

Invitation for Pre-qualification/Technical Evaluation to bid as an Insurer to Provide Insurance Coverage for Afren Asset and Liability Operational Insurance 2011 to 2012

Afren Resources Limited (hereinafter referred to as Afren) acting in its capacity as a Technical Services provider (TSA) for various oil and gas assets in Nigeria, wishes to invite interested, qualified and reputable Nigerian Insurance Companies (referred to as Company) having experience in the provision of insurance coverage for major oil and gas companies.

Scope of Work for Provision of Insurance Coverage

Onshore and Offshore Property Insurance and Operators Extra Expense (OEE) Insurance

Third Party Liability Insurance

Cargo Insurance

Construction All Risks

Commencement and Validity

The policy is expected to commence early Q3, 2011 and will be for a period of one year.

Pre-qualification and Technical Requirements:

To qualify for consideration, firstly potential insurers must have an operational office base in Nigeria. Secondly they will be required to supply the required set of under mentioned documentation properly certified in specific chapters separated by dividers in binders, on 3 CD ROMs, and in the same order as stated below, and fulfill the Technical Bid Requirements as set out below. Failure to follow any of the instructions, submit any of the required documents, or failure to meet the Technical Bid Requirements will lead to disqualification of the applicant's bid.

1. Provide currently applicable Certificate of Registration of Company with the Corporate Affairs Commission (CAC), together with Memorandum and Articles of Association showing the list of directors, and shareholding structure.

2. Certified true copies by National Insurance Commission (NAICOM) of the Company's licence as an insurer to transact general insurance business and in particular energy business
3. Evidence of NAICOM's approval of latest annual return and accounts for the most recent underwriting year.
4. A signed declaration by the Chief Executive Officer that the Company has settled all outstanding discharge claims, and all other major outstanding payables.
5. Full details (schedules and wordings) of all re-insurance contracts relevant to the coverage requested.
6. Name, address and profile of international re-insurance brokers, which have handled the Company's energy business in the past 24 months
7. Certified documentation evidence demonstrating experience as leader on similar energy insurance covers that insurer has provided to its clients over the past 5 years, together with names of clients.
8. Full office address of Company Head Office in Nigeria including telephone and fax numbers and email addresses. Similar for branch offices in Nigeria.
9. Provide Company profile including full shareholding structure, Company's financial details and published annual reports and accounts for the most recent year and 2 years immediately before that. Company's tax clearance certificates for the past 3 years.
10. Bank reference covering banking transactions for the past 3 years.
11. Company's overall organisational structure with names of directors and officers (with resumes) and names of staff and roles.
12. Company's specific organisation for energy underwriting and claims with names of staff, resumes and roles
13. Copy of current relevant Department of Petroleum Resources (DPR) permit
14. Company's Health Safety Security and Environment policy and programme, (evidence of HSSE competence training in the past 3 years)
15. Company's quality assurance and quality control standards and processes for the coverage to be provided.
16. Details of similar contracts executed within the last 3 years including names of clients with contact data so that references can be taken up, contract details dates and values
17. Federal Inland Revenue Tax Identification Number (TIN) and currently applicable Tax Clearance Certificate

Technical Bid Requirements

This is t technical prequalification and should not be interpreted as a commercial invitation to tender. All interested parties seeking technical prequalification must satisfy the following criteria

- Be a Limited Liability Company registered in Nigeria and licenced by the National Insurance Commission to transact general insurance business
- Have a net base of Naira 7bn and paid up share capital of Naira 5bn
- Have a proven track record in leading energy insurance business in Nigeria
- Have a dedicated energy underwriting and claims department with a minimum of 5 experienced and qualified staff
- Must have a proven track record of paying all valid claims fully within 12 months of notification.
- Be prepared to work with Afren, its advisers, and its nominated reinsurance broker in particular with regard with regard to transaction processes.

Nigerian Content

Afren is committed to the achievement of a high level of Nigerian Content in the execution of services. Bidders are enjoined to provide their Nigerian Content Plan for this service. the details required are shareholding structure as certified by the Corporate Affairs Commission, organisation structure with the names, roles and responsibilities of the management staff with indication of their nationality etc

Details of past training programmes for the staff and plans for future training of the staff.

Bid Submission

All interested and qualifying insurance companies wishing to apply for prequalification must do so in accordance with the above instructions, with documents and CD ROMS contain in a sealed envelope and submitted to

The Supply Chain Manager

Afren Resources Limited

Octagon Building

13 Marinho Drive, Victoria Island,

Lagos.

The submission should reach the recipient on or before 7th June, 2011 by 2:00 pm (Nigerian Time)

This notice for prequalification shall not imply any commitment or obligation on part of Afren Plc nor establish any legal or commercial relationship, no communication will be entered into with any unsuccessful applicant.