



PANAMA MARITIME AUTHORITY
Directorate General of Merchant Marine
International Representative Office, N.Y.

Merchant Marine Circular No. 150

To: Owners/Operators of Panamanian Flag MODUs and Recognized Organizations

Subject: MODU Annual Safety Inspection

Reference: Law No. 39 of July 8, 1976 and Executive Decree No. 56 of October 8, 1976, Decree Law No. 7 of February 10, 2007.

1. Each Mobil Offshore Drilling Unit afloat or supported on the sea-bed under the Panamanian flag, whose operation conditions in foreign service mainly consist in being either on location for the purpose of conducting drilling operation, or in transit moving from one geographical location to another, shall be subject to an Annual Safety Inspection (ASI) which, unless other arrangements are authorized by the Panama Maritime Administration (PMA), shall be carried out by an authorized Flag State Surveyor in order to determine whether it complies with the National and International Laws and Regulations currently in force.

2. Owner, masters and offshore installation managers have the responsibility to present their units for timely inspection when a required inspection is due. They as well as their shipping agents or representatives have the obligation of admitting duly authorized ASI Flag State Surveyors on board, providing them full cooperation and allowing them to carry out inspections accordingly. The ASI department shall be advised as to the unit's next available location or port, ETA and shipping agency information so as to consequently authorize the inspector assigned.

3. In the event that the Annual Survey and the ASI coincide conveniently with one another, owners/operators will admit both surveyors so that each one can accomplish their inspections simultaneously. Nevertheless, when a unit with due required inspection is in remote or hard to reach areas where an ASI inspector may not be available, PMA may authorize an alternatively arrangement so that owners/operators of such unit can voluntarily agree with the Recognized Organization (RO) Surveyor an Alternate Compliance Program. This measure will consist of the acceptance of the certificates required by SOLAS 74 and MODU Code or Note 1/86 (in case of existing MODU), and survey report issued during an initial, renewal, intermediate, annual or any other additional or authorized combined class survey as an optional measure before the performance of an Annual Safety Inspection (ASI).



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4. The RO carrying out the survey will be required to submit to PMA its survey report. Once done the inspection, the exemption of the ASI will be completed as long as PMA considers remarks or observations found by the RO surveyor being minor. Moreover, national documents not required by the international regulations in force such as Certificate of Registration, Payment receipt of Annual Taxes, Certificate of Inspection Crew Accommodation, Crew Accommodation Survey Report, Record of Approval Crew Accommodation Details, Radio Station License, and copy of the validation of both Crew Roll List and Panamanian Official Log Book, shall be submitted to prove that the unit meets those national standards.

5. Besides the Alternate Compliance Program, PMA may grant another and more feasible second option to the ASI completion. This alternative will consist in authorizing qualified personal of the offshore company (for example owners or operators) so as to they can act on behalf of the Panamanian government so as to carry out the ASI on board the unit. If it is the case to undergoing, the company shall apply for the ASI ID Card of its assigned personnel once they meet our technical qualifications and training according to ASI requirements on the Resolution No. 106-308-DGMM dated 06 June 1999. Upon receiving the ASI ID Card, the company inspector must avoid at all times a direct conflict of interest with functions within the company and be abide by of all ASI procedures with regard to format, submitting report and ASI authorization request as any other ASI inspector.

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