

D'Amico inks second product tanker deal in two days

D'Amico International Shipping is on a fleet renewal drive, announcing a sale and leaseback deal for an MR tanker and the sale of an older handysize vessel

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The sale and leaseback deal adds to liquidity needed for the company's fleet renewal programme



D'AMICO EXPECTS TO NET \$14.3M IN TOTAL FROM THE DEALS.

ITALY'S D'Amico International Shipping has concluded two back-to-back deals for its product tankers as part of a fleet renewal programme.

The company's tanker unit has agreed a 10-year bareboat charter contract for the 49,990 dwt medium-range tanker *High Trust*, which was built in 2016 by Hyundai-Mipo in South Korea for \$29.5m, it said in a statement on Friday. It maintains full control of the vessel and has future purchase option.

The deal will generate \$11.9m in cash for D'Amico, after commissions and reimbursement of the vessel's existing loan, it said, adding that it will contribute to the liquidity needed to complete its fleet renewal programme.

D'Amico's chief executive Marco Fiori said he was "satisfied about the conclusion of this deal with a reputable Japanese counterparty, which strengthens our balance sheet and liquidity position".

On Thursday, the company announced it was selling a 15-year-old handy tanker.

The 40,081 dwt *Cielo di Milano*, which was built by Shina Shipbuilding in South Korea, was sold for just over \$8m, generating \$2.4m in cash, net of commitments, for the company.

Mr Fiori said the deal to sell the oldest vessel in its fleet allows the company to meet its goal of managing a very young and modern fleet.

At present, it has a fleet of 57.5 double-hulled product tankers with an average age of 7.1 years. It also has contracts for four newbuilding long-range tankers with Hyundai Mipo Dockyard, which are scheduled to be delivered from the second half of this year to the first quarter of 2019.

The company posted a loss of \$3.6m for the first quarter, which was wider than the \$1.8m loss a year earlier.