approval of the Proposed Plan. If you do not have a Disclosure Statement, you may obtain a copy from (a) Kurtzman Carson Consultants LLC (the “**Voting Agent**”) at no charge by accessing the Debtors’ restructuring website at

<sup>1</sup> All capitalized terms used but not defined herein or in the enclosed voting instructions have the meanings ascribed to them in the Proposed Plan, attached as **Exhibit A** to the Disclosure Statement.

<sup>2</sup> 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.

<http://www.kccllc.net/paragon>, by writing to 2335 Alaska Avenue, El Segundo, California 90245, or by telephone at 877-833-4150 (Toll-Free) or 917-281-4800 (if calling from outside the US or Canada) or (b) for a fee via PACER at <http://www.deb.uscourts.gov>.

If you have any questions on how to properly complete this Master Ballot, please contact the Voting Agent at 877-833-4150 (Toll-Free) or 917-281-4800 (if calling from outside the US or Canada). Please be advised that the Voting Agent cannot provide legal advice.

This Master Ballot is to be used by you as a broker, bank, commercial bank, trust company, dealer, or other agent or nominee (each of the foregoing, a “**Nominee**”), or as the proxy holder of a beneficial holder of a Class 5 Senior Notes Claim as of [**Wednesday, March 30, 2016**] (the “**Record Voting Date**”), to transmit to the Voting Agent the votes of such beneficial holders (the “**Beneficial Holders**”) in respect of their Senior Notes Claims.

This Master Ballot must be properly completed, signed, and returned to the Voting Agent. The Deadline to cast this Master Ballot is [**Friday, May 20, 2016**] at **5:00 p.m. (prevailing Eastern Time)** (the “**Voting Deadline**”).

**IMPORTANT**

**You should review the Disclosure Statement and the Proposed Plan before you submit this Master Ballot.**

**VOTING DEADLINE: [FRIDAY, MAY 20, 2016] AT 5:00 P.M. (PREVAILING EASTERN TIME).**

**For this Master Ballot and the votes reflected herein to be counted, this Master Ballot must be properly completed, signed, and returned so that it is actually received by the Voting Agent, Kurtzman Carson Consultants LLC, no later than [Friday, May 20, 2016] at 5:00 p.m. (prevailing Eastern Time), unless such time is extended in writing by the Debtors. Please mail or deliver this Master Ballot to:**

**Paragon Ballot Processing Center  
c/o KCC  
1290 Avenue of the Americas  
9th Floor  
New York, NY 10104**

**MASTER BALLOTS WILL NOT BE ACCEPTED BY TELECOPY, FACSIMILE, E-MAIL, OR OTHER ELECTRONIC MEANS OF TRANSMISSION.**

**If this Master Ballot is not received by the Voting Agent on or before the Voting Deadline and such Voting Deadline is not extended as noted above, this Master Ballot and the votes reflected herein will not be counted.**

**If the Proposed Plan is confirmed by the Bankruptcy Court, the Proposed Plan will be binding on all Beneficial Holders you are voting on behalf of, regardless of whether such Beneficial Holders are impaired under the Proposed Plan and whether such Beneficial Holders have accepted the Proposed Plan. Additionally, if the Proposed Plan is confirmed by the Bankruptcy Court, the release, injunction, and exculpation provisions set forth in sections 10.6, 10.7, and 10.8 of the Proposed Plan, respectively, will be binding on (a) the holders of all Claims or Interests who vote to accept the Proposed Plan, (b) the holders of Claims or Interests that are Unimpaired under the Proposed Plan, (c) the holders of Claims**

or Interests whose vote to accept or reject the Proposed Plan is solicited but who do not vote either to accept or to reject the Proposed Plan, (d) the holders of Claims or Interests who vote to reject the Proposed Plan but do not opt out of granting the releases set forth in section 10.6 of the Proposed Plan, (e) the Revolving Credit Facility Agent, and (f) the Senior Notes Indenture Trustee.

This Master Ballot is solely for purposes of voting to accept or reject the Proposed Plan and not for the purposes of allowance or disallowance of, or distribution on account of, any Senior Notes Claims.

**VOTING INSTRUCTIONS FOR COMPLETING THE MASTER BALLOT**  
**CLASS 5 (SENIOR NOTES CLAIMS)**

1. **This Master Ballot must be properly completed, signed, and returned to the Voting Agent so that it is actually received by the Voting Agent by no later than [Friday, May 20, 2016] at 5:00 p.m. (prevailing Eastern Time), the Voting Deadline, unless such time is extended in writing by the Debtors.** Ballots must be delivered either by first class mail with the enclosed envelope, by overnight courier, or by hand delivery to the Voting Agent at the following address:

**Paragon Ballot Processing Center  
c/o KCC  
1290 Avenue of the Americas  
9th Floor  
New York, NY 10104**

**This Master Ballot will not be accepted by telecopy, facsimile, e-mail, or other electronic means of transmission.**

2. Within five (5) business days of receipt of the Solicitation Packages, you shall promptly distribute such Solicitation Packages to the Beneficial Holders (including “***Beneficial Ballots***”) using one of the following two methods:
  - (a) **Pre-Validated Ballots**: The Nominee may “pre-validate” a Beneficial Ballot by (i) signing the Beneficial Holder Ballot and indicating on the Beneficial Ballot the name of the Nominee and DTC Participant Number, (ii) the amount and the account number of the Senior Notes Claims held by the Nominee for the Beneficial Holder, and (iii) forwarding such Beneficial Ballot, together with the Disclosure Statement, a pre-addressed, postage-paid return envelope addressed to, and provided by, the Voting Agent, and other materials requested to be forwarded, to the Beneficial Holder for voting. The Beneficial Holder must then complete the information requested in Item 2, Item 3, and Item 4 of the Beneficial Ballot, and return the Beneficial Ballot directly to the Voting Agent in the pre-addressed, postage-paid return envelope so that it is RECEIVED by the Voting Agent on or before the Voting Deadline. A list of the Beneficial Holders to whom “pre-validated” Beneficial Ballots were

delivered should be maintained by Nominees for inspection for at least one (1) year from the Voting Deadline.

