

# Sole Shipping seals double VLCC leaseback deal with Landbridge

Norwegian lessor arranges \$91m of finance with Credit Agricole and BNP Paribas.

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by **Gary Dixon**

Norwegian lessor Sole Shipping has struck a double VLCC sale and leaseback deal with China's Landbridge involving \$91m of financing.

Credit Agricole (CA) and BNP Paribas are providing the term loan facility to a subsidiary of the investment firm, according to CA advisor Watson Farley & Williams (WFW).

The deal includes the two tankers and scrubbers.

They will be bareboat chartered back to Landbridge, with the leases arranged by Pareto Securities.

Landbridge operates four modern VLCCs built by Dalian Shipbuilding, with two more coming this year. These are the ships likely to be involved in the latest transaction.

The WFW Hong Kong maritime team advising on the transaction was led by partner and office head Madeline Leong, supported by Valerie Lee and Lee Siu Ting.

Leong said: "We are extremely pleased to have worked on this transaction, which represents a trend towards more structured financings involving new players in the Asian maritime markets such as investment firms.

"Advising on this matter required experience and expertise in maritime financing and leasing and which we were able to bring to bear on our client's behalf to facilitate and contribute towards its successful closing."

### **Sole expanding fleet**

In May, US alternative investment firm Varde Partners acquired Landridge's 308,000-dwt Landbridge Prosperity (built 2016) in another leaseback arrangement.

Landbridge will continue to operate the vessel under a bareboat charter, before repurchasing it at the conclusion of the charter period, the length of which was not disclosed.

In March, TradeWinds reported that Sole Shipping boosted its fleet by quietly acquiring 21 vessels for an investment fund that was launched last year, including nearly a dozen tankers from Italy's Montanari Navigazione.

Sole chief executive Jan William Denstad revealed that the company has now spent \$150m in equity in its Sole Shipping Special Opportunities Fund II, which is the company's second fund.

Sole keeps a low profile on its investments, but the biggest deal in the second fund has been concluded with Montanari and involves 11 tankers.

These ships range from MR product carriers to a 2004-built suezmax.

All of Sole's projects are structured as sale-and-leaseback deals and, therefore, counterparty risk is the overriding concern.