

WFW ADVISES TEEKAY TANKERS ON SALE-LEASEBACK OF SIX AFRAMAX TANKERS

24 SEPTEMBER 2018 • PRESS



Watson Farley & Williams (“WFW”) has advised long-standing client Teekay Tankers Ltd. (“Teekay Tankers”) on the sale-and-leaseback for six Aframax tankers, improving its net liquidity position by US\$60m after the repayment of outstanding related debt.

As part of the financing, one of a range of initiatives it announced on 2 August 2018, Teekay Tankers will bareboat charter-in the vessels for nine to ten years, with purchase options after two years and purchase obligations for each ship when the deal expires. The vessels are the 109,100-dwt *Whistler Spirit* and *Blackcomb Spirit* (both built 2010) and *Emerald Spirit* and *Garibaldi Spirit* (both built 2009); 107,500-dwt *Tarbet Spirit* (built 2009) and 104,600-dwt *Peak Spirit* (built 2011).

A subsidiary of Teekay Corporation, NYSE-listed Teekay Tankers was formed in December 2007 as part of its parent’s strategy to expand its conventional oil tanker business. It currently owns a fleet of 46 double-hull tankers, including 26 Suezmax, eleven Aframax and nine LR2 product tankers, and has six Aframax and four Suezmax tankers related to capital leases and two contracted time charter-in vessels. It also owns a Very Large Crude Carrier (VLCC) through a 50-50 joint venture as well as a ship-to-ship transfer business.

The WFW London Maritime team advising Teekay Tankers was led by Partner and firm Chairman Nigel Thomas and Partner Patrick Smith, working closely with Associates Natalia Golovataya and Electra Stamatopoulos.

Patrick commented: “We’re delighted to have once again been able to assist Teekay Tankers on another important strategic financing initiative which significantly improves Teekay Tankers’ net liquidity and extends its debt maturity profile. It also demonstrates WFW’s standing as one of the leading law firms worldwide for sophisticated, highly structured ship financings”.

Nigel and Patrick have advised Teekay Tankers on numerous high profile transactions over the past decade, including large-scale syndicated debt facilities and other forms of financing, including sale and leaseback structures.

RELATED CONTACTS



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