



Q4 2013

Jon Skule Storheill
Snorre Krogstad



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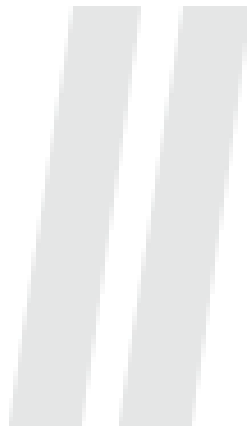
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1. Company Overview and Highlights Q4
2. Financials Q4
3. Market update
4. Summary

Company Overview



Awilco LNG is a pure play LNG transportation provider, owning and operating LNG vessels. The Company currently owns two 2013 built 156,000 cbm TFDE membrane LNG vessels; WilForce and WilPride, and three 125,000 cbm steam Moss type LNG vessels; WilGas, WilPower and WilEnergy. Awilco LNG is listed on Oslo Axess under the ticker code ALNG.

4th Quarter Highlights

4th quarter 2013

- Awilco LNG reported:
 - Net freight income of MUSD 15.8 MUSD 6.6 in Q3 2013
 - EBITDA of MUSD 8.0 MUSD 0.4 in Q3 2013
 - Net profit of MUSD (0.3) MUSD (2.5) in Q3 2013
- Vessel utilisation of 86 % (trading vessels), compared to 58 % in Q3 2013
- Second newbuilding (WilPride) delivered on time and budget 28 November, and financed through sale lease-back with Teekay LNG Partners L.P
- WilForce fixed to an oil and gas major on a three year contract plus one year option in charterer's favour
- WilPride fixed for maiden voyage
- WilEnergy fixed on a 9 month contract with a 3 month option in charterer's favour

Full year 2013

- Awilco LNG reported:
 - Net freight income of MUSD 41.9 MUSD 52.3 in 2012
 - EBITDA of MUSD 16.6 MUSD 29.3 in 2012
 - Net profit of MUSD 1.2 MUSD 21.7 in 2012

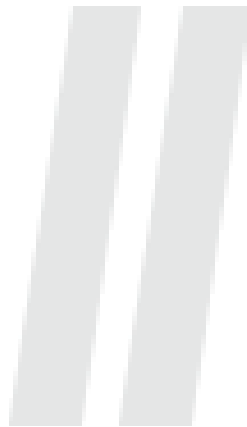


Contract Overview

	2013	2014
WilPride	Construction	Available
WilGas	On charter (Petrobras)	DD
WilEnergy		On charter Option
WilForce	Construction	On charter
WilPower	Available	Lay-up

- WilPride:** Available from 9 February 2014 after completed maiden voyage
- WilGas:** Employed until October/November 2014 (DD postponed to May 2014)
- WilEnergy:** Employed until August plus three month option in charterer's favour
- WilForce:** Employed until January 2017 plus one year option in charterer's favour
- WilPower:** Lay-up

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Q4 2013 Income statement

USD million	Q4'13	Q3'13	2013	2012
Freight income	21.3	9.2	54.7	56.6
Voyage related expenses	(5.5)	(2.6)	(12.8)	(4.3)
Net freight income	15.8	6.6	41.9	52.3
Operating expenses	(5.3)	(4.5)	(18.5)	(18.4)
Administration expenses	(2.5)	(1.7)	(6.8)	(4.6)
EBITDA	8.0	0.4	16.6	29.3
Depreciation	(3.9)	(2.2)	(10.0)	(7.7)
Impairment parts/equip.	-	-	-	(1.4)
Net finance	(4.4)	(0.6)	(5.5)	(0.3)
Profit/(loss) before tax	(0.3)	(2.5)	1.1	19.9
Tax	-	-	0.1	1.8
Profit/(loss)	(0.3)	(2.5)	1.2	21.7

Total freight income MUSD 21.3

- Increased fleet size
- 86 % utilisation trading vessels (58 % in Q3 2013)

Voyage related expenses MUSD (5.5)

- Of which MUSD 4.7 was covered by charterers and presented gross in the income statement

Operating expenses MUSD (5.3)

- Increase from Q3 due to increased fleet size

Administration expenses MUSD (2.5)

