

Sompo Japan Nipponkoa to Provide Operator's Extra Expense Coverage in USA for Shale Gas/Oil Exploration and Development

Sompo Japan Nipponkoa Insurance Inc. (President: Masaya Futamiya, hereinafter "Sompo Japan Nipponkoa") announced to provide Operator's Extra Expense Insurance (hereinafter "OEE") in USA for Shale Gas/Oil Projects by utilizing Canopus Group Limited (wholly owned subsidiary of Sompo Japan Nipponkoa, hereinafter "Canopus") and Worldwide Facilities, Inc (MGA, hereinafter "WWF").

The OEE covers the cost of bringing the well under control following a blowout in the process of exploration and production of shale gas/oil. Sompo Japan Nipponkoa has supported the overseas operation of the Japanese companies throughout the years, and by combining the underwriting expertise of Canopus and WWF in the energy field, Sompo Japan Nipponkoa will contribute to stabilize the operation of the Japanese companies that have(will) invested(invest) in the shale gas/oil business.

1. Background

As Japanese investments in shale gas/oil exploration and development in North America continues to rise, Sompo Japan Nipponkoa decided to provide insurance that will cover the cost for controlling the well and re-drilling when the well becomes out of control due to blowouts.

2. Summary of the Insurance

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| (1) Line of Business | Operator's Extra Expense (OEE) |
| (2) Insured | Interest holders or operators of shale project |
| (3) Main Coverage | The expense for the control of well and re-drilling in the case of well out of control due to unexpected and sudden blowouts. |

3. Process of Insurance Contract

Canopus will be the lead underwriter and will provide capacity through WWF. Sompo Japan Nipponkoa will introduce Japanese clients that need insurance arrangement and provide occasional supports.