



Q2 2014

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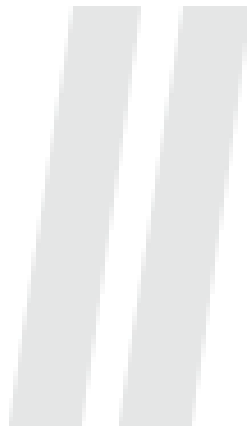
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1. Company Overview and Highlights Q2
2. Financials Q2
3. Market update
4. Summary

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.

2nd Quarter Highlights

2nd quarter 2014

- Awilco LNG reported:
 - Net freight income of MUSD 17.2 MUSD 17.6 in Q1 2014
 - EBITDA of MUSD 10.9 MUSD 10.7 in Q1 2014
 - Net profit of MUSD 0.2 MUSD 0.0 in Q1 2014
- Vessel utilisation of 94 % excluding dry-dock, compared to 95 % in Q1 2014 (84 % including dry-dock compared to 95 % in Q1 2014)
- WilEnergy charter extended for up to two months until end September
- WilGas commenced scheduled dry-dock in early June, and sailed from the yard in mid-July



Contract Overview

	2014	2015
WilEnergy	On charter	DD Available
WilPride	On charter	Available
WilGas	On charter DD On charter	Available
WilForce	On charter	On charter
WilPower	Lay-up - Marketed for project work	Lay-up - Marketed for project work

WilEnergy: Employed until end September 2014

WilGas: Employed until October/November 2014

WilPride: Employed until mid-November 2014

WilForce: Employed until January 2017

WilPower: Lay-up



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Q2 2014 Income statement

USD million	Q2'14	Q1'14	2013
Freight income	19.9	20.2	54.7
Voyage related expenses	(2.7)	(2.5)	(12.8)
Net freight income	17.2	17.6	41.9
Operating expenses	(4.8)	(5.6)	(18.5)
Administration expenses	(1.5)	(1.3)	(6.8)
EBITDA	10.9	10.7	16.6
Depreciation	(4.4)	(4.4)	(10.0)
Net finance	(6.3)	(6.3)	(5.5)
Profit/(loss) before tax	0.2	0.0	1.1
Tax	-	-	0.1
Profit/(loss)	0.2	0.0	1.2

Net freight income MUSD 17.2

- Off-hire of WilGas due to scheduled dry-docking, partly offset by increased earnings on TFDEs
- 94 % utilisation trading vessels (95 % in Q1 2014)
- Increased voyage expenses due to WilGas positioning for scheduled dry-dock

Operating expenses MUSD (4.8)

- Reduction mainly due to due to natural fluctuations in timing of expenses



Q2 2014 Balance sheet

USD million	30.06.14	31.03.14	31.12.13
Vessels	470.9	474.2	478.7
Other non-current assets	0.3	0.3	0.4
Total non-current assets	471.2	474.5	479.1
Trade receivables	3.9	5.8	3.7
Other short term assets	7.1	7.9	12.6
Cash	23.8	22.5	18.2
Total current assets	34.7	36.3	34.5
Total assets	505.9	510.8	513.6
Total equity	194.7	194.5	194.5
Long-term interest bearing debt	291.6	294.5	297.3
Other non-current liabilities	0.2	0.1	0.1
Non-current liabilities	291.7	294.6	297.4
Short-term interest bearing debt	11.2	11.0	10.8
Other current liabilities	8.3	10.7	11.0
Total current liabilities	19.5	21.7	21.7
Total equity and liabilities	505.9	510.8	513.6

Current assets MUSD 34.7

- Other short term assets includes MUSD 3.0 prepaid hire
- Cash MUSD 23.8 vs. MUSD 22.5 Q1

Non-current liabilities MUSD 291.7

- MUSD 291.6 long term portion of WilForce and WilPride financial lease liabilities

Current liabilities MUSD 19.5

- MUSD 11.2 short term portion of WilPride and WilForce financial lease liabilities
- MUSD 3.5 deferred revenue

