Interorient





6th February 2008

Ship Vetting – Monitoring and Follow Up

- Interorient uses a system to ensure that all of the vessels it operates are run to the highest standards.
- The CARE system is the in-house developed software used for recording, follow-up and control of non-conformities detected in the Safety Management System, deficiencies being reported by any party or person shipboard / shore based, and for implementing timely corrective and/or preventive action.
- CARE is an acronym for Corrective Action REporting.
- The observations raised during Oil Major vetting inspections are included as part of Interorients CARE system.
- Once a ship has undergone a vetting inspection, the observations we receive from the inspector are uploaded into our CARE system and acted on accordingly.

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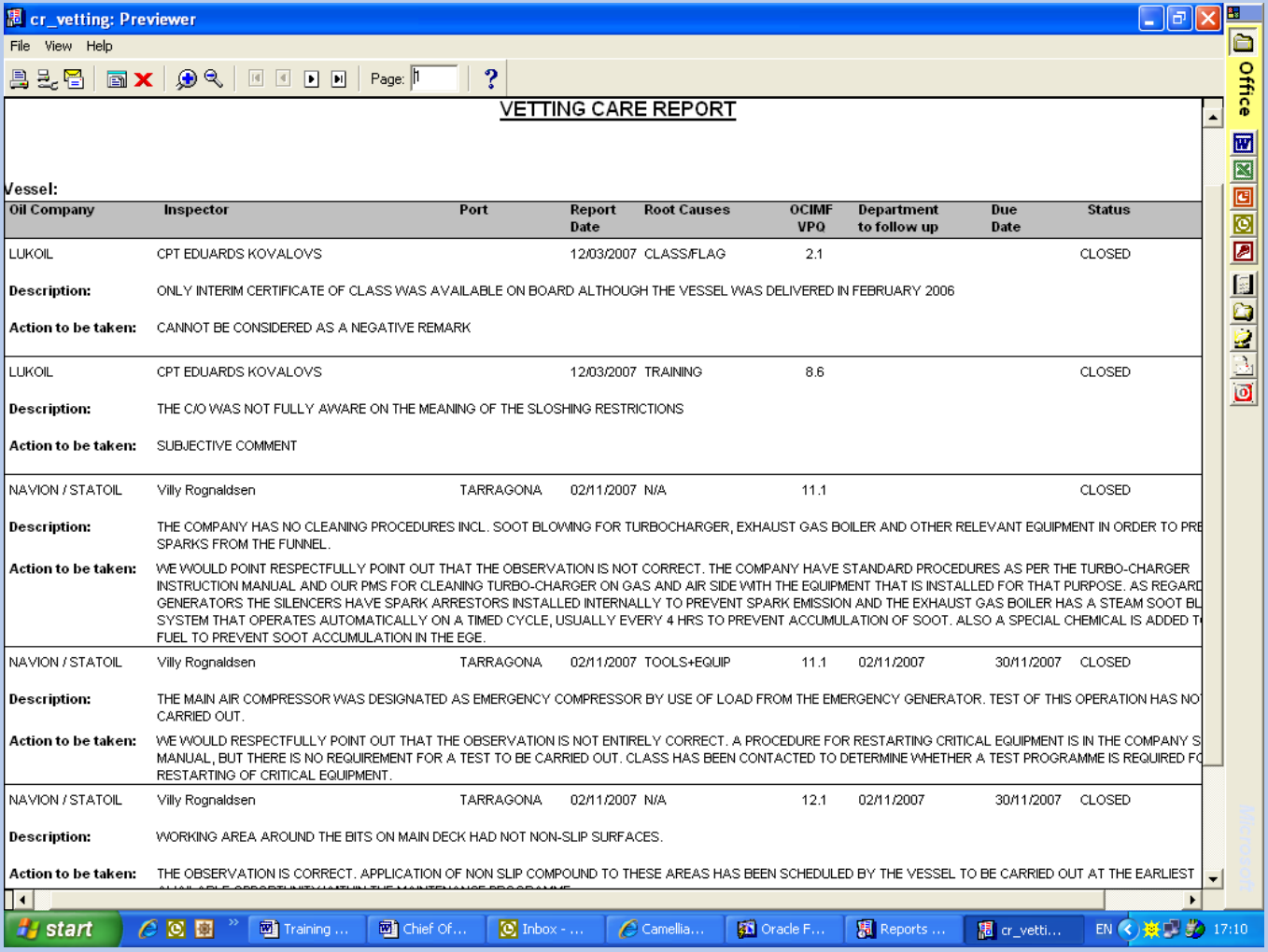

