

FAO:  
Oil & Gas Authority  
4<sup>th</sup> Floor  
21 Bloomsbury Street  
London WC1B 3HF

30<sup>th</sup> July 2018

Dear

I am writing in response to your email to  
evidence from our Insurance Brokers [REDACTED]  
covers "frack induced seismicity damage"

of Cuadrilla dated 25<sup>th</sup> July 2018 requesting  
that our 3<sup>rd</sup> Party Liability insurance

In regard to this, please find enclosed 3 letters (one for each major policy) from  
confirming that each of our (i) Energy Package, (ii) Primary 3<sup>rd</sup> Party Liability and (iii) Excess 3<sup>rd</sup>  
Party Liability insurance policies provide coverage for the unlikely eventuality described above.

Yours sincerely



Francis Egan  
**CEO Cuadrilla Resources**

**For and on behalf of the Board of Directors**

**Encs**



**PERIOD:** 01 October 2017 to 1 October 2018 Both Days at 00:01 local standard time at the above Principal Address of the Insured

**INTEREST:** Insurance for onshore Public, onshore Pollution and onshore Products Liabilities including onshore Seismic Operations arising out of the Business of the Insured, being Oil and Gas Exploration, Development and Production Company, all as more fully defined in the Wording.

**INDEMNITY  
LIMITS:  
(100% UNLESS  
OTHERWISE  
STATED HEREIN):**

**A) Public Liability:**

any one occurrence or series of occurrences arising from one originating cause and in the annual aggregate. Defence Costs in addition.

**B) Pollution Liability:**

any one occurrence or series of occurrences arising from one originating cause and in the annual aggregate. Defence Costs in addition.

**C) Products Liability:**

any one occurrence or series of occurrences arising from one originating cause and in the annual aggregate. Defence Costs in addition.

**Sections A, B and C**

Should liability arising from the same originating cause form the subject of indemnity by more than one Section of this Policy, each Section shall be subject to its own Indemnity Limit, provided always that the total amount of Underwriters' liability shall not exceed the greatest Indemnity Limit available under any one of the Sections providing indemnity.

**CONDITIONS:** This insurance is subject to all of the terms and conditions as detailed in the Policy Wording.

**INSURANCE  
EFFECTED  
WITH:**

100% certain

Underwriters

#### **Qualifications**

1. does not in any circumstances act as insurer or reinsurer, nor does it warrant the solvency of any insurer, reinsurer or market. Willis cannot warrant the continuing validity or extent of insurance available.
2. The description of the insurance above is in summary form only. It does not purport to contain reference to all circumstances, terms and conditions that may affect or otherwise be relevant to the cover available. The insurance outlined above is subject to the full terms and conditions of the policy issued (or other document(s) evidencing the contract of insurance or reinsurance, including without limitation any subsequent amending document(s) or notices).
3. This document is issued for information purposes only. It conveys no benefit to and no responsibility is assumed toward any recipient. The matters set out above are stated as at the date of this letter only.

Yours faithfully,

Managing Director

26 July 2018

TO WHOM IT MAY CONCERN

POLICY  
NUMBER:

Dear Sirs,

**Subject: CERTIFICATE OF INSURANCE**

We act, for the insurance period stated below, as Insurance Brokers for Cuadrilla Resources Limited. The insurance is placed on their instructions but may also be for the benefit of certain other joint venture and other interested parties, as may be required each for their respective rights and liabilities (as described more particularly in the 'Insured' section below).

This is to certify (subject to the terms and conditions of this policy and qualifications set out as at the end of this letter) that Cuadrilla Resources Limited are insured for operations performed in the course of Hydraulic Fracturing including but not limited to losses arising from seismicity.

**INSURED:**

Cuadrilla Resources Holdings Limited (ERN exempt) and/or Cuadrilla Resources Limited (ERN 586/FA17716) and/or Cuadrilla Well Services Limited (ERN exempt) and/or subsidiary companies and/or affiliated and/or associated and/or inter-related companies as they may now exist or may hereafter be constituted and as may be more fully defined in the wording. Co-insureds to include contractors, subcontractors, banks or others as their respective rights and interests may appear as agreed Slip Leader, but cover hereon no broader than policy terms and conditions, regardless of contract.

Including Joint Venture Partners.

Hydrocarbons and are insured entities  
in respect of Hungarian operations.

Centrica North Sea Gas Ltd in so far as their Interests in UK onshore Licenses PEDL 165 and EXL 269 apply.

**PRINCIPAL ADDRESS:**

Cuadrilla House,  
6 Sceptre Court,  
Bamber Bridge,  
Lancashire,  
PR5 6AW

United Kingdom.

