

BASIS ALLOCATION FOR NOBLE CORPORATION PLC (NE) ORDINARY SHARES AND PARAGON OFFSHORE LIMITED (PGN) ORDINARY SHARES

In connection with the separation of the standard specification drilling business of Noble Corporation plc (“*NE*”) from its high specification drilling business, NE distributed all of the ordinary shares of Paragon Offshore plc (“*Paragon*”) on August 1, 2014 to the holders of record of NE ordinary shares on the record date, July 23, 2014 (the “*Spin-Off*”).

The following information describes how NE shareholders determine their tax basis in their NE ordinary shares and Paragon ordinary shares received in the Spin-Off. This information is general and does not constitute tax advice. NE does not provide its shareholders with tax advice and instead encourages its shareholders to consult with their own tax advisors with respect to their specific questions pertaining to their own tax positions.

Record Date	July 23, 2014
First Trading Date	August 4, 2014

In the Spin-Off, each holder of NE ordinary shares received one Paragon ordinary share for every three NE ordinary shares held by such holder as of the record date (with cash being received in lieu of any fractional Paragon ordinary shares). The Paragon ordinary shares began trading under the new symbol, PGN, on August 4, 2014.

NE received private letter rulings from the U.S. Internal Revenue Service (“*IRS*”) in October 2013 and an opinion from Baker Botts L.L.P. (which opinion relied, in part, on the continued validity of the private letter rulings), in each case, substantially to the effect that the Spin-Off and certain related transactions qualify under Sections 355 and 368 of the Internal Revenue Code of 1986, as amended. Assuming the Spin-Off and such related transactions so qualify, the aggregate tax basis of the NE ordinary shares held by each NE shareholder immediately before the Spin-Off will be allocated between such NE ordinary shares and the Paragon ordinary shares received in the Spin-Off (including any fractional shares of Paragon stock deemed received) in proportion to their relative fair market values immediately after the Spin-Off.

U.S. Federal tax law is not clear as to the method of determining the fair market value of the shares of NE and Paragon. One approach, which is illustrated here, is to use the average of the highest and lowest quoted trading prices on the New York Stock Exchange (“*NYSE*”) for each share of NE and Paragon on the first trading date on which both NE and Paragon shares traded on the NYSE after the Spin-Off (i.e., August 4, 2014).

Trading Activity on First Trading Date

	High	Low	Average
NE	\$27.23	\$26.41	\$26.82
PGN	\$11.78	\$10.82	\$11.30

If this method is used, the aggregate pre-distribution tax basis of an NE shareholder in its NE ordinary shares would be allocated 87.685% to NE shares and 12.315% to Paragon shares. See example below which assumes pre-distribution tax basis of \$25/share in 90 NE ordinary shares.

	Number of Shares	Avg. Trading Price (8/4/14)	Total	Allocation Percentage	Aggregate Basis Post Spin-Off
NE Stock	90	\$26.82	\$2,413.80	87.685%	\$1,972.92
PGN Stock	30	\$11.30	\$339.00	12.315%	\$277.08
Total	N/A	N/A	\$2,752.80	100.000%	\$2,250.00

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