

LNG BUNKER OPERATIONAL CLAUSE FOR TIME CHARTER PARTIES

Background

This clause deals with the operational requirements when a ship uses LNG fuel. The focus is on the ship's compliance with LNG bunkering facilities. The clause covers LNG supplied via ship-to-ship transfer and directly from terminals. The compatibility aspect is very important as not all LNG fuelled ships are compatible with every facility and the charterers often have supply contracts with a limited number of LNG providers.

BIMCO LNG Fuel Operational Clause for Time Charter Parties

- a. (i) The Owners warrant that, at the date of this Charter Party, the Vessel is compatible with the following LNG bunkering facilities (ashore or afloat) [insert named LNG bunkering facilities or reference to list] (Compatible Facilities) for the purposes of receiving LNG fuel.

(ii) In the event of subsequent changes to the configurations of the Compatible Facilities, or if the Charterers request the Vessel to load LNG fuel at any other LNG bunkering facility, then any steps required to ascertain the Vessel's compatibility shall be undertaken by the Owners at the Charterers' time and expense.

(iii) If, subject to subclause (a)(iv), a modification to the Vessel and/or carrying additional equipment is necessary to maintain compatibility with Compatible Facilities or make the Vessel compatible with other LNG bunkering facilities (Compatibility Modification), the Charterers may request that the Owners carry out such Compatibility Modification at the Charterers' time and expense, always subject to the Owners' prior consent which shall not be unreasonably withheld.

After it has been confirmed that there is no need for a Compatibility Modification or a Compatibility Modification has been confirmed and completed, such LNG bunkering facility shall be deemed to be one of the Compatible Facilities. Any steps required to ascertain whether the Vessel remains compatible with Compatible Facilities shall be undertaken by the Owners at the Charterers' time and expense. Any additional equipment provided by the Charterers shall remain their property and shall be removed by the Charterers at their time and expense prior to redelivery.

- (iv) If the Vessel's Class or changes to the laws and regulations of the Vessel's flag state require a modification to the Vessel and/or the carrying of additional equipment to ensure compatibility with Compatible Facilities then this shall be undertaken by the Owners at their time and expense.
- b. (i) The parties agree that the LNG bunkering operations shall be conducted in compliance with any applicable local, regional or national laws or regulations, and the recommendations and guidelines of the Society for Gas as a Marine Fuel (SGMF).

(ii) Where the LNG bunkering operation is conducted by ship-to-ship transfer, the Charterers warrant that the LNG bunker supply vessel shall comply with any applicable local, regional or national laws or regulations, and the recommendations and guidelines of the Society of International Gas Tankers and Terminal Operators (SIGTTO).
 - (c) The Charterers shall have the right to have an observer present during the LNG bunkering operations at their cost and risk. The attendance of the observer shall not interfere with or delay the working of the Vessel or the LNG bunkering operations. The exercise or non-exercise of this right by the Charterers shall not reduce the obligations of the Owners in respect of the LNG bunkering operations.
 - (d) Subject to agreement by the Owners, which shall not be unreasonably withheld, and any applicable local, regional or national laws or regulations, LNG bunkering operations may take place during cargo operations.
 - (e) If the Vessel's engines are capable of burning both LNG and any alternative fuel, then subject to the other provisions of this Charter Party and to the Owners' obligation to comply with regulations in force regarding the types of fuel which may be used in particular ports or areas, the Charterers shall have the right to direct which fuel shall be used by the Vessel at any particular time.