

Examiners' Report November 2016 Offshore Support Industry

General Comments

The November 2015 Offshore Support Industry exam highlighted the need for students to work on their core knowledge and the November 2016 exam results show general improvement. Students need to be aware if it is difficult to read what they write, examiners can only mark what they can read. As always, the issue of reading the question properly and then structuring a cohesive and comprehensive answer are key towards securing a good mark and too often students let themselves down by not following this basic exam technique. Other improvements could include using less slang (e.g. 'players', 'job' and 'stuff'), and avoiding too much 'waffle' in an answer. And finally, the reminder that reading the text book alone is not enough as additional background reading and a solid sector understanding is always going to be required in order to achieve a high score.

Question 1

Draw the plan view of a modern AHTS identifying all of the main equipment/features on the working deck and briefly explain the purpose of each.

This question needed students to show their vessel knowledge. Looking at an owners vessel brochure (available on-line) can provide students with much of the knowledge to comprehensively tackle this question ensuring the shipdrawing is clear and comprehensive is vital.

Question 2

Answer BOTH parts of the question.

- 1. Discuss the nature and purposes of cabotage regimes.**
- 2. Give two examples of countries with specific cabotage requirements.**

What cabotage is and how it is applied was well understood in general. Students needed to clearly set out what the benefits and drawbacks of cabotage could be to a country. Examples given were, in general, well-chosen although the range selected was limited overall.

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Question 3

Identify FOUR state owned oil companies and FOUR oil majors. Using the world map provided show the countries of operation for each of them and explain some of the differences between a state oil company and an oil major.

Identifying the required eight companies was well answered by most students whilst the explanation of the differences between an Oil Major and a State Oil Company proved significantly harder. Answers must show an understanding of what drives an oil major, who owns such companies and how they differ with a state oil company. Generally, students must show they have a broader view of the world offshore industry.

Question 4

Discuss the impact of oil prices on the current and future OSV market.

This question asked students to consider the future of the OSV industry. Overall, answers with independent thought coupled to a well-considered and presented discussion were needed. Given that the oil price governs the majority of the OSV industry then this ability is central to a true understanding of cause, effect and prediction.

Question 5

Explain the clauses that would be included in a Mutual Hold Harmless Agreement between an OSV owner and a charterer's third party contractor.

An answer closely resembling the clause shown below would have earned high marks.

- a) This Mutual Hold Harmless Agreement, dated, is made between (Owner) and (Contractor). Whereas Owner has a contract with(Oil Co.) and Contractor has a similar contract with Oil Co. but Owner and Contractor are third parties to each other under their respective contracts with Oil Co. Both the parties have been contracted by Oil Co. for differing worksopes but involving both parties on the same project and location. Consequently, Owner and Contractor wish to vary their rights at law and their legal liability as between and against each other as stated and agreed below.
- b) The Owner agrees to defend, indemnify and hold harmless the Contractor from and all claims, demands, and costs of whatsoever nature arising from the loss of, or damage to, the Owners property, irrespective of the cause, including gross negligence.

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- c) The Contractor agrees to defend, indemnify and hold harmless the Owner from and all claims, demands, and costs of whatsoever nature arising from the loss of, or damage to, the Contractors property, irrespective of the cause, including gross negligence.
- d) The Owner agrees to defend, indemnify and hold harmless the Contractor from and all claims, demands, and costs of whatsoever nature arising from the death of, or injury to, the Owners personnel, irrespective of the cause, including gross negligence.
- e) The Contractor agrees to defend, indemnify and hold harmless the Owner from and all claims, demands, and costs of whatsoever nature arising from the death of, or injury to, the Contractors personnel, irrespective of the cause, including gross negligence.
- f) The Owner and the Contractor agree they shall have no liability to each other of whatsoever nature, and shall hold each other harmless from any claim, for any direct or indirect consequential losses that may arise in the respective performances of their contracts with Oil Co. or arising from any of the indemnities given in this Mutual Hold Harmless Agreement.
- g) This Mutual Hold Harmless shall be construed under English law and the parties agree to any dispute being settled by Arbitration in London.

Question 6

Write a report for a prospective vessel owner, new to the OSV market, on whether to invest in a second hand PSV or AHTS.

Good answers showed knowledge, an understanding of the market situation and included data/statistics/rates/utilisations to support their report's conclusions and recommendations.

Question 7

Identify the various underdeck cargoes carried on a modern PSV and explain the purpose of each.

Identification of cargoes was a core part of the question as well as knowing what purposes the various cargoes were used for. Some students answered the question by listing and explaining deck cargoes, time which might have been better spent on other questions.

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Question 8

Explain the primary differences between DP Classes 1, 2 and 3 and give examples of some of the types of vessels/operations carried out within each DP Class.

Every Offshore Support Industry exam paper carries a question about Dynamic Positioning (DP) which is a reflection of its importance within the OSV industry. To grow knowledge within the subject more background reading and research is recommended.

The primary differences revolve around redundancies and safeties against loss of position. Students that could explain that class 1 has no redundancy, class 2 and 3 do and that class 3 also has to withstand fire and flooding in any one compartment. Would have done well.