**PERIOD:** 01 October 2017 to 1 October 2018 Both Days at 00:01 local standard time at the above Principal Address of the Insured

**INTEREST:** Excess onshore Public, Excess onshore Pollution and Excess onshore Products Liabilities arising out of the Business of the Insured's all as more fully defined in the Underlying policy. Including onshore Seismic Operations arising out of the Business of the Insured, being Oil and Gas Exploration, Development and Production Company.

**LIMIT (100%  
UNLESS  
OTHERWISE  
STATED HEREIN):**

**A) Public Liability:**

any one occurrence or series of occurrences arising from one originating cause, and in the annual aggregate. Defence Costs in addition.

**B) Pollution Liability:**

any one occurrence or series of occurrences arising from one originating cause and in the annual aggregate. Defence Costs in addition.

**C) Products Liability:**

any one occurrence or series of occurrences arising from one originating cause and in the annual aggregate. Defence Costs in addition.

Should liability arising from the same originating cause form the subject of indemnity by more than one Section of this Policy, each Section shall be subject to its own Indemnity Limit, provided always that the total amount of Underwriters' liability shall not exceed the greatest Indemnity Limit available under any one of the Sections providing indemnity.

**CONDITIONS:** This insurance is subject to all of the terms and conditions as detailed in the Policy Wording.

**INSURANCE  
EFFECTED  
WITH:**

100% certain

Underwriters

#### Qualifications

1.                does not in any circumstances act as insurer or reinsurer, nor does it warrant the solvency of any insurer, reinsurer or market.                cannot warrant the continuing validity or extent of insurance available.
2.                The description of the insurance above is in summary form only. It does not purport to contain reference to all circumstances, terms and conditions that may affect or otherwise be relevant to the cover available. The insurance outlined above is subject to the full terms and conditions of the policy issued (or other document(s) evidencing the contract of insurance or reinsurance, including without limitation any subsequent amending document(s) or notices).
3.                This document is issued for information purposes only. It conveys no benefit to and no responsibility is assumed toward any recipient. The matters set out above are stated as at the date of this letter only.

Yours faithfully,

Managing Director



26 July 2018

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POLICY  
NUMBER:

Dear Sirs,

**Subject: CERTIFICATE OF INSURANCE**

We act, for the insurance period stated below, as Insurance Brokers for Cuadrilla Resources Limited. The insurance is placed on their instructions but may also be for the benefit of certain other joint venture and other interested parties, as may be required each for their respective rights and liabilities (as described more particularly in the 'Insured' section below).

This is to certify (subject to the terms and conditions of this policy and qualifications set out as at the end of this letter) that Cuadrilla Resources Limited are insured for operations performed in the course of Hydraulic Fracturing including but not limited to losses arising from seismicity.

**INSURED:** Cuadrilla Resources Limited and associated, affiliated, subsidiary parent or inter-related companies, as more fully defined in the Policy Wording as set forth under Conditions herein

**PRINCIPAL ADDRESS:** Cuadrilla House,  
6 Sceptre Court,  
Bamber Bridge,  
Lancashire,  
PR5 6AW  
United Kingdom.

**PERIOD:** 01 October 2017 to 1 October 2018 Both Days at 00:01 local standard time at the above Principal Address of the Insured

**INTEREST:** **Section 1 – Property**  
Property as more fully defined in the Policy Wording  
**Section 2 – Operators Extra Expense**  
Operators Extra Expense as more fully defined in the Policy Wording



**Cuadrilla Bowland Ltd**

Cuadrilla House, 6 Sceptre Court, Sceptre Way, Bamber Bridge, Lancashire, PR5 6AW, United Kingdom  
Tel: +44(0)1772585450 [www.cuadrillaresources.com](http://www.cuadrillaresources.com)

Company No: 8340918  
VAT No: 945 6375 88



**SUM  
INSURED/LIMIT OF  
LIABILITY (100%):**

**Section 1 - Property**

Values as scheduled.

**Section 2 - Operator's Extra Expense**

Combined Single Limit up to USD 25,000,000 any one Occurrence.

Separate limit USD 1,000,000 any one Occurrence, in respect of Care, Custody and Control.

**CONDITIONS:**

This insurance is subject to all of the terms and conditions as detailed in the Policy Wording.

**INSURANCE  
EFFECTED  
WITH:**

100% certain

Underwriters

**Qualifications**

1. does not in any circumstances act as insurer or reinsurer, nor does it warrant the solvency of any insurer, reinsurer or market. cannot warrant the continuing validity or extent of insurance available.
2. The description of the insurance above is in summary form only. It does not purport to contain reference to all circumstances, terms and conditions that may affect or otherwise be relevant to the cover available. The insurance outlined above is subject to the full terms and conditions of the policy issued (or other document(s) evidencing the contract of insurance or reinsurance, including without limitation any subsequent amending document(s) or notices).
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Yours faithfully,

Managing Director