- Increase from Q3 was mainly due to bonus provisions, increase in fair value of synthetic options and natural fluctuations in timing of expenses

Depreciation MUSD (3.9)

- Increase from Q3 due to increased fleet size

Net finance MUSD (4.4)

- Mainly relating to WilForce and WilPride financial lease

Q4 2013 Balance sheet

USD million	31.12.13	30.09.13	31.12.12
Vessels	478.7	275.8	73.6
Vessels under construction	-	63.1	121.9
Other non-current assets	0.4	0.4	0.3
Total non-current assets	479.1	339.2	195.8
Trade receivables	3.7	2.5	2.5
Other short term assets	12.6	7.1	2.2
Cash	18.2	10.4	2.6
Total current assets	34.5	20.0	7.3
Total assets	513.6	359.2	203.0

Total equity	194.5	194.8	193.3
Long-term interest bearing debt	297.3	149.5	-
Other non-current liabilities	0.1	0.1	0.3
Non-current liabilities	297.4	149.6	0.3
Short-term interest bearing debt	10.8	5.3	1.6
Other current liabilities	11.0	9.5	7.8
Total current liabilities	21.7	14.9	9.4
Total equity and liabilities	513.6	359.2	203.0

Vessels MUSD 478.7

- Capitalised MUSD 143.8 in supervision and construction cost newbuildings during the quarter, including final installment on WilPride

Current assets MUSD 34.5

- Other short term assets includes MUSD 3.0 prepaid hire
- Cash MUSD 18.2 vs. MUSD 10.4 Q3

Non-current liabilities MUSD 297.4

- MUSD 297.3 long term portion of WilForce and WilPride financial lease liabilities

Current liabilities MUSD 21.7

- Increase from Q3 due to recognition of MUSD 5.3 in short term portion of WilPride financial lease liability
- Interest bearing debt MUSD 10.8 as of Q4, short term credit facility undrawn end of quarter

Q4 2013 Cash flow

USD million	Q4'13	2013	2012
Cash Flows from Operating Activities:			
Profit/(loss) before taxes	(0.3)	1.1	19.9
Taxes paid	(0.1)	(0.1)	(0.1)
Interest and borrowing costs expensed	4.5	5.6	0.5
Depreciation and amortisation	3.9	10.0	7.7
Impairment of vessel parts and equipment	-	-	1.4
Trade receivables, inventory and other short term assets	(8.1)	(8.5)	(0.1)
Accounts payable, accrued exp. and deferred revenue	4.7	2.6	(0.8)
Net cash provided by / (used in) operating activities	4.7	10.7	28.5
Cash Flows from Investing Activities:			
Investment in vessels	-	(1.1)	(12.9)
Investment in vessels under construction	(144.0)	(291.6)	(42.4)
Investment in other fixed assets	-	(0.2)	(0.2)
Net cash provided by / (used in) investing activities	(144.1)	(292.8)	(55.5)
Cash Flows from Financing Activities:			
Proceeds from borrowings	155.0	312.1	15.4
Repayment of borrowings	(2.2)	(6.6)	(13.7)
Interest and borrowing costs paid	(5.5)	(7.7)	(0.5)
Net cash provided by / (used in) financing activities	147.2	297.8	1.1
Net changes in cash and cash equivalents	7.8	15.7	(25.9)
Cash and cash equivalents at start of period	10.4	2.6	28.4
Cash and cash equivalents at end of period	18.2	18.2	2.6

Operating activities MUSD 4.7

Investing activities MUSD (144.1)

- MUSD 144.0 supervision and construction of newbuildings including final installment on WilPride to the yard