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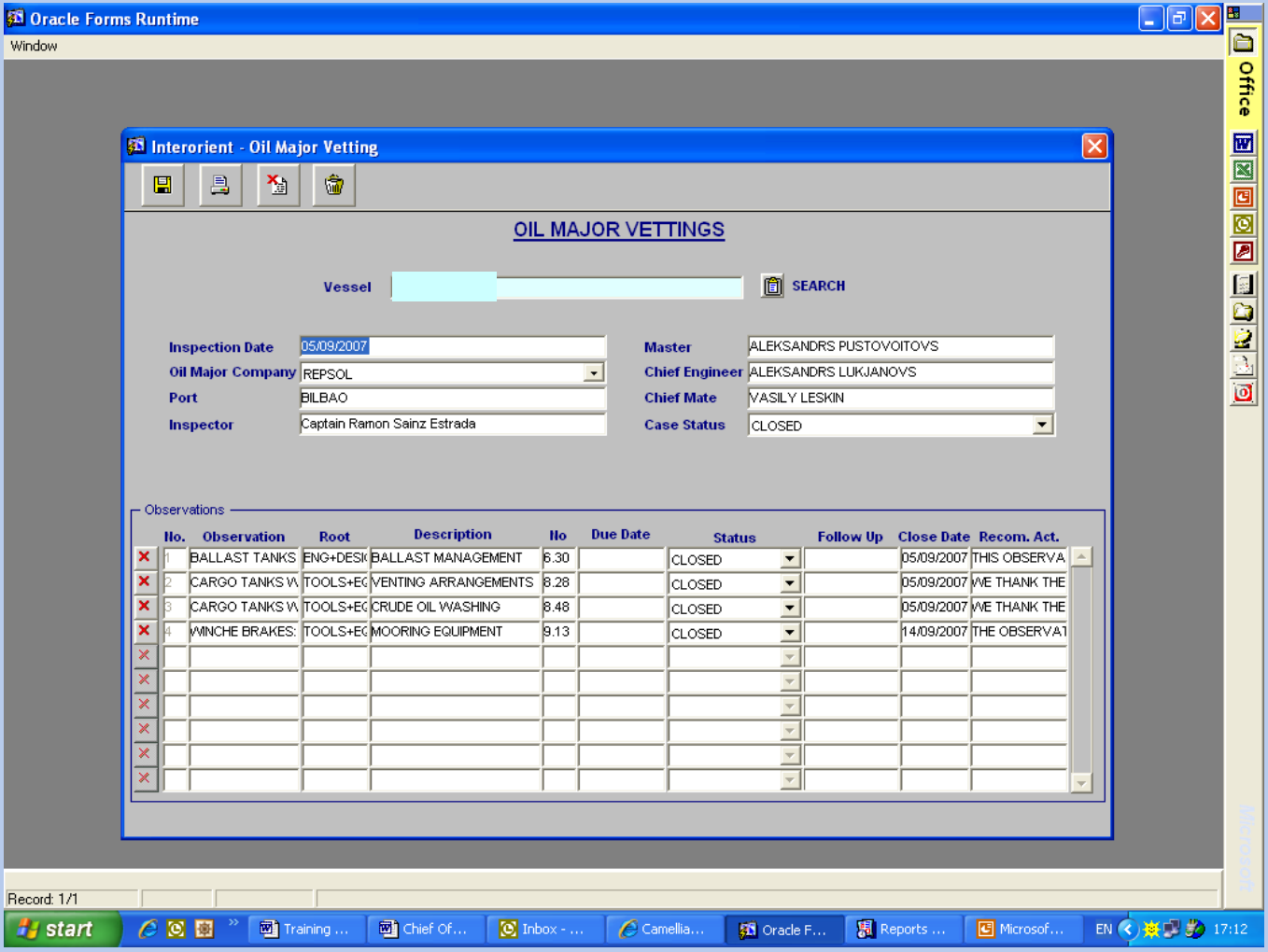

