

OPOL

The Offshore Pollution Liability Association Limited

GUIDELINES FOR CLAIMANTS

This document is only a brief summary of the key elements of the OPOL Agreement and Rules and as such must be qualified by the further details contained in the OPOL Agreement and Rules.

WHAT IS OPOL?

The Offshore Pollution Liability Association Limited (the 'Association') is an oil industry body set up as a company limited by guarantee which administers a voluntary compensation scheme 'OPOL' to which all UK offshore operators are parties. The Agreement has been in effect since 1st May 1975, and membership of OPOL is a condition for the granting of a licence by the UK Government. The OPOL Agreement requires each operator to accept liability, subject to a few exceptions, for pollution damage and the cost of remedial measures incurred following a spill from its facilities up to a current maximum of US \$250,000,000 per incident.

OPOL is intended to encourage prompt remedial action by operators of offshore facilities in the event of a spill.

OPOL intends that all admissible claims associated with a spill should be settled in an orderly and expeditious manner without recourse to the Courts and avoiding complicated and lengthy jurisdictional problems.

OPOL requires that each operator provides satisfactory evidence of its ability to meet any liability under the Agreement.

OPOL requires that all claims must be lodged against the operator who has caused the pollution, and that the operator is solely responsible for meeting these claims.

OPOL provides for a mutual guarantee from all of its other members for the settlement of claims up to US \$250 million in the event of a default by an operator.

OPOL does not take away a claimant's right to seek redress through the Courts for losses which exceed the maximum recoverable under the Agreement, or those beyond the scope of the Agreement.

WHAT FACILITIES DOES OPOL COVER?

OPOL covers escapes and discharges of oil from offshore facilities within the jurisdiction of any State that is specified in the Agreement. The States currently covered include the Coastal States of the UK, Denmark, the Federal Republic of Germany, France, Greenland, the Republic of Ireland, the Netherlands, Norway, the Isle of Man and the Faroe Islands.

OPOL covers offshore facilities such as wells, drilling units, platforms, sub-sea developments, offshore storage, production and loading systems, or pipelines.

OPOL does not cover permanently abandoned wells, installations or pipelines or those facilities concerned with the production, storage and treatment of natural gas or natural gas liquids.

WHO MAY MAKE A CLAIM?

Governments, public bodies or authorities (municipal, local or otherwise) may claim in respect of reasonable remedial measures taken by them to prevent, mitigate or eliminate pollution damage or to remove or neutralise oil following an escape or discharge.

Anyone may claim compensation for pollution damage resulting from an escape or discharge of oil.

WHAT IS AN ADMISSIBLE CLAIM?

Claims for pollution damage and remedial measures may be submitted to operators for compensation under the Agreement.

Pollution damage is defined in the OPOL Agreement as direct loss or damage by contamination which results from a discharge of oil.

Remedial measures means reasonable measures taken by a claimant to prevent, mitigate or eliminate pollution damage following a discharge of oil. In addition, operators are required to meet the costs of these remedial measures which are undertaken by them.

Claims to be considered as admissible would fall into the following categories:

- Clean up operations on shore or at sea.
- Property damage
- Disposal costs of collected material
- Other losses which must be quantifiable and which must result directly from the contamination itself.

Claims must be reasonable, quantifiable and justifiable.

