

D'Amico Tankers signs sale and leaseback deal with shipping fund

27 Sep 2017 | **NEWS**

by Wei Zhe Tan | @ShipShape2003 | WeiZhe.Tan@informa.com

Deal done for a total of \$13m



THE TRANSACTION WILL HELP PAY OFF THE VESSEL'S CURRENT BANK LOAN.

MILAN-listed d'Amico International Shipping has said its tanker unit has signed a sale-and-leaseback deal worth \$13m with a shipping fund.

Under the memorandum of agreement and bareboat charter agreement, d'Amico Tankers will sell the 46,847 dwt *High Priority* to a firm owned by Sole Shipping Special Opportunities Fund II and subsequently lease back the vessel for a total of \$13m.

The vessel was constructed in 2005 by Japan's Nakai Zosen yard.

On paying off the tanker's current outstanding loan, the company will see net proceeds of \$6.5m which will be used to renew its fleet.

D'Amico Tankers will remain in control of the vessel according to the five-year bareboat charter agreement signed with the buyer. The company has an obligation to buy back the vessel in the final year of the charter deal and also has the option to repurchase the vessel after the second year of the sale.

The group has a fleet of roughly 55 double-hulled product tankers, medium range and handysize, with an average age of 7.7 years.

It has also signed newbuilding agreements with Hyundai Mipo Dockyard for six long-range one-product tankers due for delivery from the fourth quarter of 2017.

D'Amico International Shipping chief executive Marco Fiori said: "I am happy to announce the conclusion of this sale-and-leaseback deal with a reputable counterparty, at a competitive cost of funds. This transaction will generate at vessel delivery a positive net cash effect of about \$6.5m for DIS, giving further strength to our balance sheet and liquidity position."

Mr Fiori said that a "proper" recovery in product tanker markets is probably still months away after his company slipped into a second-quarter loss.

The company recorded a net loss of \$8m on revenue of \$96.2m in April-June, compared with a net profit of \$6.4m on revenue of \$86.5m in the same period one year ago.

However, he added that product tankers' earnings could recover in a sustainable way in several months, with the pace of newbuilding deliveries expected to slow in the coming quarters.

He said: "All the medium and long-term fundamentals of the industry are pointing to a proper market rebound starting probably from the end of 2017 or beginning of 2018."

Sole Shipping focuses on safe returns in new product tanker deal

By Max Tingyao Lin

27 Sep 2017

Head of private equity says creditworthiness is prioritised in leaseback transactions

[Read the full article here >](#)