



Corporate Governance Guidelines

The Board of Directors has adopted these guidelines to provide effective governance of the business and affairs of Union Drilling, Inc. (the Company) for the long-term benefit of the Company's stockholders. These Guidelines are reviewed periodically and revised as appropriate to ensure the effective functioning of the Board of Directors and high quality corporate governance.

I. Roles and Responsibilities of the Board of Directors

The Board of Directors, which is elected by the shareholders, is the ultimate decision-making body of the Company except with respect to those matters reserved to the shareholders. It approves the selection of the senior management team, which is charged with the conduct of the Company's business, and oversees the performance of senior management in conducting the Company's business.

The duties of the Board of Directors are largely defined by Delaware Corporate Law, federal securities laws and regulations (notably those of the Securities and Exchange Commission) and the NASDAQ listing standards. The Board of Directors' core responsibilities include:

- electing the officers of the company, including the President and CEO
- advising and counseling management regarding significant issues facing the Company;
- assessing the performance of the President and CEO and senior management and setting compensation accordingly;
- succession planning and management development;
- overseeing the Company's integrity and ethics, and compliance with laws;
- evaluating and approving the Company's strategic direction and major initiatives, including acquisitions, and monitoring their implementation and results;
- monitoring the Company's operating results and financial condition and overseeing the Company's financial reporting;
- understanding and assessing risks to the Company and monitoring the management of those risks; and
- nominating directors and shaping effective corporate governance.

In discharging the duties of a Director, including duties as a Committee member, Delaware law requires that a Director shall act: (1) in good faith; (2) with care an ordinary prudent person in a like position would exercise under similar circumstances; and (3) in a manner he or she believes to be in the best interests of the Company.

II. Board Size, Composition, Classification and Tenure

The Board of Directors currently consists of eight members. The Board shall periodically review its size and determine whether any changes are appropriate. The Board may adjust its size in order to accommodate the availability of an outstanding candidate or as otherwise may be needed to fulfill the Company's objectives.

The Board of Directors will have a majority of members who are independent and who meet the applicable independence requirements of the NASDAQ, the Securities Exchange Act of 1934 and any other applicable law. The Board will affirmatively determine, and the Company will disclose as required, as to each Board member whether he or she is independent. The Board will make each such independence determination following the receipt of the recommendation and findings of the Corporate Governance and Nominating Committee.

The Board shall be divided into three classes of directors and each class will be elected every third year. The classes shall be, as nearly as possible, of equal size.

III. Qualifications of Board Members

Qualifications of Members of the Board, in addition to the legal requirements noted above, have been determined by the Corporate Governance and Nominating Committee, as specified in its Charter which has been approved by the full Board. The Charter indicates that the Committee shall consider factors such as independence, diversity, age, integrity, skills, expertise, breadth of experience, knowledge about the Company's business or industry and willingness to devote adequate time and

effort to Board responsibilities in the context of the existing composition and needs of the Board and its committees.

IV. Board Process

A. Meetings

Four regular meetings of the Board will be held each year, with additional meetings held as warranted. Under the current meeting schedule, the Board meets quarterly, with the specific place, time, and length of meetings determined by the Chairman in consultation with the President and CEO.

B. Selection of Agenda Items for Board of Directors Meetings The Chairman coordinates with the President and CEO to establish the agenda for each Board of Directors meeting. Each member of the Board of Directors is free to suggest the inclusion of items on the agenda, and to raise at any Board of Directors meeting subjects that are not on the agenda for that meeting.

C. Executive Sessions

At each in-person Board meeting, and more frequently at the request of any member of the Board, the Board will meet in Executive session, without the presence of any non-independent directors and member of management.

D. Board Materials

For regularly scheduled meetings, materials pertinent to the meeting agenda and the operations of the Company should be circulated to the directors a reasonable time in advance of the meeting. Directors are expected to attend meetings of the Board and to review the materials circulated to them in advance of the meeting.

E. Board Access to Independent Advisors

The Board of Directors and each Board committee have the authority, to the extent they deem necessary or appropriate to carry out their respective duties, to retain independent legal, financial or other advisors and to approve each such advisor's fees and other retention terms.

V. Committees of the Board

A. Standing Committees

The Board will have the following standing committees: Audit, Corporate Governance and Nominating, and Compensation. The Board may appoint other standing committees if it chooses, as well as appoint ad hoc committees. The charters of all committees will be approved by the Board.

B. Committee Membership and Chair Recommendations

Membership and chairs of committees will be recommended to the Board by the Corporate Governance and Nominating Committee. That Committee will seek input from Board members prior to making its recommendations.

C. Independence and Qualification.

Each member of the Audit Committee, Compensation Committee, and Corporate Governance and Nominating Committee will meet the applicable independence and qualification requirements of the NASDAQ, the Securities Exchange Act of 1934, and any other applicable law.

VI. Compensation of Directors

The Board of Directors, upon the recommendation of the Corporate Governance and Nominating Committee, will establish the form and amount of compensation paid to non-management Board members. Board members who are also employees of the Company receive no additional compensation for serving on the Board of Directors. The Compensation Committee will conduct an annual review of Board compensation, which will include information obtained from one or more third-party reports or surveys, in order to compare the Company's Board compensation practices with those of other public companies of comparable size. The Compensation Committee will provide this information, and such other input as requested, directly to the Corporate Governance and Nominating Committee in order for that committee to formulate any recommended changes.

VII. Board Annual Self-Evaluation

The Board of Directors and its committees, under the oversight of the Corporate Governance and Nominating Committee, annually conduct self-evaluations to assess their effectiveness. The Corporate Governance and Nominating Committee discusses the committee assessments and reports on the assessments to the Board of Directors. The Chair of the Corporate Governance and Nominating Committee leads the full Board in its self-evaluation.