Q2 2014 Cash flow

USD million	Q2'14	Q1'14	2013
Cash Flows from Operating Activities:			
Profit/(loss) before taxes	0.2	-	1.1
Taxes paid	-	-	(0.1)
Interest and borrowing costs expensed	6.3	6.3	5.6
Depreciation and amortisation	4.4	4.4	10.0
Trade receivables, inventory and other short term assets	3.0	2.5	(8.5)
Accounts payable, accrued exp. and deferred revenue	(2.6)	0.4	2.6
Net cash provided by / (used in) operating activities	11.3	13.6	10.7
Cash Flows from Investing Activities:			
Investment in vessels	(1.0)	-	(1.1)
Investment in vessels under construction	-	(0.5)	(291.6)
Investment in other fixed assets	-	-	(0.2)
Net cash provided by / (used in) investing activities	(1.0)	(0.5)	(292.8)
Cash Flows from Financing Activities:			
Proceeds from borrowings	-	-	312.1
Repayment of borrowings	(2.7)	(2.6)	(6.6)
Interest and borrowing costs paid	(6.3)	(6.2)	(7.7)
Net cash provided by / (used in) financing activities	(9.0)	(8.8)	297.8
Net changes in cash and cash equivalents	1.2	4.3	15.7
Cash and cash equivalents at start of period	22.5	18.2	2.6
Cash and cash equivalents at end of period	23.8	22.5	18.2

Operating activities MUSD 11.3

- Reduction in accounts payable of MUSD 3 from previous quarter

Investing activities MUSD (1.0)

- Prepayment WilGas dry-dock

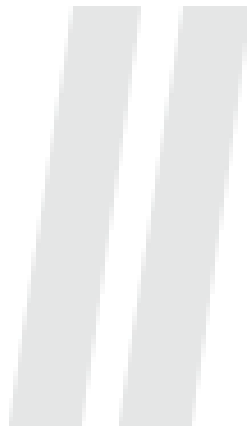
Financing activities MUSD (9.0)

- Interest payment and repayment on WilPride and WilForce financial lease liabilities

Cash at the end of the quarter MUSD 23.8



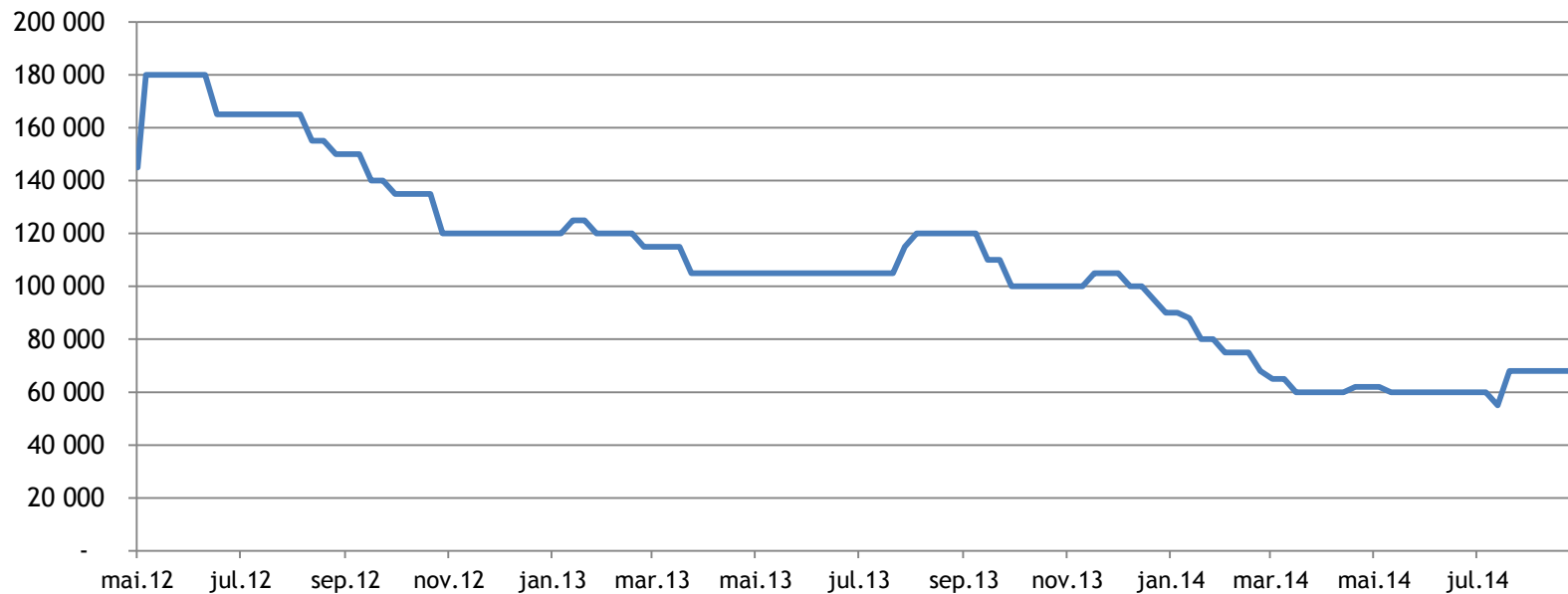
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Rate development