- (b) **Master Ballots:** If the Nominee elects not to pre-validate Beneficial Ballots, the Nominee may obtain the votes of Beneficial Holders by forwarding to the Beneficial Holders the unsigned Beneficial Ballots, together with the Disclosure Statement, a pre-addressed, postage-paid return envelope provided by, and addressed to, the Nominee, and other materials requested to be forwarded. Each such Beneficial Holder must then indicate his, her, or its vote on the Beneficial Ballot, complete the information requested on the Beneficial Ballot, review the certifications contained on the Beneficial Ballot, execute the Beneficial Ballot, and return the Beneficial Ballot to the Nominee. After collecting the Beneficial Ballots, the Nominee should, in turn, complete a Master Ballot compiling the votes and other information from the Beneficial Ballots, execute the Master Ballot, and deliver the Master Ballot to the Voting Agent so that it is RECEIVED by the Voting Agent on or before the Voting Deadline. All Beneficial Ballots returned by Beneficial Holders should either be forwarded to the Voting Agent (along with the Master Ballot) or retained by Nominees for inspection for at least one (1) year from the Voting Deadline. EACH NOMINEE SHOULD ADVISE ITS BENEFICIAL HOLDERS TO RETURN THEIR BENEFICIAL BALLOTS TO THE NOMINEE BY A DATE CALCULATED BY THE NOMINEE TO ALLOW IT TO PREPARE AND RETURN THE MASTER BALLOT TO THE VOTING AGENT SO THAT IT IS RECEIVED BY THE VOTING AGENT ON OR BEFORE THE VOTING DEADLINE.

3. With respect to all Beneficial Ballots returned to you, you must properly complete this Master Ballot, as follows:

- (a) Check the appropriate box in Item 1 on the Master Ballot;
- (b) Provide the information requested in Item 2 and Item 3 of the Master Ballot, as transmitted to you by the Beneficial Holders of the Senior Notes Claims. To identify such Beneficial Holders without disclosing their names, please use the customer account number assigned by you to each such Beneficial Holder, or if no such customer account number exists, please assign a number to each account (making sure to retain a separate list of each beneficial owner and the assigned number). **IMPORTANT: EACH BENEFICIAL HOLDER MUST VOTE ALL OF ITS SENIOR NOTES CLAIMS EITHER TO ACCEPT OR REJECT THE PROPOSED PLAN, AND MAY NOT SPLIT SUCH VOTE. IF ANY BENEFICIAL HOLDER HAS ATTEMPTED TO SPLIT SUCH VOTE, PLEASE CONTACT THE VOTING AGENT IMMEDIATELY.** Any Beneficial Ballot that is signed, dated, and timely received, but does not indicate acceptance or rejection of the Proposed Plan, or indicates both an acceptance and rejection of the Proposed Plan, by order of the Bankruptcy Court, will not be Counted;

- (c) Please note that Item 3 of the Master Ballot requests that you place an X in the Item 3 column only if the Beneficial Holder has voted to reject the Proposed Plan and checked the box in Item 3 of the Beneficial Ballot pertaining to the releases by holders of Claims and Interests, as detailed in Section 10.6 of the Proposed Plan.
- (d) Please note that Item 4 of the Master Ballot requests that you transcribe the information provided by each Beneficial Holder in Item 4 of each completed Beneficial Ballot relating to other Senior Notes Claims voted;
- (e) Review the certification in Item 5 of the Master Ballot;
- (f) Sign and date the Master Ballot, and provide the remaining information requested;
- (g) If additional space is required to respond to any item on the Master Ballot, please use additional sheets of paper clearly marked to indicate the applicable Item of the Master Ballot to which you are responding;
- (h) Contact the Voting Agent if you need any additional information; and
- (i) Deliver the completed, executed Master Ballot with an original signature so as to be received by the Voting Agent before the Voting Deadline. For each completed, executed Beneficial Ballot returned to you by a Beneficial Holder, please retain such Beneficial Ballot in your files for one year from the Voting Deadline and produce the same upon the written request of the Debtors, the Reorganized Debtors, or their respective counsel.

**PLEASE NOTE:**

**The Master Ballot is *not* a letter of transmittal and may *not* be used for any purpose other than to cast votes to accept or reject the Proposed Plan.** At this time, holders should not surrender certificates representing their securities. Neither the Debtors nor the Voting Agent will accept delivery of any such certificates surrendered together with the Master Ballot.

No Beneficial Ballot or Master Ballot shall constitute or be deemed a proof of claim or an assertion of a Claim.

No fees, commissions, or other remuneration will be payable to any Nominee for soliciting votes on the Proposed Plan. The Debtors will, however, reimburse you for reasonable, documented, actual costs and expenses incurred by you in forwarding the Beneficial Ballots and other enclosed materials to the Beneficial Holders of Senior Notes Claims held by you as a Nominee or in a fiduciary capacity and in tabulating the Beneficial Ballots.

**NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL RENDER YOU OR ANY OTHER PERSON THE AGENT OF THE DEBTORS OR THE VOTING AGENT, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENTS ON BEHALF OF THE DEBTORS OR THE VOTING AGENT WITH RESPECT TO THE PROPOSED PLAN, EXCEPT FOR THE STATEMENTS CONTAINED IN THE ENCLOSED DOCUMENTS.**

**IF YOU (I) HAVE ANY QUESTIONS REGARDING THE MASTER BALLOT, (II) DID NOT RECEIVE A RETURN ENVELOPE WITH YOUR MASTER BALLOT, (III) DID**

**NOT RECEIVE A COPY OF THE DISCLOSURE STATEMENT OR PLAN, OR (IV) NEED ADDITIONAL COPIES OF THE MASTER BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE VOTING AGENT AT 877-833-4150 (TOLL-FREE) OR 917-281-4800 (IF CALLING FROM OUTSIDE THE US OR CANADA). PLEASE DO NOT DIRECT ANY INQUIRIES TO THE BANKRUPTCY COURT. THE VOTING AGENT IS NOT AUTHORIZED TO, AND WILL NOT, PROVIDE LEGAL ADVICE.**

**PLEASE COMPLETE THE FOLLOWING:**

**Item 1. Certification of Authority to Vote.** The undersigned certifies that as of [March 30, 2016], (the “*Record Voting Date*”), the undersigned (please check appropriate box):

- Is a broker, bank, commercial bank, trust company, dealer, or other agent or nominee for the Beneficial Holders of the aggregate principal amount of the Senior Notes Claims listed in Item 2 below, and is the registered holder of such securities; or
- Is acting under a power of attorney and/or agency (a copy of which will be provided upon request) granted by a broker, bank, commercial bank, trust company, dealer, or other agent or nominee, or a Beneficial Holder that is the registered holder of the aggregate principal amount of the Senior Notes Claims listed in Item 2 below; or
- Has been granted a proxy (an original of which is attached hereto) from a broker, bank, commercial bank, trust company, dealer, or other agent or nominee, or a Beneficial Holder, that is the registered holder of the aggregate principal amount of the Senior Notes Claims listed in Item 2 below;

and accordingly, has full power and authority to vote to accept or reject the Proposed Plan, on behalf of the Senior Notes Claims held by the Beneficial Holders of the Senior Notes Claims described in Item 2.

