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TTA raises \$133m to expand fleet

Bangkok: Thoresen Thai Agencies (TTA) has raised a considerable THB3.96bn (\$133.15m) through a rights issue to fund its plans for dry bulk and offshore drilling fleet renewal.

Chalermchai Mahagitsiri, TTA executive vice chairman, said the company will now focus on identifying and purchasing assets for its dry bulk shipping and offshore services businesses.

Dry bulk shipping vessels, both new and secondhand, are becoming advantageously priced, as the business remains at or near the bottom of its industry cycle, according to TTA. The purchase of assets today will allow TTA to invest counter-cyclically, in anticipation of an upturn in the next 18 months, the company believed.

The purchase of newbuild tender drilling rigs will also be explored, since its subsidiary Mermaid Maritime's two active tender drilling rigs are approaching the end of their useful lives.

“We have already begun to explore opportunities to purchase targeted assets in the newbuild and secondhand market,” said Chandchutha Chandratat, president and ceo of TTA. “Our banking partners have shown interest and expressed positive feedback regarding our fleet renewal plans as well as our business model.”

He expected TTA to execute well-priced purchases on terms that will help the company build sustainable value through a lower-cost asset base than many of its competitors.