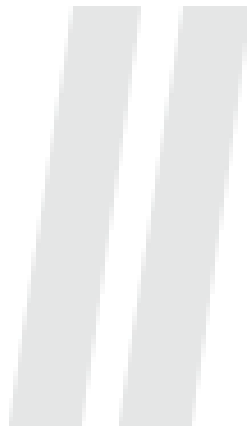
Financing activities MUSD 147.2

- Positive cash effect of MUSD 155.0 from sale-leaseback of WilPride

Cash at the end of the quarter MUSD 18.2

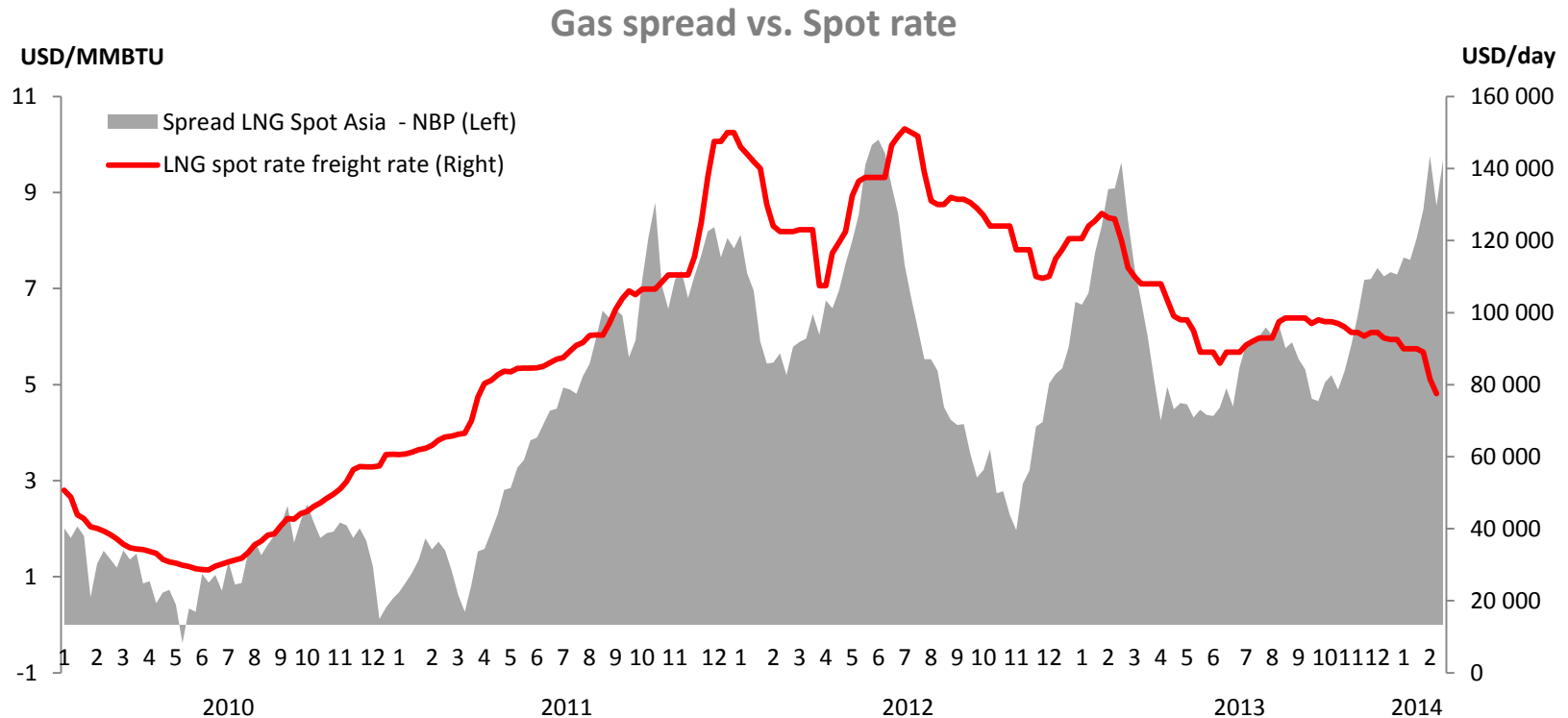
- The MUSD 15 credit facility is fully available

