

Tanker Chartering
Examiners' Report
November 2025

General Comments

Another exam session with a disappointing pass rate in this subject of just 38.75%. The quality of map submissions generally continue to be lacking the basic annotations of countries, oceans, seas and Panama/Suez canals. Vessel drawings often remain far too small whereas students are encouraged to utilise an entire page for each diagram asked for in the question and additionally candidates forgetting to annotate dimensions on the drawings loses valuable marks. Common issues that are repetitive remain candidates failing to answer all parts of a question losing marks and/or answering a question with information that has not been requested. This session the examiners noted that there were numerous instances of candidates copying the question out in full but then failing to add much more in explanation or reasoning ultimately leaving the question unanswered.

A brief review of the paper follows:

Q1. Answer ALL parts of the question.

A Suezmax Tanker has been fixed on subjects for a three year Time Charter employment.

- a) Describe **three** items that Owners will undertake to provide and pay for and **three** items that Charterers will undertake to provide and pay for under the above time charter employment.
- b) Describe the circumstances when Charterers' items are paid for by the Owners under the above time charter employment.
- c) Explain the different types of subjects that may apply to the above employment.

This question attracted interest from most students. Good answers required clear identification of three Owners items that are laid out in Shelltime4 Clause 6 relating to the costs of the vessel's crew, insurance, stores provisions, maintenance repairs and dry-docking expenses. A further Owners item that is agreed to be paid for could be the bunkers on redelivery under Clause 15. Three items that Charterers agree to provide and pay for are stated in Shelltime4 Clause 7 – fuels, towage and pilotage, agency canal and port fees, commissions and the expenses of loading and discharging cargoes. Additional Charterers' items could extend to the hire, bunkers on delivery, War Risk Additional Premiums and crew war bonuses.

Most students could identify items that Owners and Charterers pay for respectively, but lacked much in terms of further explanation or description. For part b, many candidates suggested that Owners paid for the Charterers items they had identified in part a, as a means of assisting the Charterers which is incorrect and did not attract any marks. Better answers correctly

identified the time when a vessel is off hire under Clause 21, 22 or 24 when any Charterers' items are consumed, namely fuels, these become payable by the Owner.

Part c would expect to see straight forward subjects of both Charterers and Owners' Board Approvals, although several students suggested differing subjects related to charter party clauses which failed to score marks.

Q2. Answer BOTH parts of the question.

An LR2 has been fixed to load a full cargo of CPP from Arabian Gulf to Far East.

- a) Provide a fixture recap for this employment using appropriate details of your choice and including and in-transit loss clause.
- b) Explain the reasons why an in-transit loss clause would be needed from both the Charterers and the Owners perspective.

Again another popular question attempted by most candidates requiring essential terms in the recap of the c/p date, name of Charterers Owners and brokers, vessel's name and outline details (Q88) of a vessel between 90-115kdwt with last 3 cargoes. Cargo quantity a relevant min size of 75kt with chopt to full cargo and a clean cargo description including number of grades WVNS, loadport range, laycan, discharge port range, freight rate in WS, demurrage, commissions, place of GA/Arb, English Law, a relevant voyage c/p form and additional terms. The question asks for the recap to include an in-transit loss clause, many students failed to add the wording of the clause limiting their marks.

Furthermore, answers to part b suggest most students are unaware of what an in-transit loss clause is or what it is for with a lot of confusion with a cargo retention clause.

Q3. Answer ALL parts of the question

A market enquiry is circulated for 80,000 cubic metres LPG from US Gulf to Far China/Japan 25-30 November.

- a) Draw a profile and cross section of a suitable tanker for this employment.
- b) Mark the main details and principal dimensions ON the diagrams.
- c) Using the world map provided, draw the planned route for the above employment marking one port of loading and one port of discharge together with any SECA zones through which the tanker may pass.
- d) Using the world map provided describe the route that has been chosen for the above employment and the likely weather conditions that may be encountered in November.

This question required well prepared drawings of a Prismatic design modern refrigerated VLGC although a number of candidates drew small LPG carriers. Some basic annotation was attempted although many being incorrect on the vessel's dimensions with better answers noting a DWT about 55-60,000mt on 12-12.5m draft; LOA about 225-226m; Beam about 35-

36m; capacity 80-84,000cbm and cargo carriage to minus 42C. Vessel drawings continue to generally remain small and lack basic geographic annotations and difficulty pin pointing names of countries and ports of loading and discharging losing marks. A number of candidates planned a route loading from MEG rather than the USG as stated in the question. Few thought about bunkering and route descriptions with weather patterns tending to suggest hurricanes and typhoons, a season that should have passed by the time of the voyage loading at the end of November.

