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Landbridge and SFL strike $65m VLCC leaseback deal

Chinese owner is said to have agreed on a rate of middle $30,000 per day for scrubber-fitted vessel with BP, earning a spread of more than $10,000 from what it will pay to SFL

20 May 2020 NEWS

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The deal marks the successful delivery of *Landbridge Wisdom*, the last of the six VLCCs that the Chinese privately run energy player previously ordered at a domestic yard

LANDBRIDGE WISDOM IS THE LAST OF THE SIX VLCCS THE COMPANY WILL RECEIVE FROM DSIC.

CHINA-based Landbridge Group has garnered financing for a newbuilding very large crude carrier in a sale-and-leaseback agreement with John Fridriksen's SFL Corp, according to a company release.

The deal will mark the successful delivery of Landbridge Wisdom, the last of the six VLCCs that the Chinese privately run energy player previously ordered at domestic yard Dalian Shipbuilding Industry Co.

SFL said it had agreed to buy the 308,000 dwt vessel for $65m with a seven-year bareboat charter, which will add nearly $60 to the company's fixed rate charter backlog.

The amount of financing is equivalent to about 80% of the total shipbuilding cost, including the open-loop scrubber system fitted on board, Lloyd's List understands.

SFL also said the ship had secured a three-year sub charter that will start from the third quarter this year to an oil major and provided "good cash flow visibility".

The oil major is BP, and the charter agreement carries an option for another three years, sources familiar with the deal said. Landbridge has agreed on a rate around $35,000 per day with BP, earning a spread of more than $10,000 from what it will pay to SFL.

The Chinese owner is obligated to buy back the vessel at the end of the bareboat charter, but has options for an earlier redemption after the first three years, according to SFL.

Landbridge has expanded from its independent refinery background into the maritime sector in recent years as or seeks a more global presence, having built up its VLCC fleet and its port portfolio abroad.

Its Hong Kong-based subsidiary Landbridge Holdings – Headed by Vincent Lai, the former chief financial officer of local shipowner Wah Kwong – has shown savvy in securing funds for the parent group's overseas business.

Its previous five VLCCs have won support from several lenders. Two of the ships are funded by Norway-bases Sole Shipping, with another by US alternative investment firm Varde Partners and reset two by Chinese yard-backed lessor CSIC Leasing.