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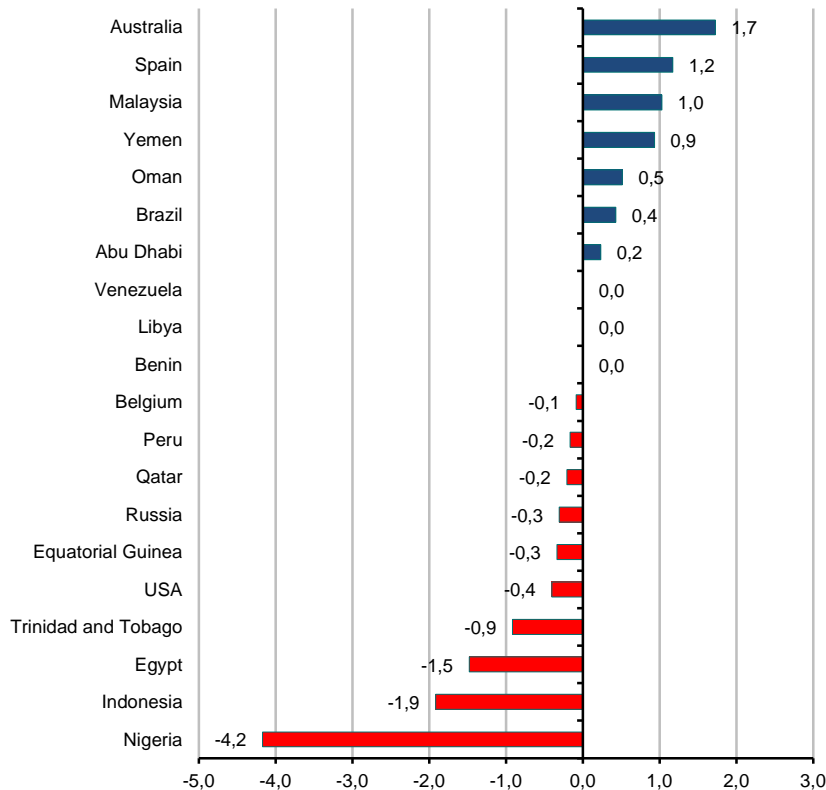
Rate development



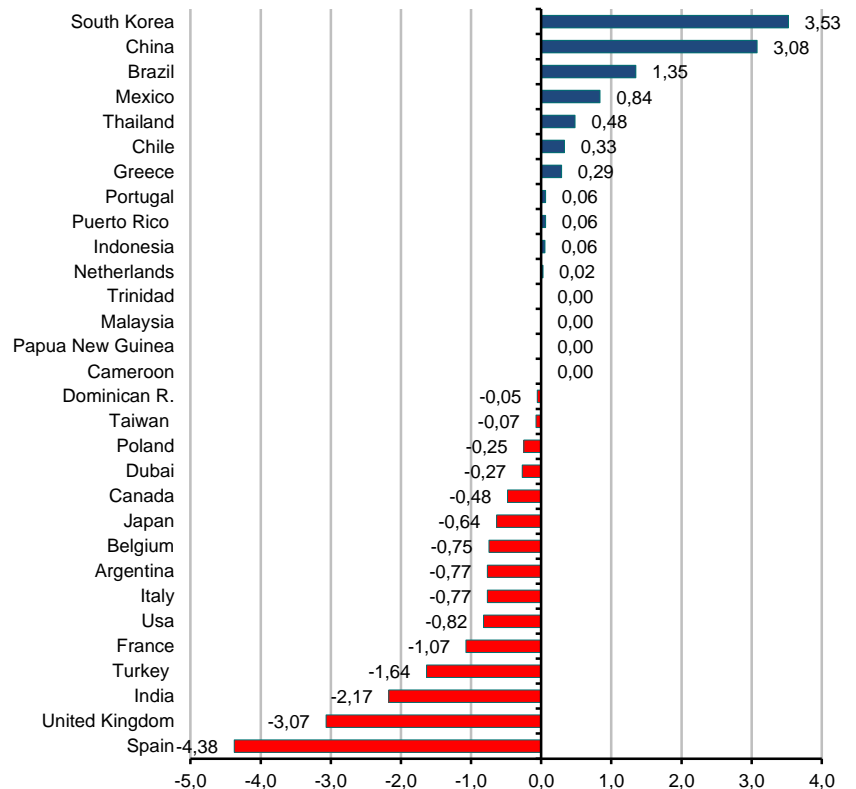
- Rates declining since peak in 2011/2012 – when will we reach the bottom?
- LNG demand remains firm – lack of LNG remains the challenge for transportation

