

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

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: Chapter 11
In re :
: Case No. 16-10386 (CSS)
PARAGON OFFSHORE PLC, et al., :
: Jointly Administered
: :
Debtors.¹ : **Re: Docket Nos. 16 & 140**
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**NOTICE OF FILING OF UPDATED 13-WEEK BUDGET
IN CONNECTION WITH FINAL CASH COLLATERAL ORDER**

PLEASE TAKE NOTICE that on February 14, 2016, Paragon Offshore plc and its affiliated debtors in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”), filed the *Motion of Debtors for Interim and Final Orders (I) Authorizing the Debtors to Utilize Cash Collateral; (II) Granting JPMorgan Chase Bank, N.A., as Administrative Agent for the Revolver Lenders and Term Loan Lenders, and Cortland Capital Market Services L.L.C. as Proposed Successor Administrative Agent for the Term Loan Lenders, Adequate Protection Pursuant to Sections 105, 361, 362, 363 and 507 of the Bankruptcy Code; and (III) Scheduling Final Hearing Pursuant to Bankruptcy Rule 4001(b)* (Docket No. 16) (the “**Motion**”) with the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”).

PLEASE TAKE FURTHER NOTICE that, on March 9, 2016, the Bankruptcy Court entered an order granting the relief requested in the Motion on a final basis (Docket No. 140) (the “**Final Cash Collateral Order**”).² Attached to the Final Cash Collateral Order as **Exhibit A** is a 13-week budget approved by the Revolver Agent and the Term Loan Agent.

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.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Final Cash Collateral Order.



PLEASE TAKE FURTHER NOTICE that, in accordance with paragraph 10(e)(2) of the Final Cash Collateral Order, attached hereto as **Exhibit 1** is an updated 13-week budget that is in form and substance satisfactory to the Revolver Agent and the Term Loan Agent.

Dated: March 24, 2016
Wilmington, Delaware

/s/ Joseph C. Barsalona II
RICHARDS, LAYTON & FINGER, P.A.
Mark D. Collins (No. 2981)
Paul N. Heath (No. 3704)
Amanda R. Steele (No. 5530)
Joseph C. Barsalona II (No. 6102)
One Rodney Square
920 North King Street
Wilmington, Delaware 19801
Telephone: (302) 651-7700
Facsimile: (302) 651-7701

-and-

WEIL, GOTSHAL & MANGES LLP
Gary T. Holtzer (admitted *pro hac vice*)
Stephen A. Youngman (admitted *pro hac vice*)
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Proposed Attorneys for the Debtors
and Debtors in Possession

Exhibit 1

Paragon Offshore plc, et al.
Weekly Cash Flow Forecast
(\$000s)

Week	Fcst 1	Fcst 2	Fcst 3	Fcst 4	Fcst 5	Fcst 6	Fcst 7	Fcst 8	Fcst 9	Fcst 10	Fcst 11	Fcst 12	Fcst 13	TOTAL 13 Weeks
Week Ending	03/18/16	03/25/16	04/01/16	04/08/16	04/15/16	04/22/16	04/29/16	05/06/16	05/13/16	05/20/16	05/27/16	06/03/16	06/10/16	
Total Receipts	6,235	4,743	29,560	36,888	6,881	6,357	30,301	26,294	5,587	2,093	23,112	1,321	15,617	194,989
Total Operating Disbursements	(5,398)	(4,354)	(8,190)	(7,013)	(5,587)	(6,794)	(6,146)	(6,212)	(4,949)	(6,018)	(5,444)	(5,781)	(2,806)	(74,693)
Total Capital Expenditures	(1,422)	(1,147)	(2,157)	(3,918)	(3,122)	(3,796)	(3,434)	(1,664)	(1,325)	(1,612)	(1,458)	(2,024)	(983)	(28,062)
Total Payroll & Benefits	(14)	-	(10,136)	-	(14)	-	(10,046)	-	-	-	-	(8,788)	-	(28,998)
Total Other	(1,176)	(654)	(1,738)	(1,716)	(1,333)	(1,157)	(4,883)	(1,158)	(1,121)	(785)	(981)	(781)	(585)	(18,068)
Total I/C Disbursements to Non Debtor Entities	(2,586)	(1,088)	(9,163)	(2,918)	(19,403)	(2,826)	(8,070)	(1,976)	(2,811)	(3,419)	(1,731)	(6,733)	(963)	(63,686)
Total Disbursements	(10,595)	(7,244)	(31,384)	(15,565)	(29,458)	(14,573)	(32,578)	(11,010)	(10,207)	(11,834)	(9,615)	(24,106)	(5,337)	(213,507)
Net Operating Cash Flow	(4,361)	(2,501)	(1,824)	21,323	(22,576)	(8,216)	(2,278)	15,284	(4,620)	(9,741)	13,497	(22,785)	10,279	(18,518)
Deposits														
Utility Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service	(3,955)	-	(5,152)	-	-	-	(3,856)	-	-	-	-	(3,978)	-	(16,941)
Total Professional Fees	(720)	(2,985)	-	-	-	-	(2,790)	(2,578)	-	-	(2,465)	-	(2,090)	(13,628)
Total Non-Operating Disbursements	(4,675)	(2,985)	(5,152)	-	-	-	(6,646)	(2,578)	-	-	(2,465)	(3,978)	(2,090)	(30,568)
Net Cash Flow	(9,035)	(5,486)	(6,976)	21,323	(22,576)	(8,216)	(8,924)	12,707	(4,620)	(9,741)	11,032	(26,763)	8,189	(49,086)
Debtor Beginning Cash Balance - Encumbered	145,562	136,526	131,041	124,065	145,388	122,811	114,595	105,671	118,378	113,758	104,017	115,049	88,286	145,562
Net Cash Flow	(9,035)	(5,486)	(6,976)	21,323	(22,576)	(8,216)	(8,924)	12,707	(4,620)	(9,741)	11,032	(26,763)	8,189	(49,086)
Debtor Ending Cash Balance - Encumbered	136,526	131,041	124,065	145,388	122,811	114,595	105,671	118,378	113,758	104,017	115,049	88,286	96,475	96,475
Debtor Cash Balance - Unencumbered	343,633	343,633	343,633	343,633	343,633	343,633	343,633	343,633	343,633	343,633	343,633	343,633	343,633	343,633
Total Debtor Cash Balance	480,159	474,673	467,697	489,020	466,444	458,227	449,304	462,011	457,391	447,649	458,682	431,919	440,108	440,108
Non Debtor Ending Cash Balance	341,427	330,377	337,825	338,661	334,819	333,848	336,505	337,644	336,344	335,544	341,227	338,050	339,550	339,550
Total Debtor & Non Debtor Ending Cash Balance	821,586	805,050	805,523	827,681	801,263	792,075	785,809	799,655	793,734	783,194	799,909	769,969	779,658	779,658