**Item 2. Vote and Item 3. Releases.** The undersigned transmits the following votes of Beneficial Holders in respect of their Senior Notes Claims, and certifies that the following Beneficial Holders of the Senior Notes Claims, as identified by their respective customer account numbers set forth below, of the Senior Notes Claims indicated below in the document footer are Beneficial Holders of such securities as of the Record Voting Date, and have delivered to the undersigned, as Nominee, Beneficial Ballots casting such votes. Indicate in the appropriate column the aggregate principal amount voted for each account, or attach such information to this Master Ballot in the form of the following table. Please note each Beneficial Holders must vote all of its Senior Notes Claims to accept or to reject the Proposed Plan and may not split such vote or vote to both accept and reject the Proposed Plan. If the Beneficial Holder has voted to reject the Proposed Plan and checked the box in Item 3 of the Beneficial Ballot pertaining to the releases by holders of Claims and Interests, as detailed in Section 10.6 of the Proposed Plan, please place an X in the Item 3 column below.

Your Customer Account Number for Each Beneficial Holder of Class 5 Senior Notes Claims	Principal Amount of Senior Notes Claims Voted in <u>Item 2</u> of the Beneficial Ballot			Item 3 If the box in Item 3 of the Ballot was completed, place an X in the column below.
	To Accept the Proposed Plan		To Reject the Proposed Plan	
	\$	OR	\$	
	\$	OR	\$	
	\$	OR	\$	
	\$	OR	\$	
	\$	OR	\$	
	\$	OR	\$	
TOTALS:				

\* To vote on the Proposed Plan, the Beneficial Holder must check one box in Item 2 to either ACCEPT or REJECT the Proposed Plan on its individual Beneficial Ballot. If the beneficial owner did not check a box to either ACCEPT or REJECT the Proposed Plan, or checked the box to ACCEPT the Proposed Plan and the box to REJECT the Proposed Plan, by order of the Bankruptcy Court the beneficial owner’s vote will not be counted.

**Item 4. Certification as to Transcription of Information from Item 4 as to Senior Notes Claims Voted Through Other Beneficial Ballots.** The undersigned certifies that the undersigned has transcribed in the following table the information, if any, provided by beneficial owners in Item 4 of the Beneficial Holders’ original Beneficial Ballot, identifying any Senior Notes Claims that such Beneficial Holders have submitted other Beneficial Ballots other than to the undersigned:

Information to be Transcribed from Item 3 of Class 5 Beneficial Ballots Regarding Other Ballots Cast in Respect of Senior Notes Claims				
Your Customer Account Number for the Beneficial Holder	Beneficial Holder’s Customer Account Number for Other Account	CUSIP Number	Name of Broker, Bank, Dealer, Agent or Nominee for Other Account (if applicable)	Principal Amount of other Senior Notes Claims Voted

**Item 5. Certification.** By signing this Master Ballot, the undersigned certifies that each Beneficial Holder of the Class 5 Senior Notes Claims listed in Item 2 above has been provided



with a CD-ROM containing the Disclosure Statement, including the Proposed Plan and all other exhibits thereto, a Confirmation Hearing Notice, and a copy of the Order approving the Disclosure Statement without exhibits. The undersigned further acknowledges that (a) each Beneficial Holder for whom you are acting as a Nominee, or have included in Item 3 above, has submitted to you a Beneficial Ballot and (b) the Debtors' solicitation of votes is subject to all terms and conditions set forth in the Disclosure Statement, the Order approving the Disclosure Statement, and the procedures for the solicitation of votes to accept or reject the Proposed Plan contained therein.

Name of Nominee (Print or Type): \_\_\_\_\_  
Participant Number: \_\_\_\_\_  
Name of Nominee, Proxy Holder, or Agent (if applicable): \_\_\_\_\_  
Social Security or Federal Tax I.D. No.: \_\_\_\_\_  
Signature: \_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Street Address: \_\_\_\_\_  
City, State, Zip Code: \_\_\_\_\_  
Telephone Number (Including Area Code): (    ) \_\_\_\_\_  
E-mail Address: \_\_\_\_\_  
Date Completed: \_\_\_\_\_

**EXHIBIT 3-2**

**Form of Senior Notes Claims Beneficial Ballot**

No person has been authorized to give any information or advice, or to make any representation, other than what is included in the Disclosure Statement accompanying this Beneficial Ballot.<sup>1</sup>

Please note that, even if you intend to vote to reject the Proposed Plan, you must still read, complete, and execute this entire Beneficial Ballot.

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

	X	
	:	
<b>In re:</b>	:	<b>Chapter 11</b>
	:	
<b>PARAGON OFFSHORE PLC, et al.,</b>	:	<b>Case No. 16-_____ (____)</b>
	:	
<b>Debtors.<sup>2</sup></b>	:	<b>Jointly Administered</b>
	:	
	X	

**BENEFICIAL BALLOT FOR VOTING TO  
ACCEPT OR REJECT THE JOINT CHAPTER 11 PLAN OF  
REORGANIZATION OF PARAGON OFFSHORE PLC AND ITS AFFILIATED  
DEBTORS**

**CLASS 5: SENIOR NOTES CLAIMS**

Paragon Offshore plc and its affiliated debtors in the above-captioned chapter 11 cases (collectively, the “**Debtors**”) are soliciting votes with respect to the *Joint Chapter 11 Plan of Paragon Offshore Plc and Its Affiliated Debtors*, dated February 14, 2016 (as may be further amended, the “**Proposed Plan**”). The Proposed Plan is attached as **Exhibit A** to the *Disclosure Statement for the Joint Chapter 11 Plan of Paragon Offshore Plc and Its Affiliated Debtors*, dated February 14, 2016 (as may be further amended, the “**Disclosure Statement**”).