LNG trade YTD Oct '13

Export



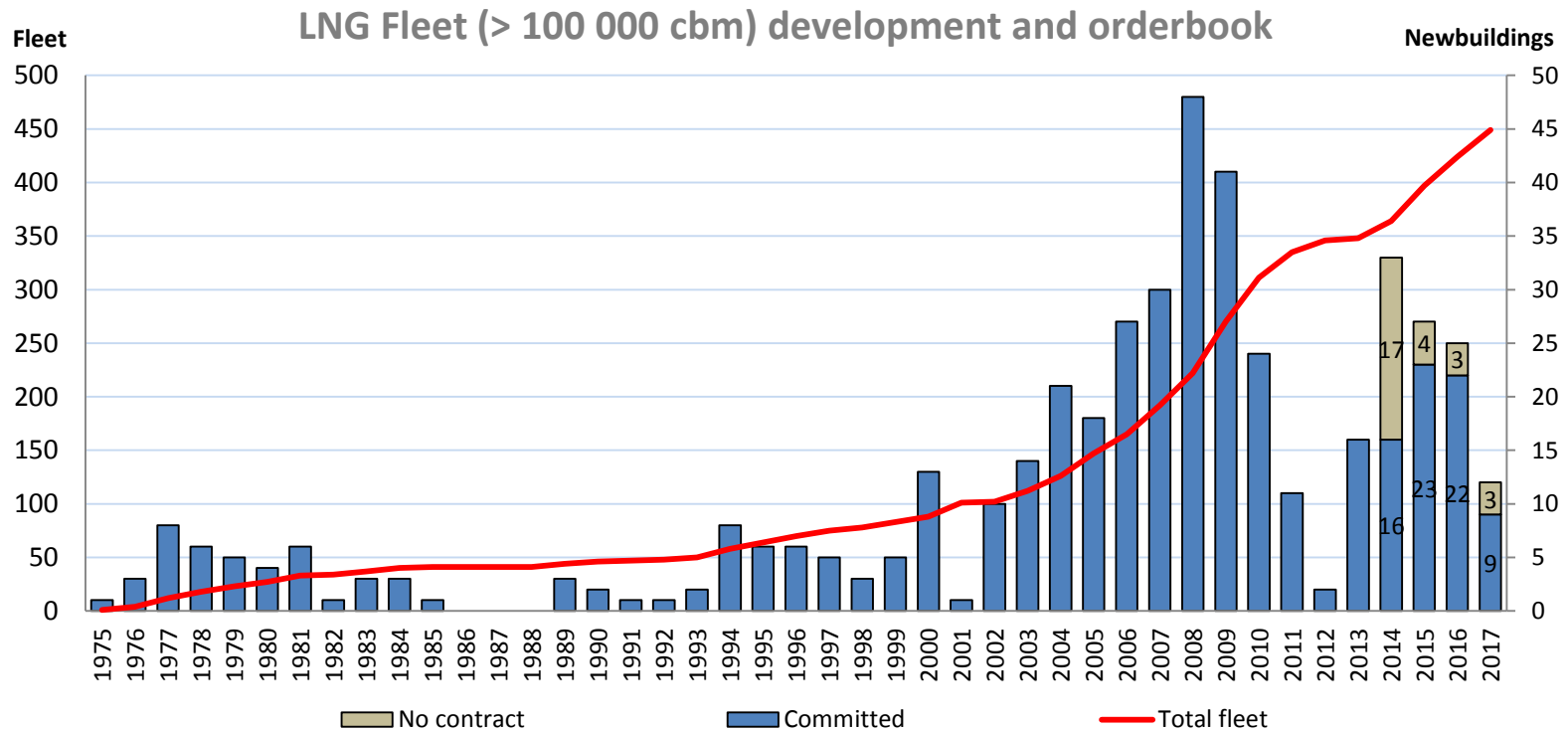
Import



- Exports reduced due to disruptions (Nigeria) – Depletion (Indonesia) – Domestic consumption (Egypt)
- Imports up in Far East – down Europe

