

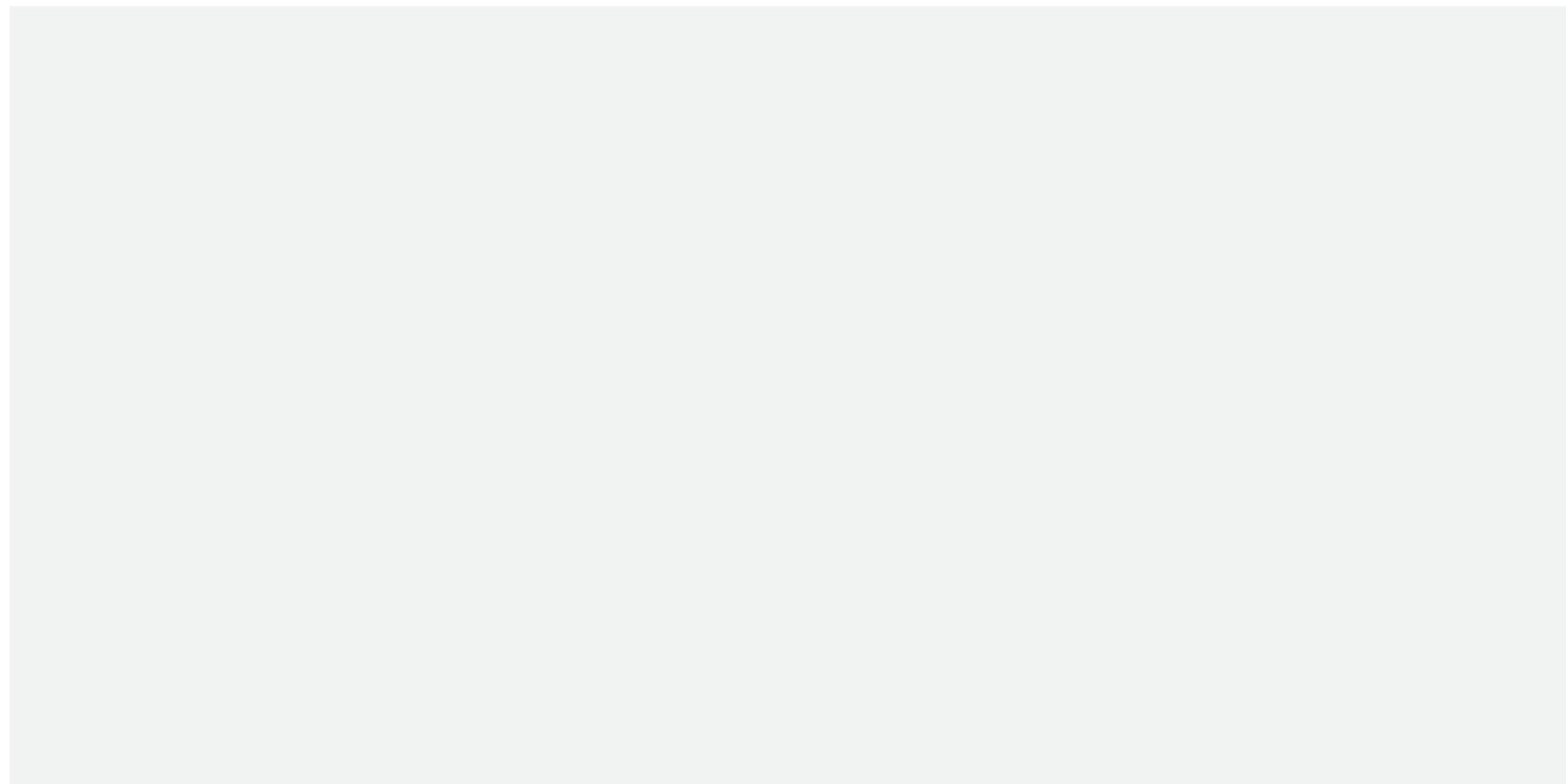
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d'Amico International Shipping chief executive Paolo d'Amico is lowering finance costs with its latest purchase. Photo: John Galayda/CMA

## d'Amico buys back Sole Shipping MR tanker to lower finance cost

Italian shipowner uses option to take back control of 2005-built product carrier from Norwegian owner

5 February 2021 14:30 GMT *UPDATED 5 February 2021 14:30 GMT*

By [Gary Dixon](#)  

Italy's d'Amico International Shipping (DIS) is cutting its finance costs with a move to buy back an MR tanker offloaded in a leaseback transaction four years ago.

The Milan-listed shipowner said it had exercised a purchase option for the 47,000-dwt High Priority (built 2005) at a price of \$9.7m.



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VesselsValue assesses the tanker as worth \$9.5m.

The charter back to DIS was over five years. Buyback options began from 2019 and the ship has to be reacquired at the end of the lease term in any case.

The leaseback buyer was Norwegian tanker finance specialist Sole Shipping, which reportedly paid \$13m for the tanker in 2017.

Chief executive Paolo d'Amico said the move was in line with its aim of reducing leverage and lowering finance payments.

### Cheaper bank deal lined up

The lease will be replaced with a bank loan at a "substantially" lower cost.

"We were able to take advantage of this opportunity thanks to the sound financial and liquidity position we have reached today," the CEO added.

This was the result of the strong freight markets of the first half of 2020, in addition to the proceeds derived from the sale of "most of our oldest ships over the last few years," d'Amico said.

Sale-and-leaseback deals have been growing in popularity as an alternative to traditional financing, but the DIS deal shows there is still cash to be had from banks at competitive levels.

In November, DIS revealed it planned to buy back tankers sold in leaseback deals, in an attempt to reduce costs amid weak market conditions.

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