

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

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In re : **Chapter 11**
: :
PARAGON OFFSHORE PLC, et al., : **Case No. 16-10386 (CSS)**
: :
: **Jointly Administered**
: :
Debtors.¹ : **Hearing Date: 4/6/16 at 10:00 a.m. (ET)**
: **Re: Docket No. 13, 190, 198 & 216**
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**MOTION OF DEBTORS FOR LEAVE TO FILE AND SERVE
DEBTORS' REPLY IN SUPPORT OF APPROVAL OF DISCLOSURE STATEMENT**

Paragon Offshore plc (“**Paragon Parent**”) 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 for Leave**”):

Relief Requested

1. Pursuant to Rule 9006-1(d) 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 request entry of an order authorizing the Debtors to file and serve a reply (the “**Reply**”), beyond the deadline set forth in Local Rule 9006-1(d), to the *Objection of the Secured Term Loan Agent, On Behalf of the Secured Term Loan Lenders, to Approval of*

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.



Disclosure Statement for Amended Joint Plan of Reorganization of Paragon Offshore plc and its Affiliated Debtors (Docket No. 198) (the “**Objection**”), in order to address and clarify the issues raised in the Objection and to streamline the hearing scheduled on April 6, 2016 at 10:00 a.m. (EDT) (the “**Disclosure Statement Hearing**”).

2. A proposed form of order granting the relief requested herein is annexed hereto as **Exhibit A** (the “**Proposed Order**”).

Jurisdiction

3. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334, and the Amended Standing Order of Reference from the United States District Court for the District of Delaware dated February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b) and, pursuant to Local Rule 9013–1(f), the Debtors consent to the entry of a final order by the Court in connection with this Motion for Leave 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

4. On February 14, 2016 (the “**Petition Date**”), each of the Debtors commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors’ chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Federal Rule of Bankruptcy Procedure 1015(b) (the “**Bankruptcy Rules**”). The Debtors continue to operate their business and manage their property as debtors in possession pursuant to sections 1107(a) and 1108 of title 11 of the United States Code (the “**Bankruptcy Code**”). No trustee, examiner, or statutory committee of creditors has been appointed in these chapter 11 cases.

5. 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 (Docket No. 17) and the Declaration of James A. Mesterharm in Support of the Debtors' Chapter 11 Petitions and Related Requests for Relief (Docket No. 18).

The Pertinent Documents

6. On the Petition Date, the Debtors filed the *Joint Chapter 11 Plan of Paragon Offshore plc and Its Affiliated Debtors* (Docket No. 11) (the "**Original Plan**"), the *Proposed Disclosure Statement for Joint Chapter 11 Plan of Paragon Offshore plc and Its Affiliated Debtors* (Docket No. 12) (the "**Original Disclosure Statement**") and a motion to approve the Original Disclosure Statement (Docket No. 13). Pursuant to the *Notice of Hearing to Consider Approval of Proposed Disclosure Statement for Debtors' Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* (Docket No. 105), the deadline to object to the Revised Disclosure Statement was set for March 30, 2016 at 4:00 p.m. (EDT).

7. On March 24, 2016, the Debtors filed revised versions of the Original Plan (Docket No. 189) (the "**Amended Plan**"), the Original Disclosure Statement (Docket No. 190) (the "**Revised Disclosure Statement**") and accompanying blacklines (Docket No. 191).

8. Further, on April 4, 2016, the Debtors filed revised versions of the Amended Plan (Docket No. 215) (the "**Second Amended Plan**"), the Revised Disclosure Statement (Docket No. 216) (the "**Further Revised Disclosure Statement**") and accompanying blacklines (Docket No. 217). The Court is currently scheduled to consider at the Disclosure Statement Hearing, among other things, the adequacy of the information contained in the Further Revised Disclosure Statement.

9. On March 30, 2016, Cortland Capital Market Services LLC, as successor in interest to JP Morgan Chase Bank, N.A. as administrative agent under the Senior Secured Loan Agreement (the “**Objector**”) filed the Objection.

Basis For Relief Requested

10. Pursuant to Local Rule 9006-1(d), “[r]eply papers . . . may be filed and, if filed, shall be served so as to be received by 4:00 p.m. prevailing Eastern Time the day prior to the deadline for filing the agenda.” *See* Del. Bankr. L.R. 9006-1(d). The agenda for the Disclosure Statement Hearing is due by 12:00 p.m. (EDT) on April 4, 2016. Accordingly, pursuant to Local Rule 9006-1(d), the deadline to file the Reply was 4:00 p.m. (EDT) on April 1, 2016 (the “**Reply Deadline**”). Accordingly, absent leave of the Court, the Debtors would be unable to file and serve the Reply and the Court would be denied the opportunity to review the Debtors’ responses to the Objection in advance of the Disclosure Statement Hearing.