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<sup>1</sup> All capitalized terms used but not defined herein or in the enclosed voting instructions have the meanings ascribed to them in the Proposed Plan, attached as Exhibit A to the Disclosure Statement.

<sup>2</sup> 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.

If you are, as of [**Wednesday, March 30, 2016**] (the “**Record Voting Date**”), a holder of a Senior Notes Claim, please use this “**Beneficial Ballot**” to cast your vote to accept or reject the Proposed Plan.

The United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”) has approved the Disclosure Statement, which provides information to assist you in completing this Ballot. Bankruptcy Court approval of the Disclosure Statement does not indicate Bankruptcy Court approval of the Proposed Plan. If you do not have a copy of the Proposed Plan or Disclosure Statement, you may obtain a copy from (a) Kurtzman Carson Consultants LLC (the “**Voting Agent**”) at no charge by accessing the Debtors’ restructuring website at <http://www.kccllc.net/paragon>, by writing to 2335 Alaska Avenue, El Segundo, California 90245, or by telephone at 866-967-0491 (Toll-Free) or 310-751-2691 (if calling from outside the US or Canada) or (b) for a fee via PACER at <http://www.deb.uscourts.gov>.

If you have any questions on how to properly complete this Beneficial Ballot, please contact the Voting Agent at 866-967-0491 (Toll-Free) or 310-751-2691 (if calling from outside the US or Canada). Please be advised that the Voting Agent cannot provide legal advice.

This Beneficial Ballot is to be used for voting by holders of Senior Notes Claims. For your vote to be counted, this Beneficial Ballot must be properly completed, signed, and returned to your Nominee (defined below) in the envelope provided. **The deadline for the receipt by the Voting Agent of all Ballots (including Master Ballots cast on behalf of beneficial holders) is no later than [Friday, May 20, 2016] at 5:00 p.m. (prevailing Eastern Time) (the “Voting Deadline”), unless such time is extended by the Debtors.**

**IF YOU RECEIVED A RETURN ENVELOPE ADDRESSED TO YOUR BROKER, BANK, COMMERCIAL BANK, TRUST COMPANY, DEALER, OR OTHER AGENT OR NOMINEE (EACH OF THE FOREGOING, A “NOMINEE”), PLEASE ALLOW SUFFICIENT TIME FOR YOUR NOMINEE TO PROCESS YOUR VOTE ON A MASTER BALLOT AND DELIVER THE MASTER BALLOT TO THE VOTING AGENT BEFORE THE VOTING DEADLINE.**

This Ballot is solely for purposes of voting to accept or reject the Proposed Plan and not for the purpose of allowance or disallowance of, or distribution on account of, Senior Notes Claims.

**IMPORTANT**

**You should review the Disclosure Statement and the Proposed Plan before you submit this Beneficial Ballot. You may wish to seek independent legal advice concerning the Proposed Plan and the classification and treatment of your Class 5 Senior Notes Claim under the Proposed Plan.**

**All Senior Notes Claims against the Debtors have been placed in Class 5 under the Proposed Plan. If you hold Claims in more than one Class under the Proposed Plan, you may receive a Ballot for each such Class and must complete a separate Ballot for each such Class.**

**VOTING DEADLINE: [FRIDAY, MAY 20, 2016] AT 5:00 P.M. (PREVAILING EASTERN TIME).**  
**PLEASE ALLOW TIME FOR YOUR NOMINEE TO PROCESS YOUR VOTE ON A MASTER BALLOT TO THE VOTING AGENT BEFORE THE VOTING DEADLINE.**

**For your vote to be counted, your Nominee’s Master Ballot must be properly completed, signed, and returned so that it is actually received by the Voting Agent, Kurtzman Carson Consultants LLC, by no later than [Friday, May 20, 2016] at 5:00 p.m. (prevailing Eastern**

**Time), unless such time is extended in writing by the Debtors.**

**BALLOTS WILL NOT BE ACCEPTED BY TELECOPY, FACSIMILE, E-MAIL, OR OTHER ELECTRONIC MEANS OF TRANSMISSION.**

**If your Beneficial Ballot is not received by your Nominee in sufficient time to allow your Nominee to process your vote instructions and deliver a Master Ballot to the Voting Agent on or before the Voting Deadline, and such Voting Deadline is not extended by the Debtors as noted above, your vote will not be counted.**

**If the Proposed Plan is confirmed by the Bankruptcy Court, the Proposed Plan will be binding on you, regardless of whether you are impaired under the Proposed Plan and whether you have accepted the Proposed Plan. Additionally, if the Proposed Plan is confirmed by the Bankruptcy Court, the release, injunction, and exculpation provisions set forth in sections 10.6, 10.7, and 10.8 of the Proposed Plan, respectively, will be binding on (a) the holders of all Claims or Interests who vote to accept the Proposed Plan, (b) the holders of Claims or Interests that are Unimpaired under the Proposed Plan, (c) the holders of Claims or Interests whose vote to accept or reject the Proposed Plan is solicited but who do not vote either to accept or to reject the Proposed Plan, (d) the holders of Claims or Interests who vote to reject the Proposed Plan but do not opt out of granting the releases set forth in section 10.6 of the Proposed Plan, (e) the Revolving Credit Facility Agent, and (f) the Senior Notes Indenture Trustee.**

**Your receipt of this Beneficial Ballot does not signify that your Claim(s) has been or will be allowed. The Debtors reserve all rights to dispute such Claim(s).**

**HOW TO VOTE (AS MORE FULLY SET FORTH IN THE ATTACHED VOTING INSTRUCTIONS):**

1. COMPLETE ITEM 1.
2. COMPLETE ITEM 2.
3. REVIEW THE RELEASES SET FORTH IN ITEM 3 AND, IF APPLICABLE, ELECT WHETHER TO OPT OUT OF THE RELEASES.
4. REVIEW THE CERTIFICATIONS CONTAINED IN ITEMS 4 AND 5 AND COMPLETE ITEMS 4 AND 5.
5. **SIGN THE BENEFICIAL BALLOT.**
6. RETURN THE ORIGINAL SIGNED BENEFICIAL BALLOT IN THE ENCLOSED PRE-ADDRESSED POSTAGE-PAID ENVELOPE, BY HAND DELIVERY, OR BY OVERNIGHT COURIER TO YOUR NOMINEE. **PLEASE CLOSELY FOLLOW THE VOTING INSTRUCTIONS PROVIDED BY YOUR NOMINEE.**
7. YOU MUST VOTE THE FULL AMOUNT OF THE CLAIM COVERED BY THIS BENEFICIAL BALLOT EITHER TO ACCEPT OR TO REJECT THE PROPOSED PLAN. YOU MAY NOT SPLIT YOUR VOTE. ANY EXECUTED BENEFICIAL BALLOT THAT PARTIALLY ACCEPTS AND PARTIALLY REJECTS THE PROPOSED PLAN WILL NOT BE COUNTED.
8. ANY EXECUTED BENEFICIAL BALLOT RECEIVED THAT (A) DOES NOT INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE PROPOSED PLAN OR (B) INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PROPOSED PLAN WILL NOT BE COUNTED.
9. ANY EXECUTED BENEFICIAL BALLOT RECEIVED THAT IS ILLEGIBLE OR INCOMPLETE WILL NOT BE COUNTED.

