
TORM purchases four new MR vessels

"I am pleased that TORM's long-term relationship with Guangzhou Shipyard International has enabled us to purchase four MR resale vessels at very favorable prices. The agreement also includes an option for an additional four high-specification MR vessels. Given the market outlook, we see this as an attractive way to grow and renew our fleet at a cyclical good point in time", says Executive Director Jacob Meldgaard.

TORM has today entered into an agreement to purchase four fuel-efficient MR resale vessels from Guangzhou Shipyard International ("GSI") with expected delivery in 2019. The agreement includes the option to purchase up to four additional MR vessels with expected delivery in late 2019.

TORM has utilized its long-term relationship with GSI and China State Shipbuilding Corporation to take over the contract for the four resale vessels at attractive terms and conditions. TORM already has 20 GSI vessels in the current fleet, including four LR2 vessels under construction, and has good technical and commercial experience with these vessels. The vessels will be delivered according to TORM's specifications in order to optimize trading.

TORM has received firm commitment from Danish Ship Finance to finance the vessels with 65% of the purchase price. The tranche will run for seven years from the time of delivery, and the main terms of the agreement are in line with the Company's existing loan agreements.

"I see it as a demonstration of TORM's strategic and financial flexibility that we are able to obtain attractive funding from an existing lender, Danish Ship Finance, in such a short time span," says CFO Christian Søgaaard-Christensen.

With this agreement, TORM has as of today CAPEX commitments of USD 247m covering the remaining CAPEX on TORM's four LR2 vessels with expected delivery in 2017 and 2018 and the four new MR vessels. With the new financing from Danish Ship Finance, TORM's undrawn credit facilities and cash today amount to approx. USD 468m.

CONTACT

Jacob Meldgaard, Executive Director, tel.: +45 3917 9200
Christian Søgaaard-Christensen, CFO, tel.: +45 3917 9200
Christian Mens, IR, tel.: +45 3917 9231

TORM plc

Birchin Court, 20 Birchin Lane
London, EC3V 9DU, United Kingdom
Tel.: +44 203 713 4560
www.torm.com

ABOUT TORM

TORM is one of the world's leading carriers of refined oil products. The Company operates a fleet of approximately 80 modern vessels with a strong commitment to safety, environmental responsibility and customer service. TORM was founded in 1889. The Company conducts business worldwide. TORM's shares are listed on Nasdaq Copenhagen (ticker: TRMD A). For further information, please visit www.torm.com.

SAFE HARBOR STATEMENTS AS TO THE FUTURE

Matters discussed in this release may constitute forward-looking statements. Forward-looking statements reflect our current views with respect to future events and financial performance and may include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and statements other than statements of historical facts. The words "believe," "anticipate," "intend," "estimate," "forecast," "project," "plan," "potential," "may," "should," "expect," "pending" and similar expressions generally identify forward-looking statements.

The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies that are difficult or impossible to predict and are beyond our control, the Company cannot guarantee that it will achieve or accomplish these expectations, beliefs or projections.

Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of the world economy and currencies, changes in charter hire rates and vessel values, changes in demand for “ton miles” of oil carried by oil tankers, the effect of changes in OPEC’s petroleum production levels and worldwide oil consumption and storage, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled dry-docking, changes in TORM’s operating expenses, including bunker prices, dry-docking and insurance costs, changes in the regulation of shipping operations, including requirements for double hull tankers or actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents, political events or acts by terrorists.

In light of these risks and uncertainties, you should not place undue reliance on forward-looking statements contained in this release because they are statements about events that are not certain to occur as described or at all. These forward-looking statements are not guarantees of our future performance, and actual results and future developments may vary materially from those projected in the forward-looking statements.

Except to the extent required by applicable law or regulation, the Company undertakes no obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events.