11. The Debtors submit that cause exists to grant the relief requested by this Motion for Leave and approve an extension of the time by which to file the Reply under Local Rule 9006-1(d). The Reply will provide the Court with critical information and arguments for ruling on the adequacy of information provided in the Disclosure Statement. Further, the Court’s consideration of the Reply will help streamline argument with respect to the Further Revised Disclosure Statement at the Disclosure Statement Hearing. Accordingly, the Debtors submit that the relief requested herein is reasonable under the circumstances and should be approved.

Notice

12. No trustee, examiner, or statutory committee of creditors has been appointed in these chapter 11 cases. Notice of this Motion for Leave has been provided to (i) the Office of the United States Trustee for the District of Delaware; (ii) the Debtors’ thirty (30) largest unsecured creditors on a consolidated basis; (iii) Simpson Thacher & Bartlett LLP, 425 Lexington Avenue,

New York, NY 10017 (Attn: Sandeep Qusba, Esq., Kathrine A. McLendon, Esq., and Morris J. Massel, Esq.), counsel to JPMorgan Chase Bank, N.A. (a) as administrative agent under the Senior Secured Revolving Credit Agreement, dated as of June 17, 2014 (the “**Revolver Agent**”), and (b) as collateral agent under the Guaranty and Collateral Agreement, dated as of July 18, 2014 (“the “**Collateral Agent**”); (iv) Landis Rath & Cobb LLP, 919 Market Street, Wilmington, DE 19801 (Attn: Adam G. Landis, Esq. and Kerri Mumford, Esq.), co-counsel to the Revolver Agent and the Collateral Agent; (v) Kaye Scholer LLP, 250 West 55th Street, New York, NY 10019 (Attn: Mark F. Liscio, Esq. and Scott D. Talmadge, Esq.), counsel to Cortland Capital Market Services L.L.C. as administrative agent under the Senior Secured Term Loan Agreement, dated as of July 18, 2014 (the “**Term Loan Agent**”); (vi) Potter Anderson & Corroon, 1313 N. Market Street, 6th Floor, Wilmington, DE 19801 (Attn: Jeremy W. Ryan, Esq.), co-counsel for the Term Loan Agent; (vii) Morgan, Lewis, & Bockius LLP, 101 Park Avenue, New York, NY 10178 (Attn: James O. Moore, Esq., Glenn E. Siegel, Esq., and Joshua Dorchak, Esq.), counsel to Deutsche Bank Trust Company Americas as trustee under the Senior Notes Indenture, dated as of July 18, 2014, for the 6.75% Senior Notes due 2022 and the 7.25% Senior Notes due 2024; (viii) Paul, Weiss, Rifkind, Wharton, & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019 (Attn: Andrew N. Rosenberg, Esq. and Elizabeth R. McColm, Esq.), counsel to certain holders of the 6.75% Senior Notes due 2022 and the 7.25% Senior Notes due 2024; (ix) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, DE 19801 (Attn: Pauline K. Morgan, Esq.), co-counsel to certain holders of the 6.75% Senior Notes due 2022 and the 7.25% Senior Notes due 2024; (x) the Securities and Exchange Commission; (xi) the Internal Revenue Service; (xii) the United States Attorney’s Office for the District of Delaware; and (xiii) all parties who filed a request for service of notices

under Bankruptcy Rule 2002. The Debtors respectfully submit that no further notice of this Motion for Leave is required.

No Previous Request

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

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

Dated: April 4, 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
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-and-

WEIL, GOTSHAL & MANGES LLP
Gary T. Holtzer (admitted *pro hac vice*)
Stephen A. Youngman (admitted *pro hac vice*)
Alfredo R. Pérez (*pro hac vice* admission pending)
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 A

Proposed Order

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

-----X
In re : Chapter 11
:
: Case No. 16-10386 (CSS)
PARAGON OFFSHORE PLC, et al., :
: Jointly Administered
:
: Debtors.1 : Re: Docket No. ___
-----X

ORDER GRANTING MOTION OF DEBTORS FOR LEAVE TO FILE AND SERVE
DEBTORS' REPLY IN SUPPORT OF APPROVAL OF DISCLOSURE STATEMENT

Upon consideration of the motion for leave, dated April __, 2016 (the "Motion for
Leave"),2 seeking entry of an Order, pursuant to Local Rule 9006-1(d), authorizing the Debtors
to file and serve the Reply; and good and sufficient cause appearing therefor, it is hereby

ORDERED, that the Motion for Leave is granted; and it is further

ORDERED that the Debtors are granted leave to file and serve, and the Court will
consider, the Reply.

Wilmington, Delaware
Date: April _____, 2016

THE HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

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);
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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 All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion for
Leave.