



STANDARD BULLETIN

SETTING THE STANDARD FOR SERVICE AND SECURITY

October 2010

OFFSHORE SPECIAL EDITION



Barbara Jennings: Director Offshore, Standard Club
Telephone: +44 20 3320 8830
E-mail: barbara.jennings@ctcplc.com

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Welcome to the fifth Offshore edition of the *Standard Bulletin*. This is a special year for Standard Offshore, as it has been 10 years since the club first set up a dedicated team to handle our offshore business. 2000 was also the year we held the first Offshore Forum, a half-day seminar for 19 people held in the boardroom at the Standard Club’s office at International House. This year we will welcome over 70 guests to the 10th Offshore Forum in the considerably grander surroundings of Trinity House. They will include many representatives of a much expanded book of Standard Offshore business which, like the Forum, has grown considerably in the intervening decade, from around 4m gt to 12m gt today.

Both the club and the offshore oil and energy business have seen a great deal of change in those 10 years. The club has grown in tonnage terms and is now the largest it has ever been, with 110m gt entered of which the offshore book makes up 11%. Since 2006, the offshore business has been handled by a specialist Offshore Syndicate, and as of last year, floating production storage and offloading vessels (FPSOs) and drilling units entered with the club are insured under their own standalone Standard Offshore Rules, designed specifically for our members who operate in the offshore oil and gas exploration and production industry. Since 2008 we have also issued over 100 of our ‘limited’ Bunkers Blue Cards to enable our members who own and operate FPSOs, drilling rigs and floating storage vessels (FSUs) to comply with the requirements of the Bunkers Convention.

For our clients and others involved in the offshore business it has been an eventful decade. We saw the price of oil increase from around \$30 per barrel in 2000 to its 2008 peak of an incredible \$145 a barrel, and drop back down to \$78 a barrel at the time of writing. Partly thanks to the rise in oil prices which have made field developments in the most challenging areas possible, oil companies have succeeded in accessing fields in deepwater and other previously inaccessible areas via the development and utilisation of cutting edge technologies. Sadly, the decade has also seen its share of accidents, from the sinking of the P36 through the devastation wrought in the Gulf of Mexico by Hurricane Katrina to the blowouts suffered by the Montara and Macondo wells.

The insurance markets have had to respond to these and other large losses, as well as to deal with the damage done to their reserves by the financial hurricanes of 2008. Despite this the Standard Club entered the 2010 year in excellent shape, with free reserves of \$243m at their highest level ever and with its Standard & Poor’s A rating intact. Over the last decade we have worked hard to refine and improve the product we offer our members, and we believe that it is second to none in the market in terms of financial security and breadth of expertise. Without a crystal ball we cannot predict what the coming decade will bring to the club and our offshore members, but we can say with certainty that there will be both challenges and opportunities and that the Standard Club will continue to work with its membership to enable them to meet both with confidence.