**VOTING INSTRUCTIONS FOR COMPLETING THE  
BENEFICIAL BALLOT FOR HOLDERS OF CLASS 5 SENIOR NOTES CLAIMS**

1. This Beneficial Ballot is submitted to you to solicit your vote to accept or reject the Proposed Plan. **PLEASE READ THE PROPOSED PLAN AND THE DISCLOSURE STATEMENT CAREFULLY BEFORE COMPLETING THIS BENEFICIAL BALLOT.**
2. The Proposed Plan will be accepted by Class 5 if it is accepted by the holders of two-thirds in amount and more than one-half in number of Claims in Class 5 that actually vote on the Proposed Plan. In the event that Class 5 rejects the Proposed Plan, the Bankruptcy Court may nevertheless confirm the Proposed Plan and thereby make it binding on you if the Bankruptcy Court finds that the Proposed Plan (a) does not unfairly discriminate against and accords fair and equitable treatment to the holders of Claims in Class 5 and all other Classes or Interests rejecting the Proposed Plan and (b) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code. If the Proposed Plan is confirmed by the Bankruptcy Court, all holders of Claims against and Interests in the Debtors (including those holders who abstain from voting or reject the Proposed Plan, and those holders who are not entitled to vote on the Proposed Plan) will be bound by the confirmed Proposed Plan and the transactions contemplated thereby.
3. In order for your Class 5 vote to be counted, the Beneficial Ballot must be properly completed, signed, and returned in the envelope provided.

**IF YOU RECEIVED A RETURN ENVELOPE ADDRESSED TO YOUR NOMINEE, PLEASE ALLOW SUFFICIENT TIME FOR YOUR NOMINEE TO PROCESS YOUR VOTE ON A MASTER BALLOT AND RETURN THE MASTER BALLOT TO THE VOTING AGENT ON OR BEFORE [FRIDAY, MAY 20, 2016], AT 5:00 P.M. (PREVAILING EASTERN TIME), UNLESS SUCH TIME IS EXTENDED BY THE DEBTORS.**

**IF YOU RECEIVED A RETURN ENVELOPE ADDRESSED TO THE VOTING AGENT, YOU ARE EITHER A REGISTERED HOLDER OF THE DEBTORS' INSTRUMENTS OR YOUR NOMINEE HAS PRE-VALIDATED THIS BENEFICIAL OWNER BALLOT. PLEASE CLOSELY FOLLOW THE VOTING INSTRUCTIONS PROVIDED BY YOUR NOMINEE.**

**Ballots will not be accepted by telecopy, facsimile, e-mail, or other electronic means of transmission.**

4. To properly complete this Beneficial Ballot, you must follow the procedures described below:
  - a. if you hold a Senior Notes Claim, cast one vote to accept or reject the Proposed Plan by checking the appropriate box in Item 2;
  - b. if you are completing this Ballot on behalf of another person or entity, indicate your relationship with such person or entity and the capacity in which you are

signing and submit satisfactory evidence of your authority to so act (*e.g.*, a power of attorney or a certified copy of board resolutions authorizing you to so act);

- c. if you also hold other Claims, you may receive more than one Ballot, labeled for a different Class of Claims and you should separately complete and submit a Ballot for each Class of Claims in which you hold Claims. Your vote will be counted in determining acceptance or rejection of the Proposed Plan by each particular Class of Claims only if you complete, sign, and return the Ballot labeled for that Class of Claims in accordance with the instructions on such Ballot;
- d. if you believe that you have received the wrong Ballot, please contact the Voting Agent immediately;
- e. provide your name and mailing address on your Beneficial Ballot;
- f. sign and date your Beneficial Ballot, and provide the remaining information requested; and
- g. return your Beneficial Ballot using the enclosed pre-addressed return envelope, by hand delivery, or by overnight courier to your Nominee.

**IF YOU HAVE ANY QUESTIONS REGARDING THE BALLOT, DID NOT RECEIVE A RETURN ENVELOPE WITH YOUR BALLOT, DID NOT RECEIVE A COPY OF THE DISCLOSURE STATEMENT OR PROPOSED PLAN, OR NEED ADDITIONAL COPIES OF THE BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE DEBTORS' VOTING AGENT, KURTZMAN CARSON CONSULTANTS LLC, IN WRITING AT 2335 ALASKA AVENUE, EL SEGUNDO, CALIFORNIA 90245, OR BY TELEPHONE AT 866-967-0491 (TOLL-FREE) OR 310-751-2691 (IF CALLING FROM OUTSIDE THE US OR CANADA).**

**PLEASE DO NOT DIRECT ANY INQUIRIES TO THE BANKRUPTCY COURT.**

**PLEASE COMPLETE THE FOLLOWING:**

**Item 1. Amount of Senior Notes Claims.** The undersigned hereby certifies that as of March 30, 2016, the undersigned was the beneficial holder (or authorized signatory for a beneficial holder) or the Nominee of a beneficial owner of a Senior Notes Claim in the aggregate unpaid principal amount inserted into the box below, without regard to any accrued but unpaid interest. If your Senior Notes Claim is held by a Nominee on your behalf and you do not know the principal amount of Senior Notes Claim held, please contact your Nominee immediately to obtain the amount.

Principal Amount of Senior Notes Claim:  \$[_____]
--

**Item 2. Vote on the Proposed Plan.** The beneficial holder of a Class 5 Senior Notes Claim identified in Item 1 hereby votes to:

Check one box:  to **Accept** the Proposed Plan.  
OR  
 to **Reject** the Proposed Plan.

