

Proposal form

Completing this form

In order to apply for this insurance, please complete all parts of this proposal Form and the annexures, if any.

You must provide full, accurate, and true answers to all questions listed below. Material facts which you know or ought to know should be fully and accurately disclosed. Failure to do so may result in rejecting your claim and/or terminating the insurance policy from inception.

If you are in any doubt about what you should disclose, please do not hesitate to contact us. A material fact is one that would influence our decision whether to offer you insurance or the terms which we offer.

If the space provided is inadequate, please provide details using an additional information sheet, signed and dated.

Your insurance does **not** commence when you sign the proposal. Your cover will only commence once we have reviewed the proposal form and confirmed cover in writing.

Please keep a copy of this proposal form for your record along with any correspondence/information provided to us and policies/endorsements that are issued to you subsequently.

1. General information

a. Complete name and current address of the Proposer: _____

Contact/Phone: _____

b. Additional proposers and their relationship to the Primary Proposer: _____

c. Loss Payees: _____

d. Describe the Proposer's business and/or interest with regard to onshore oil and gas drilling and/or equipment:

e. The Proposer is primarily a drilling contractor or a operator or _____ a well service contractor

Other (please describe): _____

f. How long in business? _____

g. Have there been any changes in ownership in the last 3 years?: _____

h. Annual receipts or sales _____

i) Prior year: _____

ii) Current year: _____

i. Type of contracts and percentage utilized:

Daywork (Details of Shifts) _____ Footage _____ % Turnkey _____ %

j. Anticipated fleet utilization for the next twelve months _____ %

1. General information (continued)

k. As respects Land Drilling Rigs, please list each rig the Proposer has an ownership interest in and indicate the following (see attached form):

- Name
- Manufacturer, Model Name and Serial No.
- Drilling Depth Rating
- Age
- Value (100%)
- Insured's Interest
- What type of process/operation is rig used for? (drilling, work over/servicing).
- Is rig truck or trailer mounted?

l. Any recent surveys or appraisals available?

Yes

No

If Yes, please attach a copy.

m. Does the Proposer move rigs using owned vehicles or are they moved by public carriers?

2. Risk assessment

The following are Risk Assessment issues that need to be addressed as completely as possible for the exposures shown above:

a. Environment

- Areas of operation, average and maximum well depths anticipated, where are rigs stored when not in use, what is the security arrangement at storage location? _____
- Do rigs operate in existing fields or "wildcat" exploratory fields? _____
- Type of wells to be drilled: oil, gas, sour gas, geothermal: _____

b. External Factors

- Political risk/stability _____
- Offshore/Wet exposure, if any _____

2. Risk assessment (continued)

c. Construction and Condition:

d. Loss Control Measures:

- Integrity of firewater supply (back-up system) _____
- Gas and fire detection equipment _____
- Emergency Shut Down valves, location and protection _____

e. Management:

- Maintenance and inspection of key items
- Work permit procedures
- QA Procedure and Certification
- Safety commitment/loss record
- Emergency/contingency plan
- Monitoring of sub-contractors
- Experience of Tool Pushers & Supervisors
- Crew experience and training

3. Limit of liability

Limit of Liability (if different from Insured value):

_____ Per occurrence

_____ Per occurrence

_____ Per occurrence

Deductible:

_____ Per occurrence

4. Previous insurance history

a. Has Physical Damage Insurance been purchased previously?

Yes

No

Previous carriers: _____

b. Has any insurer ever canceled or refused to renew coverage?

Yes

No

(If Yes, give details):

c. Provide complete details with regard to any and all Land Rig Physical Damage losses (insured and uninsured) the Proposer has suffered in the past five (5) years (include date, location, type of loss, original gross claim, Proposer's interest or net claim, current status of claim):

d. Additional remarks:

Declaration

I/We hereby declare that the statements/information given by me/us in the Proposal Form are full, accurate and true. It is hereby understood and agreed that the statements, answers and particulars provided in this Proposal Form and as per the attachments are the basis on which the insurance policy is being issued/effected. If after the insurance policy is effected, it is found that any fact in the statements, answers or particulars in this Proposal Form is incorrect, untrue, inaccurate, misrepresented or non-disclosed in any material respect, ADNIC shall have no liability under the insurance policy and/or shall have the right to terminate the insurance policy from inception.

Name of Proposer: _____

Title: _____

Signature: _____

Stamp: _____

Date: _____

Note: Please note that each page of the proposal form should be signed by the Proposer or its legal representative.