

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. 16-10386 (CSS)**

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: **Jointly Administered**

Debtors.¹ : **Re: Docket No. 6**

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**INTERIM ORDER (I) AUTHORIZING DEBTORS TO PAY CERTAIN
PREPETITION TAXES AND ASSESSMENTS AND (II) AUTHORIZING
FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS
AND TRANSFERS PURSUANT TO SECTIONS 363(b), 507(a), 541(d), AND 105(a)
OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 6003 AND 6004**

Upon the motion, dated February 14, 2016 (the “**Motion**”),² of Paragon Offshore plc and its affiliated debtors, as debtors and debtors in possession (collectively, the “**Debtors**”), for an order (i) authorizing the Debtors to pay certain prepetition taxes and assessments (the “**Taxes**”) and (ii) directing applicable banks and financial institutions (collectively, the “**Banks**”) to receive, honor, process, and pay all checks issued or to be issued and electronic fund transfers requested or to be requested relating to the above, pursuant to sections 363(b), 507(a), 541(d),

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

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



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and 105(a) of the Bankruptcy Code, as more fully set forth in the Motion; and upon consideration of the Mesterharm Declaration; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and the Amended Standing Order of Reference from the United States District Court for the District of Delaware dated February 29, 2012; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having held a hearing on the Motion on February 17, 2016; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors and their respective estates and creditors; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth herein.
2. The Debtors are authorized, but not directed, pursuant to sections 363(b), 507(a), 541(d), and 105(a) of the Bankruptcy Code, to satisfy all Taxes due and owing to the Taxing Authorities, including, without limitation, those Taxing Authorities listed on Exhibit 1 annexed hereto, that arose prior to the Petition Date, including all Taxes subsequently determined upon audit or otherwise to be owed for periods prior to the Petition Date, in an interim amount not to exceed \$3.33 million.

3. The Banks are authorized, but not directed, at the Debtors' request, to receive, process, honor and pay, to the extent of funds on deposit, any and all checks issued or to be issued or electronic fund transfers requested or to be requested by the Debtors relating to the prepetition Taxes. The Banks shall not be liable to any party on account of: (a) following the Debtors' representations, instructions, or presentations as to any order of the Court (without any duty of further inquiry); (b) the honoring of any prepetition checks, drafts, wires, or ACH Payments in a good faith belief or upon a representation by the Debtors that the Court has authorized such prepetition check, draft, wire, or ACH Payments; or (c) an innocent mistake made despite implementation of reasonable handling procedures.

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

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

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

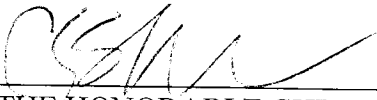
7. Notwithstanding any applicability of Bankruptcy Rule 6004(h), this Interim Order shall be immediately effective and enforceable upon its entry.

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

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

10. A final hearing to consider the relief requested in the Motion shall be held on March 1, 2016 at 10:00 am (Eastern Time) and any objections or responses to the Motion shall be filed and served so as to be actually received on or prior to March 3, 2016 at 4:00 p.m. (Eastern Time).

Dated: February 17, 2016
Wilmington, Delaware



THE HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Taxing Authorities List