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- Once the vetting data is in the system we can then break it down and analyse it.
- To analyse the data, we will break it down into groups that correspond to the different chapters of the SIRE VIQ questionnaire.
- Having broken the data down into sections relating to the chapters of the SIRE VIQ, the data can be further sorted into sub-sections within the chapter.
- Having sorted into sub-sections we can then hopefully draw conclusions as to why these observations are occurring and decide on action to take to prevent them from being raised in future.
- By comparing with previous data, we can also determine whether observations within a sub-section are on the increase or decreasing and look into why this trend is occurring.

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- In the same way, by comparing the overall data over a time period, we can see whether we are succeeding in our efforts to raise the standard of the vessels in our fleet.
- In addition to the observations we receive from the vetting inspectors, we also gather feedback from the vessels involved in the vetting inspections.
- The feedback we receive from the vessels can then be compared with the vetting inspectors observations and hopefully, from this, we can draw some logical conclusions as to why the observations were made.
- On occasions this is not the case and we are left to pull some of what's left of our hair out as to why the observation was allowed to occur!
- Once we have received feedback from the vessel regarding the observations raised we can look at closing out the observations or deficiencies, whichever way you want to look at them.

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- In many cases, this can be achieved by either the supply of spare parts, or additional training for the crew, or changes to procedures, or ensuring that ship staff are made aware of potential 'pitfalls' that may lead to an observation being raised on a particular part of the SIRE system.
- In some cases, the observations raised are due to the design of the vessel and cannot be avoided. For example, the majority of vessels in our fleet have equipment fitted on board to enable them to load at SPM's. However, due to the average size of these vessels, it is not possible to arrange this equipment in such a manner as to comply with the suggested layout in ISGOTT. This being the case, most if not all of our vessels receive an observation for this.
- This is not to say that we don't look at the design and consider changes or improvements. However, in many cases, a change in design or change in layout is just not practical for the vessel and so we have to live with the knowledge that the observation will be raised.

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- Feedback from the vessels can prove very helpful in analysing SIRE observations.
- From it we can learn whether the observation was avoidable in the first instance, or whether the observation would be raised regardless of any action taken prior to the inspection.
- Sadly, it is all to often a case of the observation being avoidable in the first place.
- However, even these failings can be used to prime other vessels in the fleet to hopefully avoid a repetition at future inspections.
- Feedback gathered from each vessel inspected can be collated and then promulgated to the rest of the fleet and, hopefully this will be acted on by the vessels to prevent the observations being raised again in the future.
- We can all live in hope!

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- Having drawn up the data, received feedback from the vessels and closed out the deficiencies where possible, we can analyse the results and work out whether we are heading in the right direction with regards to the SIRE system.
- We can employ root cause analysis to determine whether observation or deficiencies are symptomatic of a failing in our operating procedures and so adjust or adapt our procedures accordingly to prevent repetition.
- By drawing up KPI's on a quarterly and annual basis, we can readily deduce the trends within the SIRE inspections and take action to focus out attention for the next quarter or even year.
- Year on year analysis will tell us whether we are making an overall improvement or otherwise.

