



# EXAMINER'S REPORT NOVEMBER 2019

## TANKER CHARTERING

### General Comments

Papers should be well planned with crossed out work, contain detailed content and answer the question. Maps must be well drawn with ports correctly located, annotation of countries, main canals, seas and oceans. Ship drawings have improved however some were too small containing the wrong information. Those students who attempted six answers wasted valuable time as only the first five answers are marked. This practice will result in less time awarded to each answer with a stronger risk of failure.

#### **Q1. Answer ALL parts of the question.**

- a) Draw a profile and cross section of a modern Panamax tanker, showing the main details and dimensions.
- b) Describe TWO trade routes that this vessel is usually fixed. Use the world map provided to support your answer.
- c) What weather conditions could be anticipated for a vessel loading in June?

This was a popular three-part question reasonably well answered however some answers offered poor diagrams, with dimensions in the text rather than on the diagram as asked for. Some students failed to read the question and produced an additional plan drawing which was not requested, did not attract additional marks and wasted valuable time. The majority of maps had insufficient annotation lacking description of oceans, seas, straits, headlands, ports, equator and the Greenwich meridian.

#### **Q2. Provide a crude oil and dirty tanker market report for a tanker owner that includes current market and future trends over the next 6 months.**

Better answers had taken care to structure the answer and include an assessment of trend. Poorer answers failed to mention the link between demolition, S&P and the freight markets where it is evident that high freight levels induced owners to rush tonnage into service. Very few answers used a 'Report' format or gave figures to support their arguments.

#### **Q3. Draft a firm offer for a Contract of Affreightment (COA) including all the main terms with an explanation of the meaning of each. Explain why a COA is used by owners.**

This three part question was reasonably well answered however many answers did not include the Owners, Charterers and Brokers full style or that the offer was for a COA. Some answers provided a COA but failed to adequately explain the key terms. The explanation as to why an Owner would do a COA was well answered on the whole however the bunker escalation was overlooked by many.

**Q4. Answer ALL parts of the question. An owner is considering engaging a VLCC in a port operation involving the lightering of cargo.**

- a) Draft a notice clause for a tanker engaged in a ship to ship (STS) lightering operation in a voyage charter employment.
- b) What periods may be excluded from laytime in a fixture involving lightering of cargo from a VLCC?
- c) When does laytime end for the above proposed fixture?

This three-part question was not answered well. Some students failed to draw up a notice clause or identify when laytime begins. Explanations of excluded periods were frequently confused failing to mention time waiting for documents, quarantine, pumping ballast, detention by port authorities. Part c) of the question attracted some well informed answers however others failed to identify time ending when last line/ fender is off and lighter vessel has sailed.

**Q5. A time charterer has defaulted with the second hire payment for a fixture involving a sub-charterer employment. Recommend the actions the owner should take, given a good market for this vessel type.**

This question produced some poor answers which deliberated on the credentials of the charterer overlooking consultation with Owner's P&I and the situation with respect to sub-charterer, if freight pre-paid B'ls had been issued and importantly if cargo was still on board. One answer confused 'freight' with 'hire'. Some answers failed to review the open position of the vessel and the effects of a rising market.

**Q6. Draft a full recap for an LR2 tanker loading crude oil from Bonny to Rotterdam explaining the main terms. Explain the agreed Worldscale laytime that will be used in this fixture at load and discharge ports and how WS 100 is calculated.**

Answers should explain the main terms. Very few identified the LR2 as a clean trading vessel, many overlooked the second part of the question – 'how is WS100 calculated'. The final part of the question was poorly answered with only a few providing an explanation of how WS100 is calculated.

**Q7. Prepare a voyage estimate (using your own data) for a typical chemical tanker with a cargo of vegetable oil using ports of your choice. Show calculations to support your answer. Include the details of proposed routes and gross voyage surplus.**

Answers should use sufficient layout displaying voyage legs, bunkers consumed on each leg and allowance, where applicable, for use of low sulphur fuel in the SECA zones. Some answers did include a ballast leg however while many answers displayed earnings achieved, they failed to correctly establish a gross voyage surplus.

**Q8. Answer BOTH parts of the question.**

- a) Explain the role that the Hague Visby rules play in a voyage charter party for the use of a bill of lading.
- b) Describe the clauses that are incorporated in a fixture that makes provisions for bills of lading and explain their purposes.

In order to gain 50% of the marks a student needed to describe, in this two-part question, the role that the Hague Visby rules play in a voyage charter party for the use of a bill of lading. Secondly describe the clauses that are incorporated in a fixture that makes provisions for bills of lading and explain their purposes.