Source: DNB Markets

World LNG fleet by year built

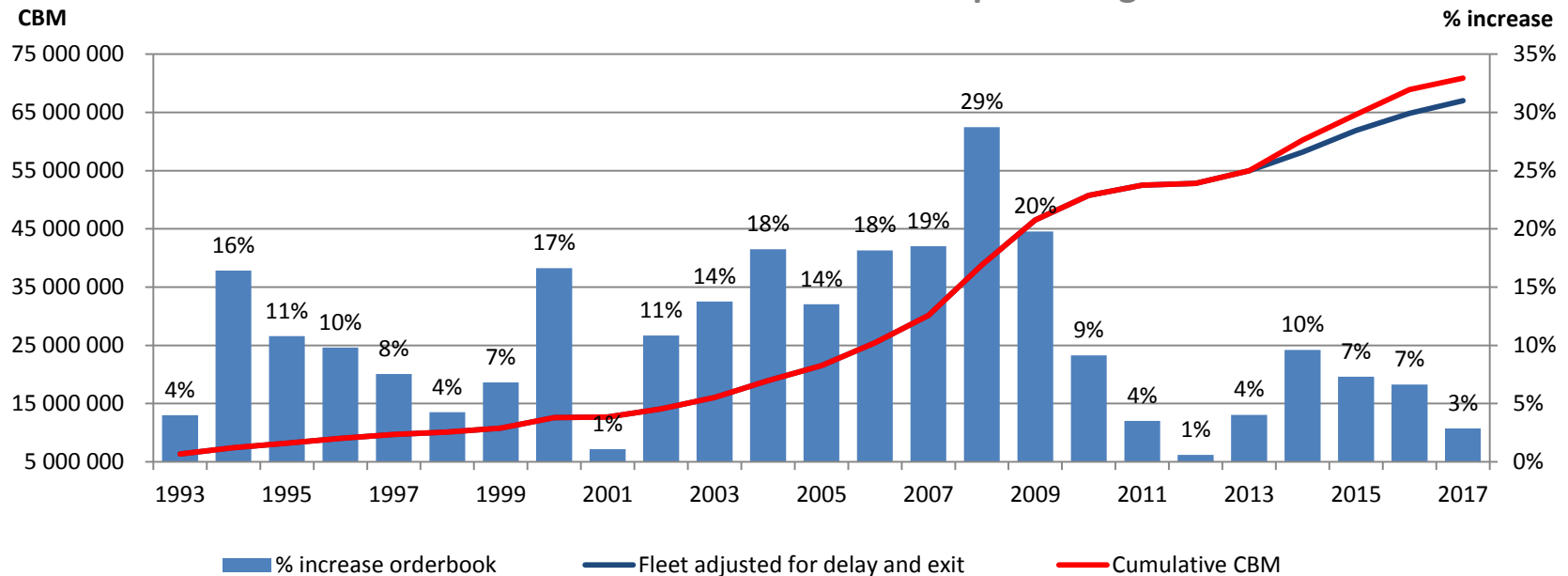


- Total orderbook of 97 LNGC of which 27 open
- 33 vessels are scheduled for delivery in 2014, of which 17 are available – delays likely
- 2014 has started on a weak trend, and it looks like it will be a challenging year