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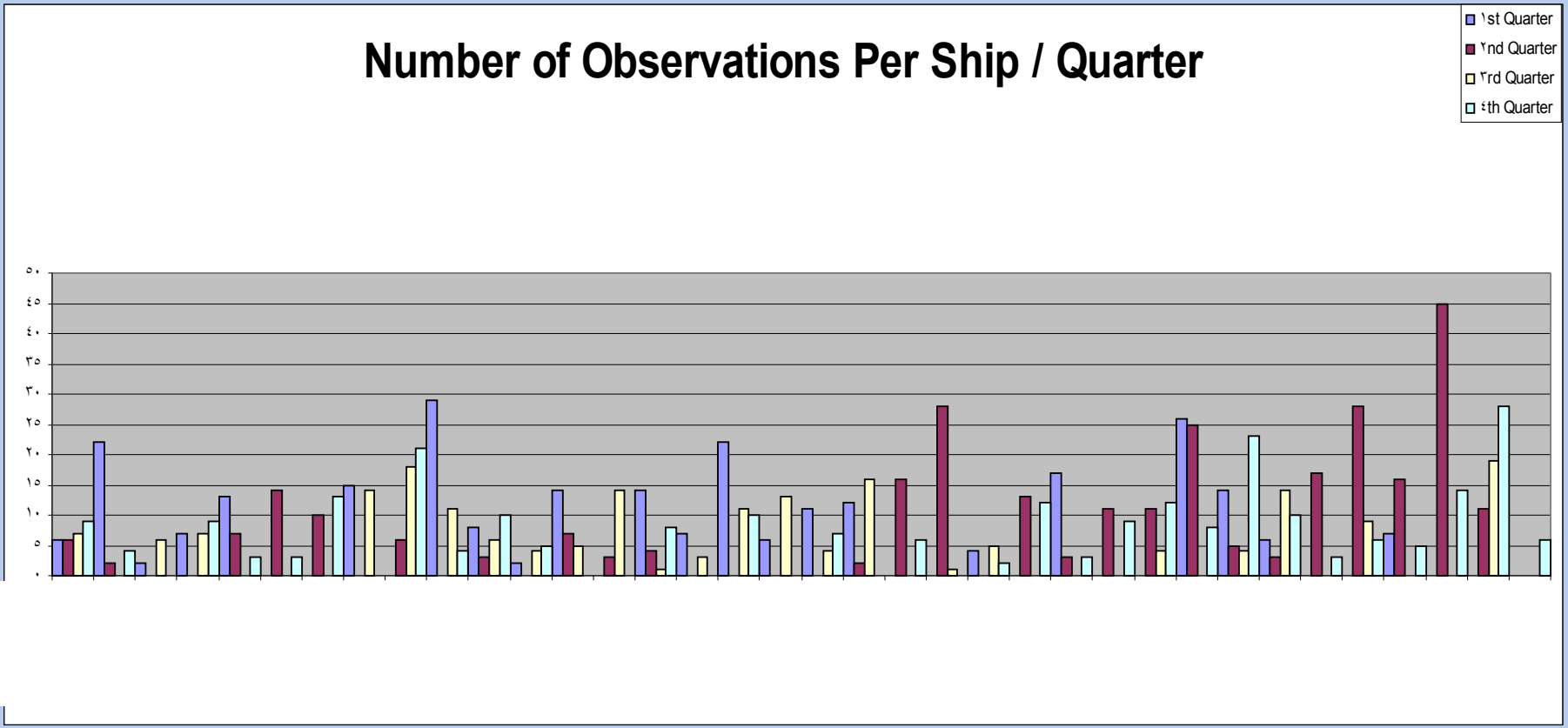