HOW TO MAKE A CLAIM

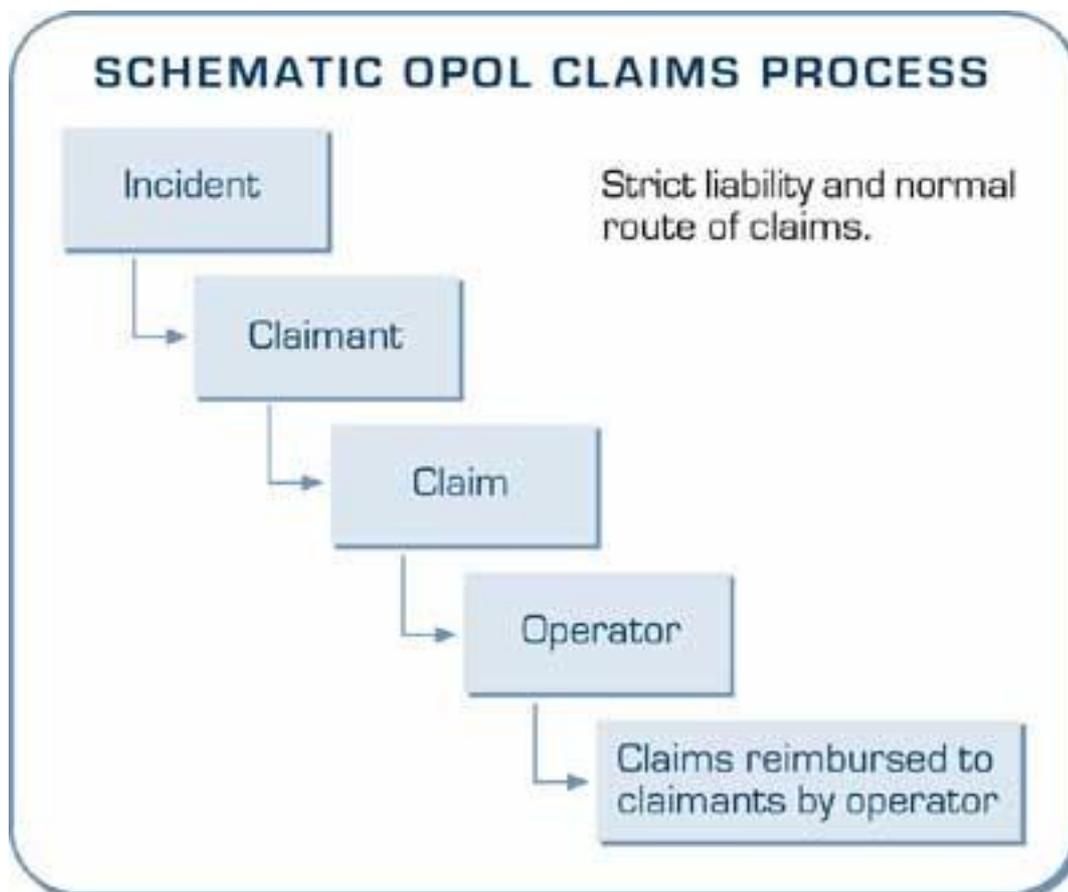
A claimant should, as soon as possible after the oil spill incident, notify in writing the operator who has caused the pollution that damage has been suffered and/or costs incurred.

The notice should contain the following information:

- Name and address of claimant
- The location/name of the facilities from which the discharge of oil took place
- The date of the incident and the dates and locations where the pollution damage was sustained, together with its nature and extent
- The remedial measures taken by the claimant and the approximate cost (if known) of the claim.

A claim must be notified to the operator within 1 year of the incident for OPOL to apply, although any claim may be amended at any time prior to final settlement.

Claimants shall be required to forward to the operator all such information, documents and testimony as are reasonably required in connection with the investigation of any claim.



