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d'Amico International Shipping announces sale and lease back of MR vessel

MAY 17, 2017



d'Amico International Shipping has announced that its operating subsidiary d'Amico Tankers D.A.C. (Ireland) signed a memorandum of agreement and bareboat charter contract for the sale and leaseback of High Fidelity, a 49,990dwt medium-range product tanker vessel, built in 2014 by Hyundai-Vinashin Shipyard for a consideration of \$27 million.

This transaction allows d'Amico Tankers to generate around \$11.2 million in cash, net of commissions and reimbursement of the vessel's existing loan, contributing to the liquidity required to complete DIS' fleet renewal programme and allowing the company to benefit from the anticipated market recovery.

In addition, through this transaction d'Amico Tankers will maintain full control of the vessel, since a 10-year bareboat charter agreement was also concluded with the buyer, with a purchase obligation at the end of the 10th year of the charter period. Furthermore, d'Amico Tankers has the option to repurchase the vessel, starting from the third anniversary of her sale at a competitive cost of funds.

As of today, DIS' fleet comprises 53.8 double-hulled product tankers (MR and Handysize) with an average age of about 7.8 years (of which 30.3 owned vessels and 23.5 chartered-in vessels).

Currently, d'Amico Tankers has also shipbuilding contracts with Hyundai Mipo Dockyard, for the construction of six LR1s (Long Range) product tankers with expected delivery between Q4 2017 and 2018.

Marco Fiori, Chief Executive Officer of d'Amico International Shipping, said: "I am very satisfied of the conclusion of this deal with reputed Japanese financial investors. The sale price of \$27 million was equivalent to the vessel's most recently estimated market value. At the same time, we will keep full control, both technical and commercial, of this new eco ship through a 10-year bareboat charter contract and we will have the option of repurchasing it starting from the third anniversary of its sale date at a competitive cost of funds.

"This transaction will generate a positive net cash effect of \$11.2 million for DIS already in Q2 2017, strengthening our balance sheet and liquidity position in view of the completion of our newbuilding plan. I believe this transaction highlights also DIS' strong reputation in Japan, where we have been able once again to source finance at competitive terms. I would like to thank our Japanese counterparties for their continued support and cooperation."

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