Taxing Authority	Address	Type of Tax
Aldine Independent School District	14909 Aldine Westfield Rd., Houston, TX 77032	Property Tax
Alief Independent School District	Alief ISD Tax Office, P.O. Box 368, Alief, TX 77411	Property Tax
Cypress-Fairbanks Independent School District	10300 Jones Rd., Houston, TX 77065	Property Tax
Fort Bend County	P.O. Box 1028, Sugar Land, TX 77487-1028	Property Tax
Greens Parkway Municipal Utility District	1403 McAulty Rd., Houston, TX 77073	Property Tax
Harris County	1001 Preston St., Houston, TX 77002	Property Tax
Lafayette Consolidated Government	705 W. University Ave., Lafayette, LA 70506	Property Tax
Lafayette Parish Sheriff's Office	100 Poydras St., Lafayette, LA 70501	Property Tax
Travis County	P.O. Box 1748, Austin, TX 78767	Property Tax
Administración General De Grandes Contribuyentes	Av. Hidalgo 77 Colonia Guerrero, Ciudad de México, México, 6300	Foreign Tax
Belastingdienst (Dutch Tax Authority)	Postbus 50961, Rotterdam, Netherlands, 3007 BC	Foreign Tax
Ministere des Finances - Centre Des Impots Des Moyennes	Director General of Taxation, 2 Street Narvik, Yaounde - Cameroon	Foreign Tax
Tesoro Publico	Embassy of Equatorial Guinea, 2020 16 th St NW, Washington, DC 20009	Foreign Tax
Danish Customs & Tax Administration Hydrocarbon Taxation	Kundeservice Erhverv – Bruttonskat/Kulbrinte, Pionér Allé 1, DK-6270, Tønder - Denmark	Foreign Tax
Danish Customs & Tax Administration Hydrocarbon Taxation	Kundeservice Erhverv – Bruttonskat/Kulbrinte, Pionér Allé 1, DK-6270 Tønder - Denmark	Foreign Tax
Director-Qatar Tax & Revenue	P.O. Box 28666, Doha, Qatar	Foreign Tax
Expat Income Taxes (Ministério da Fazenda)	Ministério da Fazenda, Av. Prestes Maia, 733 - Luz, São Paulo - SP, 01031-010, Brazil	Foreign Tax
Fundo de Garantia por Tempo de Serviço	Esplanada dos Ministérios Bloco F - Anexo - ala A Sala TA14 Brasília-DF	Foreign Tax
Fundo de Garantia por Tempo de Serviço - Severance Costs	Esplanada dos Ministérios Bloco F - Anexo - ala A Sala TA14 Brasília-DF	Foreign Tax
Government of India Income Tax	Rashtrapati Bhawan, New Delhi, India, 110004	Foreign Tax
Her Majesty's Revenue & Customs	5th Floor, Bush House, South West Wing Strand, London, U.K., WC2B 4RD	Foreign Tax
HM Revenue & Customs	18 Rue Du Fort Wedell, Luxembourg, L-2718	Foreign Tax
HM Revenue and Customs - VAT	Alexander House, 21 Victoria Ave., Southend-On-Sea, SS99 1BD, U.K.	Foreign Tax
Inland Revenue Authority of Singapore	55 Newton Roa, Revenue House, Singapore, 307987	Foreign Tax
Instituto Nacional do Seguro Social	Av. Sen. Vitorino Freire, 29 - Areinha, São Luis - MA, 65030-015, Brazil	Foreign Tax

Taxing Authority	Address	Type of Tax
Instituto Nacional do Seguro Social - Third Parties	Av. Sen. Vitorino Freire, 29 - Areinha, São Luis - MA, 65030-015, Brazil	Foreign Tax
Imposto Sobre Serviços	R. Dom Aguirre, 438 - Vila Sofia, São Paulo - SP, 04671-245, Brazil	Foreign Tax
Imposto Sobre Serviços - Third Parties	R. Dom Aguirre, 438 - Vila Sofia, São Paulo - SP, 04671-245, Brazil	Foreign Tax
Ketua Pengarah Hasil Dalam Negeri	Level 18, Menara Hasil Persiaran Rimba Permai Cyber 8, Cyberjaya, Selangor, Malaysia, 63000	Foreign Tax
Labuan Financial Services Authority	17th Floor, Main Office Tower Financial Park Complex, Jalan Merdeka, Wilayah Persekutuan Labuan, Sabah, Malaysia, 87000	Foreign Tax
Ministry of Finance	P.O. Box 28666, Doha, Qatar	Foreign Tax
Recette Centrale	BP 1004, Luxembourg, L-1010	Foreign Tax
Service de Recette Bureau	18, Rue Du Fort Wedell, Luxembourg, L-2718	Foreign Tax
SISCOMEX/ICMS Taxes (Ministério da Fazenda)	Ministério da Fazenda, Av. Prestes Maia, 733 - Luz, São Paulo - SP, 01031-010, Brazil	Foreign Tax
Tanzania Revenue Authority	Samora Ave., Dar es Salaam, Tanzania	Foreign Tax
Truninger Rolf	Bahnhofstrasse 26, Zug, Switzerland, 6300	Foreign Tax