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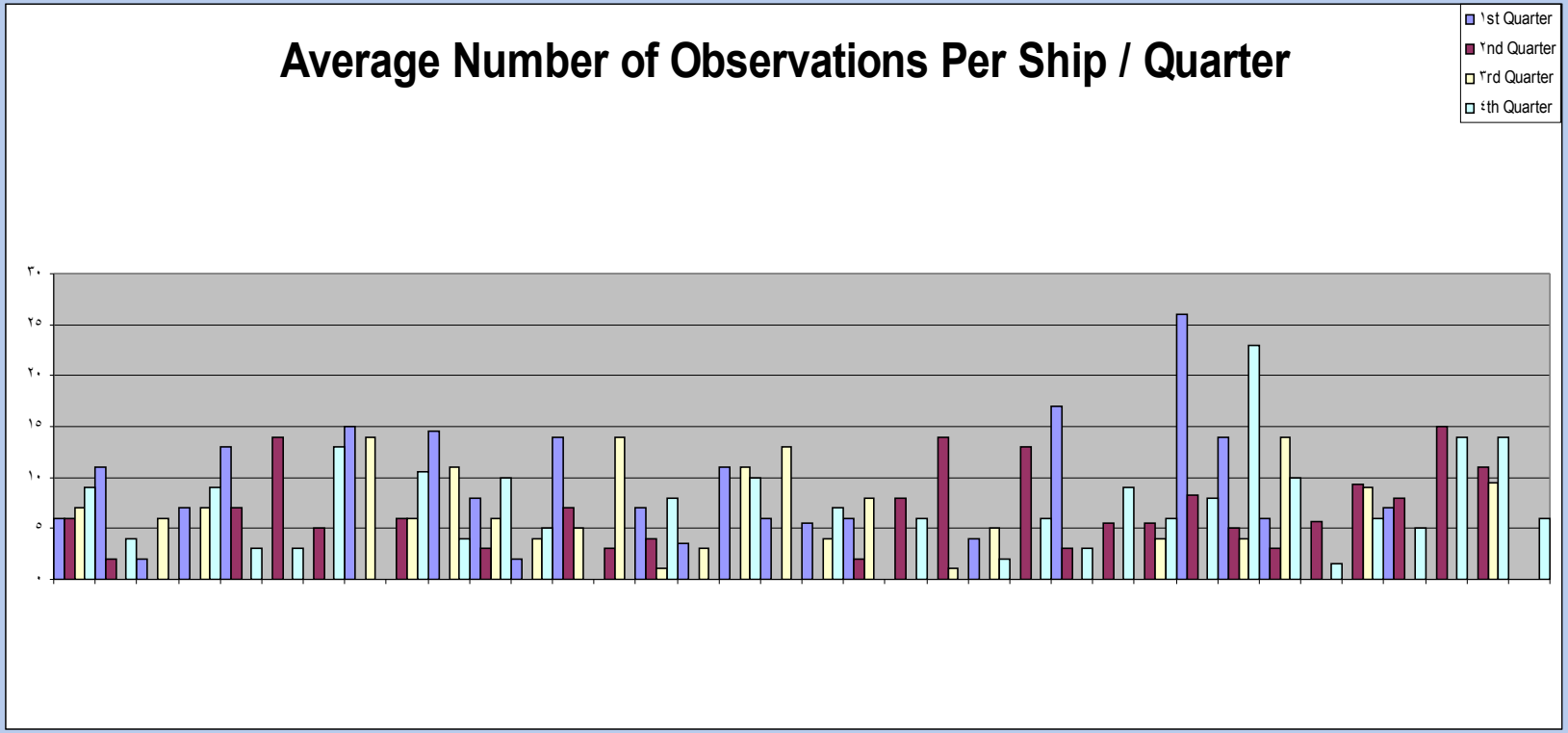

