

# Offshore Contracts

Lecture by Trond Solvang

- 1. General: variety of contractual structures depending on**
  - 1.1 Scope/nature of work
  - 1.2 Need for flexibility concerning duration and payment rates
  - 1.3 Degree of integration with overriding contractual schemes (knock-for-knock liability, insurance system etc)

## **2. Supplytime**

- 2.1 Adopting the basic scheme of a regular time charter
- 2.2 Adaptation to nature of work
  - 2.2.1 Contract period (Supplytime clause 1)
  - 2.2.2 Mobilisation/demobilisation fees (clause 2)
  - 2.2.3 Structural alterations (clause 4)
  - 2.2.4 Scope of work (clause 6)
  - 2.2.5 Possibly laying-up (clause 6(d))
  - 2.2.6 No negotiable cargo documents (clause 7(a))
  - 2.2.7 Adjusted hire rates (clause 12)
  - 2.2.8 Knock-for-knock liability and insurance (clauses 13(b), 14 and 17)
  - 2.2.9 Salvage and saving of life (clause 18)

## **2. Supplytime**

- 2.3 Particular points concerning salvage
- 2.4 Particular points concerning knock-for-knock
  - 2.4.1 Knock-for-knock and need for indemnification
  - 2.4.2 Knock-for-knock and the need for “Himalaya clause”
  - 2.4.3 Knock-for-knock and insurance
  - 2.4.4 Liabilities outside the knock-for-knock regime (clauses 14(b) and 13(b))
  - 2.4.5 Will knock-for-knock “survive” gross negligence/wilful misconduct?

### **3. Drilling Contract**

3.1 Flexibility concerning contract period and rate of remuneration (clauses 3, 5 and 30)

3.2 Knock-for-knock liability (clauses 14-16 and 19)

3.2.1 Exception for sole and gross negligence – is this is knock-for-knock?

3.2.2 Contractor's breach and consequences to well and deposits (clauses 17 and 18)