



EXAMINER'S REPORT

MAY 2018

OFFSHORE SUPPORT INDUSTRY

Q1. Explain five operational problems an OSV manager could have to deal with.

Looking for students to demonstrate understanding of a breadth of operational problems. This question was answered quite well with a range of problems including crewing, equipment failure, weather, regulatory changes, maintenance, contractual issues, vessel breakdown, scheduled/unscheduled drydock, fire, audits/Inspections, and political unrest.

Marks were gained for properly describing the problem, with descriptions of how they are effectively resolved – some students provided very little detail.

Marks were limited when the student used a number of similar examples which could have been included under one general category i.e., various different equipment failures.

Q2. Explain FIVE of the following terms/acronyms.

- i. ISPS Code
- ii. MARPOL
- iii. Clean Design
- iv. Shark Jaws
- v. CMID
- vi. Satellite Well
- vii. Daughter Craft
- viii. Seismic Survey

- i. ISPS Code - International Ship and Port Facility Security Code.
- ii. MARPOL - International Convention for the Prevention of Pollution from Ships.
- iii. Clean Design – An Environmental Class Notation.
- iv. Shark Jaws – Chain/wire securing mechanism.

- v. CMID – Common Marine Inspection Document.
- vi. Satellite Well – A well some distance from the main installation of a field.
- vii. Daughter Craft - A large FRC/RIB with a protected wheelhouse, capable of operating at distance from a mother vessel for extended periods.
- viii. Seismic Survey – Underwater acoustic survey.

Q3. Using diagrams to support your answer, describe a modern Offshore Construction Vessel suitable for undertaking a SURF workscope explaining the range of operations this vessel could undertake.

Identify the key vessel features and equipment, briefly explaining their purpose including capacity/specification where relevant.

Reasonably well answered by those students attempting it, although only a few answers provided more than very general worksopes for this type of vessel.

Features/equipment could include: Helideck, A-frame, subsea cranes, deck cranes/tugger winches, recovery/abandonment winch, ROV stations, moonpools, substantial accommodation and a strengthened and extensive clear deck.

The range of operations could include: IRM, cable laying, ROV support, survey, subsea pipeline, umbilical, trenching (cutting & jetting), saturation diving, subsea module installation & maintenance, topside/deck module installation & maintenance, riser installation, mooring installation, transportation of equipment.

Additional marks were awarded for detail on more specialised/optional fitted equipment such as a Vertical Lay System (VLS) and carousel or reel facility for pipe/cable storage.

Q4. In an active spot market 'ad hoc' charter forms are frequently used. Explain their use and why they may have advantages.

The student is expected to understand the concept of developing an 'ad hoc' charter form and tailoring clauses to suit specific requirements, particularly in an active spot market.

Students who demonstrated understanding of standard clauses that are less appropriate in short spot fixtures and how they can be excluded/amended when producing an 'ad hoc' form gained higher marks as did those who explained the use of Fixture Notes and/or Booking Letters in conjunction with ad hoc CPs.

Most students had a reasonable understanding of the spot market but few had any real understanding of ad-hoc charter forms and were unable to describe their use.

There were however a few students who answered extremely well, but generally there was insufficient detail provided.

Q5. Using the world map provided show at least TEN main areas of offshore oil and gas activity.

Discuss the factors which influence vessel types in these areas detailing the type of environment that can be expected for all areas you have shown on the map.

This was a popular question with most students managing to identify the key areas of activity and providing a general description of the environmental conditions likely to be encountered. The discussion relating to the factors influencing vessel types was less well answered, but students describing deep/shallow water, types of installation attended, distance from shore base etc. scored well.

Q6. Describe the BIMCO Dispute Resolution Clause contained in the BIMCO Supply time 2005 Charter Party, making comparisons with a litigation process.

Descriptions were required to include explanations of litigation, arbitration and mediation and most students achieved this with some doing exceptionally well.

Q7. As an offshore broker you have a potential client who is new to the offshore market and is looking to invest. Prepare a market report on the current state of the offshore market and how you envisage it moving over the mid to long term. Your report should include the demand for services and the supply of vessels.

Students were expected to demonstrate awareness of the current market situation including vessel availability and service demand.

Report should include supply and demand forecasts with reasoned arguments substantiating these predictions.

Additional marks were gained for describing distinctions across exploration, production and construction markets as well as across PSV, AHTS and OCV sectors.

Discussion should include market forces regionally and globally – oil price/ economic growth. The report should include recommendations which logically flow from market assessments.

Q8. Describe Hull and Machinery Insurance and cover by a P&I Club explaining their different roles and how they interact.

Students were expected to explain that H&M cover is basically insurance for the shipowner's primary

asset – the ship and its associated machinery and that the cover protects the vessel/fleet against physical damage caused by ‘perils of the sea’ or other expressly stated perils while the vessel is engaged in seaborne trade.

Defining P&I as Protection and Indemnity was important and explaining that P&I is primarily intended to cover a shipowner or operator’s liability to others and in general would exclude damage to the insured’s own property.

Explaining that P&I covers loss/injury/death to shipowners crew and covers liability for loss/injury/death to third parties was also important.

Additional marks were gained by highlighting those risks not generally covered by H&M but covered by P&I i.e. liability for damage to fixed or floating objects (FFO) other than another vessel ie. installations such as piers, shore based equipment, offshore installations, navigation buoys etc.

A few students also gained marks by describing the principle of ‘Knock for knock’ and Mutual Hold Harmless agreements applied to the offshore industry and how the shipowner’s insurer may be prevented from pursuing a damage/loss claim against charterers.