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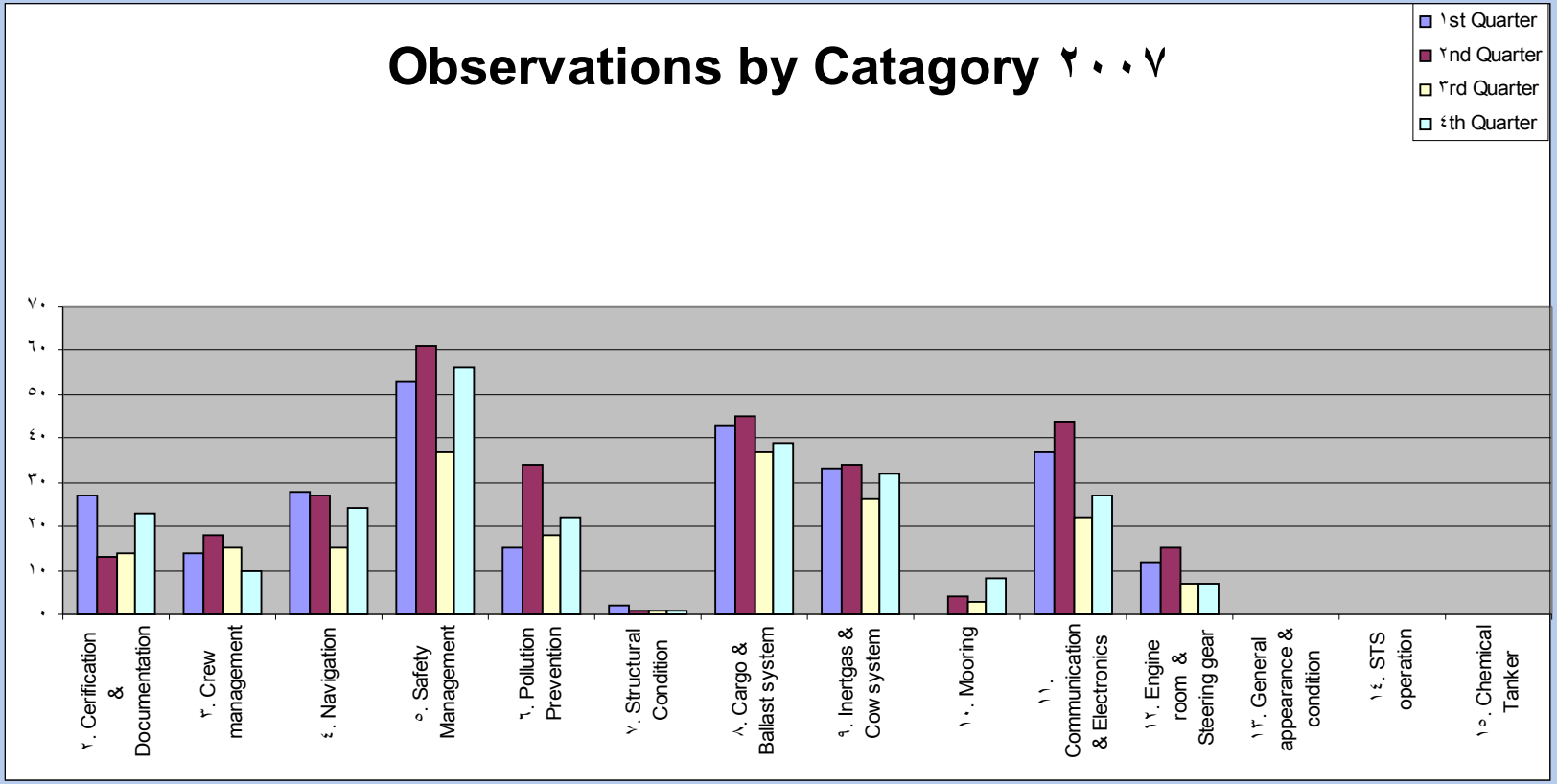

