

Euler Hermes Energy

Transforming Risk to Reward

Tailored risk management solutions for the oil & gas industry

The energy sector remains volatile in North America, presenting energy company leaders with unprecedented opportunities and complex associated risks. As the world leader in credit insurance, Euler Hermes provides a suite of coverage solutions specifically designed to empower you to maximize opportunities as you mitigate risks.

Our tailored risk management solutions offer you:

-  **Safer sales growth.** When your receivables are insured, you can feel confident expanding sales on open credit to new and existing customers. If a default occurs, we pay when your customer doesn't.
-  **Credit approval support.** We work in conjunction with your credit and commercial teams to offer more options to increase credit lines without compromising your risk position.
-  **Reduction in bad debt reserves.** Our programs help you to free up working capital while offering a better spread of risk without jeopardizing profitability.
-  **Protection against concentration risk.** By securing your receivables we eliminate high volume risk to strengthen the balance sheet and protect shareholders.
-  **Greater return on investment.** Our program is significantly more cost-effective than many risk mitigation products including letters of credit, bank confirmations, credit default swaps, and other options. A tailored credit insurance solution from Euler Hermes offers natural return on investment in addition to peace of mind by protecting the only unsecured asset on your balance sheet.

Our Financial Strength

Euler Hermes is the largest credit insurance specialty carrier in the world, having an investment-grade rating (AA- S&P, A+ AM Best) that is accepted by corporations and banks across the globe. Covering over \$1Trillion in transactions annually, we offer large energy companies the unique advantage of being able to underwrite limits in-house, without syndication. Our market position is further backed by the financial stability of Allianz, one of the largest insurance companies in the world.

Partner with EH to increase business with counterparties that...

- You have turned away from open credit
- You have capped on credit based on your internal credit guidelines, leaving untapped revenue
- Are non-investment grade
- Are privately held
- Are foreign domiciled
- Represent large concentrations within accounts receivable
- Are trading companies with limited "hard" assets
- Are currently on L/C, bank confirmation, or other protection alternatives



EULER HERMES
Our knowledge serving your success

ENERGY SUPPLY CHAIN

UPSTREAM



1 EXPLORATION



2 PRODUCTION

Products from Euler Hermes:

- Trade Credit Insurance
- TCU (Political Risk) – Rigs, Drills
- Spread Risk Loss Endorsement

MIDSTREAM



3 PROCESSING



4 TRANSPORTATION

Products from Euler Hermes:

- Trade Credit Insurance
- Excess of Loss
- Transactional Cover Unit (Political Risk) – Pipeline
- Spread Risk Loss Endorsement

DOWNSTREAM



5 REFINING



6 DISTRIBUTION

Products from Euler Hermes:

- Trade Credit Insurance
- Excess of Loss
- Transactional Cover Unit (Political Risk) – Refineries

Euler Hermes' industry expertise allows us to provide a wide range of customized solutions for the energy sector.

Energy Credit Insurance

A company's standard credit insurance policy under which specific counterparties are underwritten and covered against receivables loss.

- Typically provides high coverage (up to 95 percent) and can be applied to single counterparties or a pool
- Normally used for mainstream applications

Transactional Cover Unit (TCU)

Safeguard your investments in emerging markets against unpredictable losses due to specified political risk perils.

- Balance sheet protection for investors against political risk
- Typically more favorable lending terms for investors and exporters
- Pressure relief from financial institutions' country lines
- Capital relief for financial institutions

Excess of Loss (XoL)

Protect against catastrophic losses while receiving long-term security tailored to your needs.

- High levels of discretionary credit limit authority
- Typically used when the customer wants to carry more risk over a larger, more complex environment
- Normally used for larger constructs and/or international applications

Spread Risk Loss (SRL) Endorsement

Cover your loss of current resale and forward contractual supply value in the event your counterparty defaults.

- Similar to "Mark to Market" concepts, SRL works in concert with a company's core energy credit insurance policy, bridging the gap between the contract and the market
- Ensures that when a buyer becomes insolvent, the energy provider is not only covered for the lost sale, but is also covered at the original contract value – regardless of market price
- Protects in the event you are required to dispose of or purchase commodity when a contract is abrogated
- Augments complex risk mitigation strategies, providing a simple solution to a common problem

For more information on how you can use credit insurance to grow your business, visit us on the web at www.eulerhermes.us/energy or email eulerhermes.usa@eulerhermes.com.