

# D'Amico nets \$7m in tanker sale deal

Italian shipowner sells nine-year old MR tanker to build cash coffers for fleet renewal.

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D'Amico International sold a medium-range (MR) product tanker as it looks to fund its newbuild spend.

The Luxembourg-based owner said the 48,700-dwt High Prosperity (built 2006) went to an undisclosed financial buyer for \$14.24m.

That is slightly better than the ship's Vesselsvalue assessment of \$13.6m. That is also better than the original deal noted last month for the ship.

D'Amico, in turn, will charter the ship for a six-year term at a "competitive rate."

D'Amico said the transaction will net it \$6.9m in cash, which will be used to bolster the company's liquidity for its fleet renewal program.

Danish Ship Finance financed the original acquisition of the High Prosperity in 2012.

D'Amico's last earnings statement says the amount outstanding under the loan is \$26m.

Currently, D'Amico has contracts with Hyundai Mipo Dockyard for the construction of six long-range (LR1) product tankers with expected delivery between now and 2018.

D'Amico has \$184m in capital commitments coming due over the next three years related to the remaining newbuilds.

It has some \$523m in debt on its balance sheet with \$106.8m coming due within one year.

Chief executive Marco Fiori said of the deal that it's part of a long-term strategy of maintaining a young owned fleet, through replacing older vessels with newbuildings.

It also allows the company to keep "commercial control of the vessel at a competitive time-charter rate for the next 6 years, allowing us to benefit from the expected recovery in the product tanker market," Fiori added.