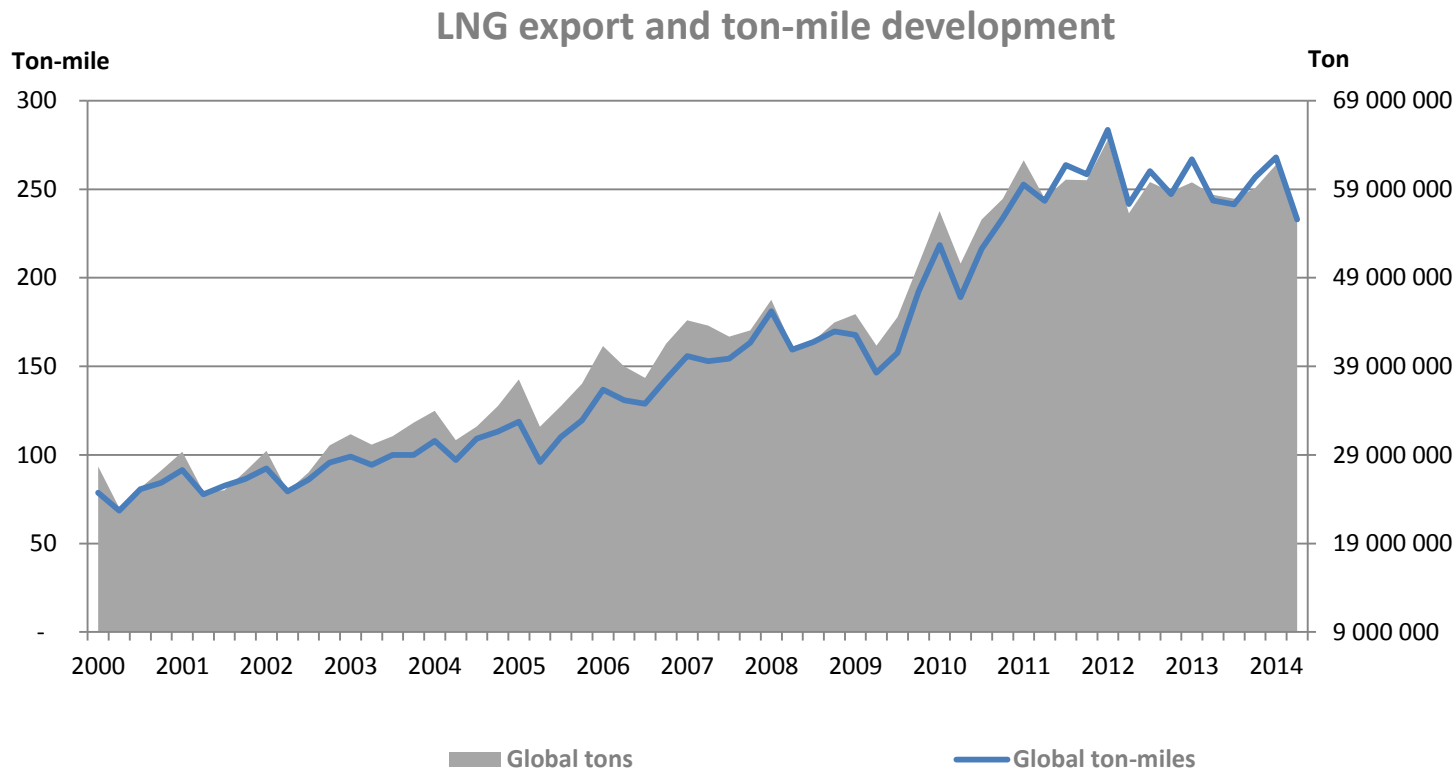
Spot charter rate for 160k TFDE



- Seasonal slow Q2 with reduced spot LNG demand in the Far East – gas prices tumbled and arbitrage reduced
- Rates declined to the lowest level since 2010
- Activity and rates increased in Q3 – have we seen the turning point?