Source: Fearnleys LNG

Deliveries in percentage of fleet

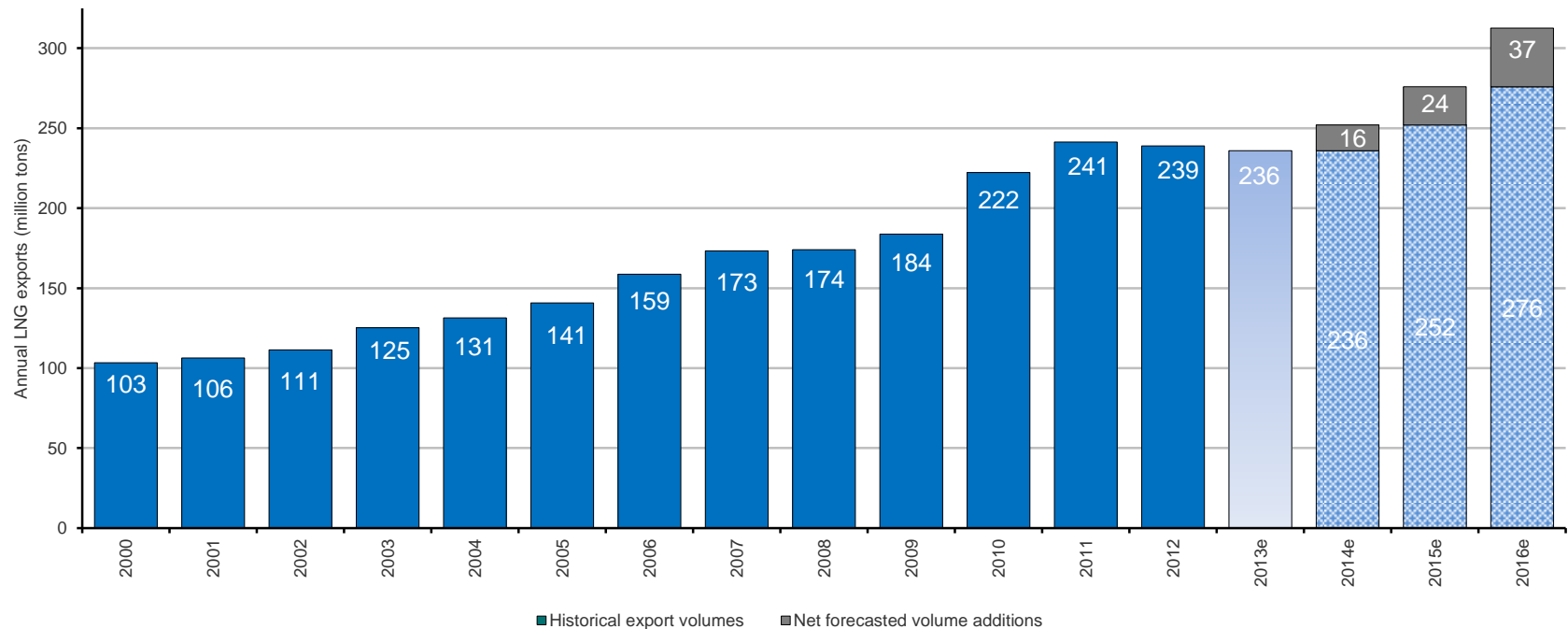
LNG fleet CBM - orderbook in percentage



- If newbuildings are adjusted by 2 months (delay/positioning) + assumed exit of 8 vessels: 2014 fleet growth estimate is 6 %
- Exit of vessels is picking up as newbuildings are delivered: 3 vessels exited in 2013 and 2 vessels YTD 2014
- Fleet growth will likely lead to a more challenging market for steam vessels than TFDE due to efficiency

LNG export assumptions

LNG exports



- 2013 estimates shows a decline in LNG export for 2nd year in a row – first time ever
- Potentially 12 - 16 MTPA increased production estimate for 2014
- A total of 77 MTPA of new production capacity and ramp up is scheduled by end 2016
- 77 MTPA new LNG production requires 95 - 110 vessels depending upon trading route
- Production delays will always be an issue

Source: DNB Markets

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Summary Market

Short / Medium term market – particularly challenging for steam vessels

- Increased production not likely to keep up with scheduled newbuilding deliveries in 2014
- Production may surprise on upside with limited disruptions
- Older / steam vessels likely to be most affected due to inefficiency
- Exit of older vessels likely to pick up considerably reducing tonnage surplus

Long term fundamentals – remain positive

- Demand for LNG is outpacing supply
 - China, Far East and South America increasing demand continuously
- Liquefaction capacity is set for dramatic growth next 5-10 years
 - Australia and U.S. 2015-18 East Africa and Canada thereafter



Summary Awilco LNG

- ☒ Acquired, financed and operating three 2nd gen vessels
- ☒ Established the organisation and in-house technical management
- ☒ Ordered and supervised the construction of two newbuildings
- ☒ Financed newbuildings
- ☒ Maiden voyage WilForce
- ☒ Midterm contract WilForce
- ☒ Maiden voyage WilPride
- ☐ Midterm contract WilPride
- ☐ Project WilPower

Q&A

A Pure Play LNG Transportation Provider





Jon Skule Storheill

CEO

Mobile: +47-9134 4356

E-mail: jss@awilcolng.no

Snorre Krogstad

CFO

Mobile: +47-9085 8393

E-mail: ssk@awilcolng.no