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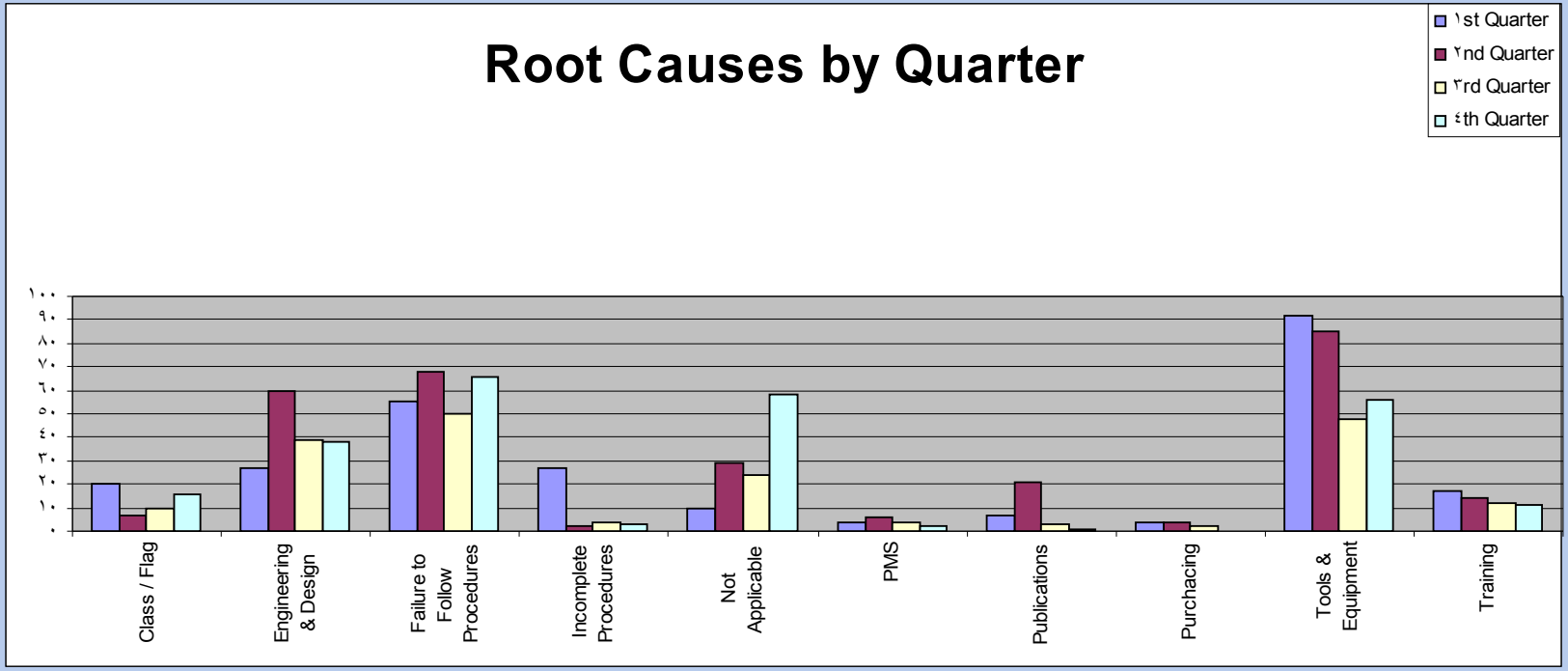

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- Quarterly analysis gives us an indication of current trends and immediate areas of concern that may need to be addressed.
- Quarterly analysis will also give us an indication as to whether our previous quarters focus has been successful in reducing previously highlighted observations.
- Quarterly analysis may also give us an indication of any focussing that one or more of the Oil Majors are making on a particular part of the SIRE system that they often do.
- This may be of immediate use in priming vessels that are about to undergo an inspection, but likewise may be akin to “shutting the gate after the horse has bolted” if by the time the analysis is completed, the Oil Majors have shifted their focus to another area.
- When analysing the data and KPI’s, it very quickly becomes clear that certain observations are being raised on a regular basis and it is here that we must focus our attention for the next quarter.

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- Annual analysis gives us a trend over the year and can be compared with previous years to show us whether the systems and training procedures we have in place are efficient and working or otherwise.
- If the annual trend is showing a decline in results, then we need to address our systems and training procedures to reverse the trend.
- If then annual trend is improving, then we can all go to the pub and celebrate and then put our feet up and congratulate ourselves on a job well done!
- Or perhaps, on the other hand, we will work to reinforce the positive trend and continue the improvement in the next year.
- I'm sure you will agree that the second scenario is the one that we are all hoping to emulate and encourage.

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- Having gathered the data, sorted and recorded it and finally analysed it, we can look at how we can focus our efforts in improving vessel performance.
- The focus can be in a number of ways, either in the form of specialist training for crew, explanations regarding the use and operations of on board systems, ECDIS for example, or even focussing on the observations during the internal audit process.
- Additionally, we can consider sending a company representative onboard to reinforce training and to help vessels prepare prior to and assist in future SIRE inspections.
- We can also ensure that vessels are aware of the common SIRE observations by sending details to all vessels in the fleet so that they are aware of the possible pitfalls in the inspection and can make adjustments or improvements to ensure that these observations are not raised again in future inspections.

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- If we can do all of this, then hopefully, we can continue to improve our performance in SIRE inspections and at the same time, enhance our reputation with the oil majors.
- In simple terms
- Good SIRE results equal a good reputation and relationship with Oil Majors.
- A good reputation and relationship with the Oil Majors equals a busy and profitable fleet.

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- I hope that this has been of some use to you all and thank you for your attention.
- Enjoy the rest of your day.