**Item 3.** Important Information regarding Releases.

Section 10.6 of the Proposed Plan contains the following Release provision:

(c) **Releases by Holders of Claims and Interests.** As of the Effective Date, except for the rights that remain in effect from and after the Effective Date to enforce this Plan and the Plan Documents, for good and valuable consideration, the adequacy of which is hereby confirmed, including, without limitation, the service of the Released Parties to facilitate the reorganization of the Debtors and the implementation of the Restructuring, and except as otherwise provided in this Plan or in the Confirmation Order, the Released Parties are deemed forever released and discharged by (i) the holders of all Claims or Interests who vote to accept this Plan, (ii) the holders of Claims or Interests that are Unimpaired under this Plan, (iii) the holders of Claims or Interests whose vote to accept or reject this Plan is solicited but who do not vote either to accept or to reject this Plan, (iv) the holders of Claims or Interests who vote to reject this Plan but do not opt out of granting the releases set forth herein, (v) the Revolving Credit Facility Agent, and (vi) the Senior Notes Indenture Trustee, from any and all claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, losses, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtors, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that such holders or their affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in this Plan, the



**business or contractual arrangements between any Debtor and any Released Party, the Restructuring, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, the Restructuring Transactions, the Disclosure Statement, the Plan Support Agreement, and this Plan and related agreements, instruments, and other documents (including the Plan Documents), and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to this Plan, or any other act or omission, other than Claims or Causes of Action arising out of or related to any act or omission of a Released Party that is a criminal act or constitutes intentional fraud.**

AS A HOLDER OF AN IMPAIRED CLAIM UNDER THE PROPOSED PLAN, YOU ARE DEEMED TO PROVIDE THE RELEASE CONTAINED IN SECTION 10.6 OF THE PROPOSED PLAN, AS SET FORTH ABOVE. YOU MAY CHECK THE BOX BELOW TO OPT OUT OF THE RELEASE ONLY IF YOU VOTE TO REJECT THE PROPOSED PLAN. IF YOU (I) VOTE TO ACCEPT THE PROPOSED PLAN, (II) DO NOT SUBMIT A BALLOT TO ACCEPT OR REJECT THE PROPOSED PLAN, OR (III) REJECT THE PROPOSED PLAN BUT DO NOT OPT OUT OF THE RELEASE PROVISIONS OF THE PROPOSED PLAN, YOU WILL BE DEEMED TO HAVE GRANTED THE RELEASES IN SECTION 10.6 OF THE PROPOSED PLAN.

The undersigned holder of the Class 5 Senior Notes Claim set forth in Item 1 elects to:

Opt Out of the Releases by Holders of Claims and Interests.

**Item 4. Certification as to Senior Notes Claims held in Additional Accounts.** By completing and returning this Beneficial Ballot, the beneficial holder certifies that either (i) it has not submitted any other Beneficial Ballots for other Senior Notes Claims held in other accounts or other record names or (ii) it has provided the information specified in the following table for all other Senior Notes Claims for which it has submitted additional Beneficial Ballots, each of which indicates the same vote to accept or reject the Proposed Plan (please use additional sheets of paper if necessary):

ONLY COMPLETE THIS SECTION IF YOU HAVE VOTED SENIOR NOTES CLAIMS BENEFICIAL BALLOTS OTHER THAN THIS BENEFICIAL BALLOT.

Other Ballots Cast in Respect of Class 5 Senior Notes Claims			
Your Name or Customer Account Number for Other Account for Which a Ballot Has Been Submitted	CUSIP Number	Name of Broker, Bank, Dealer, Agent or Nominee for Other Account for Which a Ballot has been Submitted (if applicable)	Principal Amount of Senior Notes for Which Other Ballot has been Submitted

**Item 5. Acknowledgements and Certification.** By signing this Beneficial Ballot, the undersigned acknowledges that: (a) it has been provided with a copy of the Disclosure Statement, including all exhibits thereto; (b) the Debtors' solicitation of votes is subject to all terms and conditions set forth in the Disclosure Statement, the order of the Bankruptcy Court

approving the Disclosure Statement, and the procedures for the solicitation of votes to accept or reject the Proposed Plan contained therein; (c) it is the holder of the Senior Notes Claim identified in Item 1 above as of [**Wednesday, March 30, 2016**]; and (d) it has full power and authority to vote to accept or reject the Proposed Plan and exercise elections with respect thereto.

Print or Type Name of Claimant: \_\_\_\_\_  
Last Four (4) Digits of Social Security  
or Federal Tax I.D. No. of Claimant: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Name of Signatory (if different than Claimant): \_\_\_\_\_  
If by Authorized Agent, Title of Agent: \_\_\_\_\_  
Street Address: \_\_\_\_\_  
City, State, and Zip Code: \_\_\_\_\_  
Telephone Number: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_  
Date Completed: \_\_\_\_\_

This Beneficial Ballot shall not constitute or be deemed a proof of Claim or Interest, an assertion of a Claim or Interest, or the allowance of a Claim or Interest.

**EXHIBIT 4**

**Notice of Non-Voting Status**

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

	X	
	:	
<b>In re:</b>	:	<b>Chapter 11</b>
	:	
<b>PARAGON OFFSHORE PLC, et al.,</b>	:	<b>Case No. 16-_____ (___)</b>
	:	
<b>Debtors.<sup>1</sup></b>	:	<b>Jointly Administered</b>
	:	
	X	

**NOTICE OF NON-VOTING STATUS<sup>2</sup>**

PLEASE TAKE NOTICE THAT, on [Wednesday, March 30, 2016], the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”) held a hearing at which it approved the *Disclosure Statement for the Joint Chapter 11 Plan of Paragon Offshore Plc and Its Affiliated Debtors*, dated February 14, 2016 (as may be further amended, the “**Disclosure Statement**”) <sup>3</sup> of Paragon Offshore plc and its affiliated debtors in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), and thereafter entered an order (the “**Order**”) with respect thereto. The Order, among other things, authorizes the Debtors to solicit votes to accept or reject *the Joint Chapter 11 Plan of Paragon Offshore Plc and Its Affiliated Debtors*, dated February 14, 2016 (as may be further amended, the “**Proposed Plan**”). You can find information about the Debtors’ hearing to consider confirmation of the Proposed Plan in the enclosed Confirmation Hearing Notice.

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<sup>1</sup> 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.