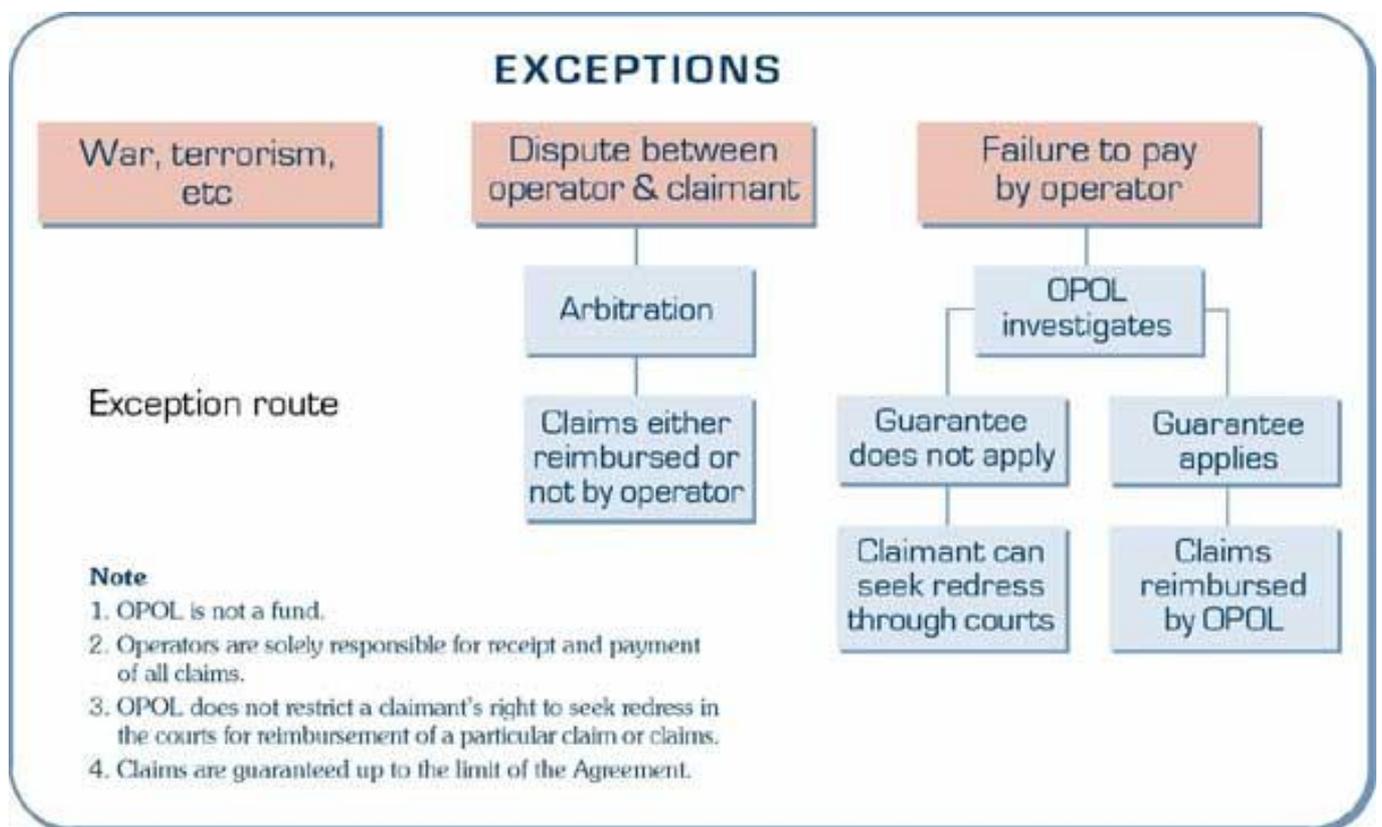
SETTLEMENT OF CLAIMS

Once a claim has been filed with an operator, that operator remains solely responsible for the acceptance and payment of such claim.

Under the Agreement, any payment made to a claimant is required to be in full and final settlement of the claim against the operator and conditional upon a claimant executing the necessary releases/documents in respect of the claims that are payable under the Agreement.

In the event of a dispute between a claimant and the operator as to the application or interpretation of the Agreement, either the claimant or the operator can submit the matter to arbitration in London in accordance with the rules of the International Chamber of Commerce.

In the event of a default by the operator, the claimant should advise OPOL immediately whereupon the claim will be administered by OPOL under the Guarantee Clause in the Agreement.



HOW TO CONTACT US

For any questions concerning the OPOL Agreement or this document, please contact:

Managing Director
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Standard House
12-13 Essex Street
London
WC2R 3AA

Telephone: +44 20 3320 2288

E-mail: admin@opol.org.uk

For further general information on OPOL, see our website www.opol.org.uk

In any major oil pollution incident, the operator of the offshore facility will make known the contact details for all claimants.