Q4. You are working for a Ship Owner who is considering purchasing modern second hand Aframaxes as freight and time charter levels have remained high for the past few years.

Write a market report outlining why the Aframax market is at its high level and describe the future opportunities and risks relevant to this potential investment.

This question required a comprehensive discussion on why freight and time charter levels are high and in general was very poorly answered. Many students outlined a basic generalised economic supply and demand argument without being sector specific, this being difficult for the examiners to award marks on.

Some of those who attempted the question mainly mentioned Russian/Ukraine and Red Sea/Houthis as reasons for the high levels, but did not substantiate why. Answers attracting good marks identified increased ton/miles with voyages via the Cape of Good Hope to India and China versus the traditional short haul trade of Baltic/North West Europe, although the effect of Sanctions on about 20% of the global fleet tightening supply was barely touched on.

Most answers failed to address the question of opportunities or risks which could be the possibility of a resolution of the Ukraine/Russia situation or the Red Sea reopening that could rapidly reduce ton/miles, or in the alternative could potentially continue to be an opportunity if trading patterns and/or some sanctions remained. The net fleet growth with the fleet size that is sanctioned combined with a healthy orderbook was also not really addressed in most answers. However, several students did touch on the subject of trade wars from the current USA administration but failed to translate that in to the effect on global GDP and the risk of a downturn in trade.

Q5. Answer BOTH parts of the question.

An MR tanker is due to be redelivered back to her Owners after a one-year time charter.

- a) Describe TWO clauses from a time charter party of your choice that may lead to a dispute between Owners and Charterers after redelivery has taken place.
- b) Explain TWO different methods of dispute resolution including their advantages and disadvantages available to the parties.

For this question examiners would expect to see answers relating to disputes arising from the relevant clauses in Shelltime4 that cover reasons such as earlier redelivery than the minimum employment period; short payment of hire or non-agreed deductions from hire, disputes over periods of off-hires; time and costs of dry-docking; bunker costs on redelivery and/or speed and consumption/performance claims.

For part a, many students did identify disputes arising from redelivery bunkers but on the whole did not expand or describe how or why this could arise. Overall, the question was poorly answered with some answers showing confusion with dry cargo terms such as disputes over the condition of the holds on redelivery – something that does not apply to Tankers. Other incorrect answers suggested that the Hague/Visby rules have a part to play in off-hire disputes whilst others pointed at operational and navigable events causing disputes. Whilst the operational aspects of the actual execution of a time charter during the employment period may well lead to a dispute, the question asked for after redelivery had taken place.

part b with many seeming to suggest settling outstanding bunker costs and hire on redelivery was dispute resolution. Even one candidate who had a good discussion on arbitration, then failed to produce a reasonable second method of dispute resolution. Tanel 'offhire and redelivery is as per H-V Rules'. And of course hitting an iceberg would cause dispute between Owners and Chrrs.

Q6. Answer ALL parts of the question.

An Owner is considering offering their MR tanker for a cargo of 37,000mt CPP UKC/Transatlantic.

- a) Prepare a voyage estimate for this employment using data of your choice, showing all calculations.
- b) Explain, giving THREE reasons, why an Owner runs voyage estimates.

Suggest what options are available for the vessel's next employment.

1. Most candidates didn't tie their calculations to Tc2 routes, with many going to USG. Some reasonably well set out but others were tricky to follow. Part b lacked description and options for the next employment tended to be one sentence.

Subhangshu: Most students did not grasp the start point for the voy estimation which is customarily the last disch port before . Only 2-3 students stated and calculated accordingly . Others simply took the round voy for costing The TCE number also was way out as many did not understand the formula . Only one add ed the EU ETS

Q7. Answer BOTH parts of the question

- a) Explain all the necessary conditions that must be met before a valid Notice of Readiness can be tendered.
 - b) Describe FIVE possible events, with reasons, that may cause Charterers to dispute the validity of the NOR.
2. Short answers with a lack of description for both parts limited many from getting higher marks, although 11 out of the 15 who attempted this question achieved over half marks.

Q8. Answer BOTH parts of the question.

- a) Describe and explain the main elements used by Worldscale to establish the flat rate at 100 percent.
 - b) Define how fixed differentials and variable differentials are applied when Worldscale terms and conditions are included as a term in a fixture.
3. Many were able to identify the main elements (albeit with some mistakes as to the actual details) but very few knew what fixed and variable rate differentials are (and even those who did only gave short answers).

Tanel: different flat rate calculation was suggested for CPP/DPP and that somehow, 50k dwt ship takes onboard 75k cargo and tankers are loaded 98-100% depending on cpp/dpp ratio.