<sup>2</sup> Pursuant to the Proposed Plan, the Unimpaired Classes deemed to accept the Proposed Plan are Class 1 (Priority Non-Tax Claims), Class 2 (Other Secured Claims), Class 4 (Secured Term Loan Claims), Class 6 (General Unsecured Claims), Class 7 (Intercompany Claims), Class 8 (Parent Interests), and Class 9 (Intercompany Interests).

<sup>3</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Disclosure Statement or the Proposed Plan, as applicable.

**Pursuant to the terms of the Proposed Plan, your Claim against the Debtors is not impaired and, therefore, pursuant to section 1126(f) of title 11 of the United States Code, you are (i) deemed to have accepted the Proposed Plan and (ii) not entitled to vote on the Proposed Plan.**

**If the Proposed Plan is confirmed by the Bankruptcy Court, the Proposed Plan will be binding on all holders of a Claim against or Interest in any Debtor, regardless of whether the Claim or Interest of such holder is impaired under the Proposed Plan and whether such holder has accepted the Proposed Plan. Additionally, if the Proposed Plan is confirmed by the Bankruptcy Court, the release, injunction, and exculpation provisions set forth in sections 10.6, 10.7, and 10.8 of the Proposed Plan, respectively, will be binding on (a) the holders of all Claims or Interests who vote to accept the Proposed Plan, (b) the holders of Claims or Interests that are Unimpaired under the Proposed Plan, (c) the holders of Claims or Interests whose vote to accept or reject the Proposed Plan is solicited but who do not vote either to accept or to reject the Proposed Plan, (d) the holders of Claims or Interests who vote to reject the Proposed Plan but do not opt out of granting the releases set forth in section 10.6 of the Proposed Plan, (e) the Revolving Credit Facility Agent, and (f) the Senior Notes Indenture Trustee.**

**If you have any questions about the status of your Claim or if you wish to obtain paper copies of the Proposed Plan and Disclosure Statement, you may contact the Debtors' Voting Agent, Kurtzman Carson Consultants LLC, in writing at 2335 Alaska Avenue, El Segundo, California 90245, or by telephone at 866-967-0491 (Toll-Free) or 310-751-2691 (if calling from outside the US or Canada). Copies of the Proposed Plan and Disclosure Statement can also be accessed online at <http://www.kccllc.net/paragon>. In addition, the Disclosure Statement and Proposed Plan are on file with the Bankruptcy Court and may be reviewed for a fee by accessing the Bankruptcy Court's website: [www.deb.uscourts.gov](http://www.deb.uscourts.gov). Note that a PACER password and login are needed to access documents on the Bankruptcy Court's website. A PACER password can be obtained at: [www.pacer.psc.uscourts.gov](http://www.pacer.psc.uscourts.gov). Copies of the Disclosure Statement and Proposed Plan may also be examined by interested parties during normal business hours at the office of the Clerk of the Bankruptcy Court.**

**Please BE advised that Kurtzman Carson Consultants LLC cannot provide legal advice.**

**PLEASE DO NOT DIRECT ANY INQUIRIES TO THE BANKRUPTCY COURT.**

Dated: \_\_\_\_\_, 2016  
Wilmington, Delaware

Gary T. Holtzer  
Stephen A. Youngman  
WEIL, GOTSHAL & MANGES LLP

767 Fifth Avenue  
New York, New York 10153  
Telephone: (212) 310-8000  
Facsimile: (212) 310-8007

Counsel to the Debtors and  
Debtors in Possession

Mark D. Collins (No. 2981)  
Amanda R. Steele (No. 5530)  
RICHARDS, LAYTON & FINGER, P.A.

One Rodney Square  
920 North King Street  
Wilmington, Delaware 19801  
Telephone: (302) 651-7700  
Facsimile: (302) 651-7701

Co-Counsel to the Debtors and  
Debtors in Possession

**EXHIBIT B**

**Notice of the Disclosure Statement Hearing**

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

-----X  
 :  
**In re** : **Chapter 11**  
 :  
**PARAGON OFFSHORE PLC, et al.,** : **Case No. 16-\_\_\_\_\_ (\_\_\_)**  
 :  
 : **Jointly Administered**  
 :  
**Debtors.**<sup>1</sup> : **Hearing Date:**  
 : **Objection Deadline:**  
 -----X

**NOTICE OF HEARING TO CONSIDER APPROVAL OF  
PROPOSED DISCLOSURE STATEMENT FOR DEBTORS' JOINT PLAN  
OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

**TO PARTIES IN INTEREST IN THE CHAPTER 11 CASES OF:**

Paragon Offshore plc	Case No. 16-
Paragon Offshore Finance Company	Case No. 16-
Paragon International Finance Company	Case No. 16-
Paragon Offshore Holdings US Inc.	Case No. 16-
Paragon Offshore Drilling LLC	Case No. 16-
Paragon FDR Holdings Ltd.	Case No. 16-
Paragon Duchess Ltd.	Case No. 16-
Paragon Offshore (Luxembourg) S.à r.l.	Case No. 16-
PGN Offshore Drilling (Malaysia) Sdn. Bhd.	Case No. 16-
Paragon Offshore (Labuan) Pte. Ltd.	Case No. 16-
Paragon Holding SCS 2 Ltd.	Case No. 16-
Paragon Asset Company Ltd.	Case No. 16-
Paragon Holding SCS 1 Ltd.	Case No. 16-
Paragon Offshore Leasing (Luxembourg)	Case No. 16-

<sup>1</sup> 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.



S.à r.l.	
Paragon Drilling Services 7 LLC	Case No. 16-
Paragon Offshore Leasing (Switzerland) GmbH	Case No. 16-
Paragon Offshore do Brasil Ltda.; Paragon Asset (ME) Ltd.	Case No. 16-
Paragon Asset (UK) Ltd.	Case No. 16-
Paragon Offshore International Ltd.	Case No. 16-
Paragon Offshore (North Sea) Ltd.	Case No. 16-
Paragon (Middle East) Limited	Case No. 16-
Paragon Holding NCS 2 S.à r.l.	Case No. 16-
Paragon Leonard Jones LLC	Case No. 16-
Paragon Offshore (Nederland) B.V.	Case No. 16-
Paragon Offshore Contracting GmbH	Case No. 16-

**PLEASE TAKE NOTICE THAT** that on February 14, 2016, Paragon Offshore plc and its affiliated debtors in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), filed the *Joint Chapter 11 Plan of Paragon Offshore Plc and Its Affiliated Debtors*, dated February 14, 2016 (as may be further amended, the “**Proposed Plan**”) and the proposed *Disclosure Statement for the Joint Chapter 11 Plan of Paragon Offshore Plc and Its Affiliated Debtors*, dated February 14, 2016 (as may be further amended, the “**Proposed Disclosure Statement**”), pursuant to section 1125 of Title 11 of the United States Code (the “**Bankruptcy Code**”).

**PLEASE TAKE FURTHER NOTICE THAT:**

1. A hearing (the “**Hearing**”) will be held before the Honorable [INSERT], United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”), 824 North Market Street, 5th Floor, Wilmington, Delaware 19801, on **March 30, 2016 at \_\_:\_\_ (a.m./p.m.) (prevailing Eastern Time)**, or as soon thereafter as counsel can be heard, to consider entry of an order determining, among other things, that the Proposed Disclosure Statement contains “adequate information” within the meaning ascribed to such term in section 1125 of the Bankruptcy Code and approving the Proposed Disclosure Statement.<sup>2</sup>

2. Any party in interest wishing to obtain a copy of the Proposed Disclosure Statement and the Proposed Plan should contact Kurtzman Carson Consultants LLC in writing at 2335 Alaska Avenue, El Segundo, California 90245, or by telephone at 866-967-0491 (Toll-Free) or 310-751-2691 (if calling from outside the US or Canada). Interested parties may also review the Proposed Disclosure Statement and the Proposed Plan free of charge at <http://www.kccllc.net/paragon>. In addition, the Proposed Disclosure Statement and Proposed Plan are on file with the Bankruptcy Court and may be reviewed by accessing the Bankruptcy Court’s website: [www.deb.uscourts.gov](http://www.deb.uscourts.gov). Note that a PACER password and login are needed to

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Proposed Disclosure Statement.

access documents on the Bankruptcy Court's website. A PACER password can be obtained at: [www.pacer.psc.uscourts.gov](http://www.pacer.psc.uscourts.gov). Copies of the Disclosure Statement and Proposed Plan may also be examined by interested parties during normal business hours at the office of the Clerk of the Bankruptcy Court.

3. Objections, if any, to approval of the Proposed Disclosure Statement must: (a) be in writing; (b) conform to the Bankruptcy Rules and the Local Rules; (c) set forth the name of the objecting party and the nature and amount of Claims or Interests held or asserted by such party against the Debtors' estates or property; (d) provide the basis for objection and specific grounds thereof; and (e) be filed, together with proof of service, with the Bankruptcy Court and served so that they are **actually received** by the following parties no later than **Monday, March 21, 2016 at 4:00 p.m.** (prevailing Eastern Time):

***Debtors***

Paragon Offshore plc  
3151 Briarpark Drive  
Houston, TX 77042  
Attn: Todd Strickler, Vice President, General  
Counsel and Corporate Secretary  
Telephone: (832) 783-4000  
Email: [tstrickler@paragonoffshore.com](mailto:tstrickler@paragonoffshore.com)

***Counsel to the Debtors***

Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, New York 10153  
Attn: Gary T. Holtzer  
Stephen A. Youngman  
Telephone: (212) 310-8000  
Email: [gary.holtzer@weil.com](mailto:gary.holtzer@weil.com)  
[stephen.youngman@weil.com](mailto:stephen.youngman@weil.com)

***Office of the U.S. Trustee***

Office of the U.S. Trustee for  
the District of Delaware  
844 King Street, Suite 2207, Lockbox 35  
Wilmington, Delaware 19801  
Attn: Natalie Cox

***Co-Counsel to the Debtors***

Richards, Layton & Finger, P.A.  
One Rodney Square  
920 North King Street  
Wilmington, Delaware 19801  
Attn: Mark D. Collins  
Amanda R. Steele  
Telephone: (302) 651-7700  
Email: [collins@rlf.com](mailto:collins@rlf.com)  
[steele@rlf.com](mailto:steele@rlf.com)

***Counsel to the Ad Hoc Committee of Senior Noteholders***

Paul, Weiss, Rifkind, Wharton & Garrison LLP  
1285 Avenue of the Americas  
New York, NY 10019  
Attn: Andrew N. Rosenberg  
Elizabeth R. McColm  
Telephone: (212) 373-3000  
Email: arosenberg@paulweiss.com  
emccolm@paulweiss.com

***Counsel to the Revolving Credit Facility Agent***

Simpson Thacher & Bartlett LLP  
425 Lexington Avenue  
New York, NY 10017  
Attn: Sandeep Qusba, Esq.  
Kathrine A. McLendon, Esq.  
Telephone: (212) 455-2000  
Email: squsba@stblaw.com  
kmclendon@stblaw.com

**4. IF AN OBJECTION TO THE PROPOSED DISCLOSURE STATEMENT IS NOT FILED AND SERVED STRICTLY AS PRESCRIBED HEREIN, THE OBJECTING PARTY MAY BE BARRED FROM OBJECTING TO THE PROPOSED DISCLOSURE STATEMENT OR THE ADEQUACY THEREOF AND MAY NOT BE HEARD AT THE HEARING.**

5. Upon approval of the Proposed Disclosure Statement by the Bankruptcy Court (as approved, the “**Disclosure Statement**”), any party in interest that is entitled to vote on the Proposed Plan, will receive a copy of the Disclosure Statement, the Proposed Plan and various documents related thereto, unless otherwise ordered by the Bankruptcy Court.

6. The Hearing may be adjourned from time to time without further notice to parties in interest other than by an announcement in Bankruptcy Court of such adjournment on the date scheduled for the Hearing or as indicated in any notice of agenda of matters scheduled for hearing filed by the Debtors with the Bankruptcy Court.

Dated: \_\_\_\_\_, 2016  
Wilmington, Delaware

Gary T. Holtzer  
Stephen A. Youngman  
WEIL, GOTSHAL & MANGES LLP

767 Fifth Avenue  
New York, New York 10153  
Telephone: (212) 310-8000  
Facsimile: (212) 310-8007

Counsel to the Debtors and Debtors in Possession

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Amanda R. Steele (No. 5530)  
RICHARDS, LAYTON & FINGER, P.A.

One Rodney Square  
920 North King Street  
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Co-Counsel to the Debtors and Debtors in Possession