Source: RS Platou

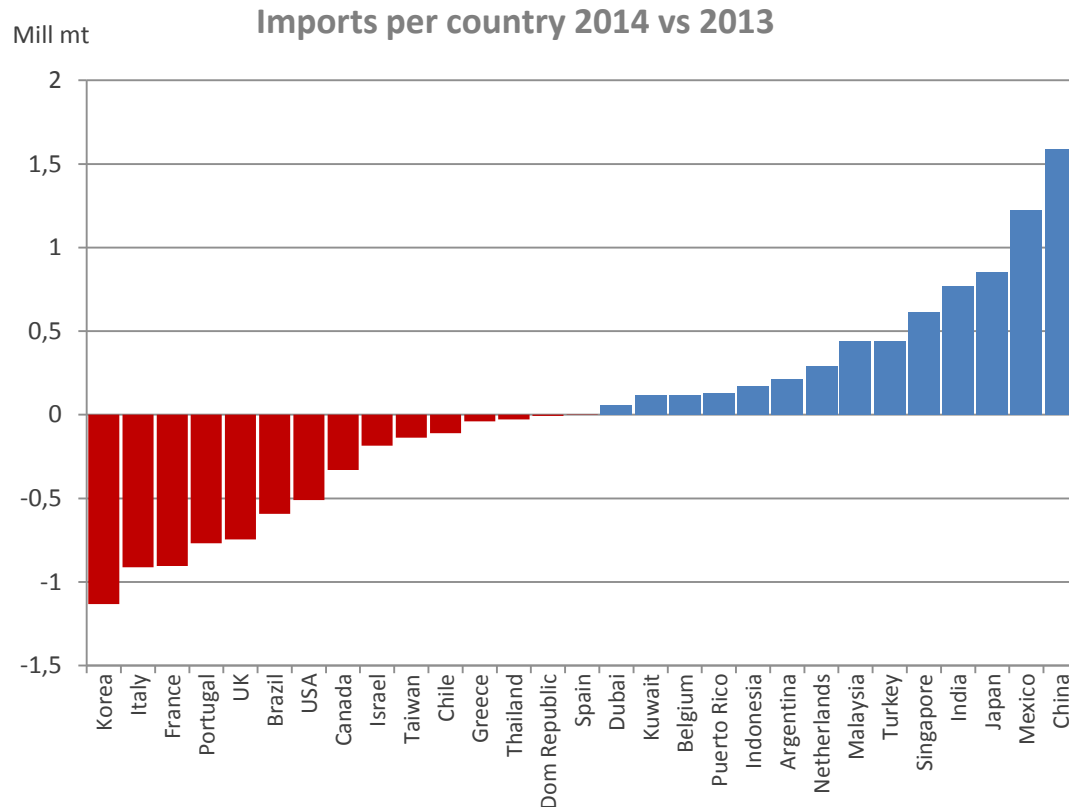
Production and ton-mile



- Ton-mile and LNG production declined during the quarter to the lowest level in 4 years
- 16 vessels were delivered during 1st half 2014
- Despite this market increased in July, and has remained flat since

Source: Arctic Securities

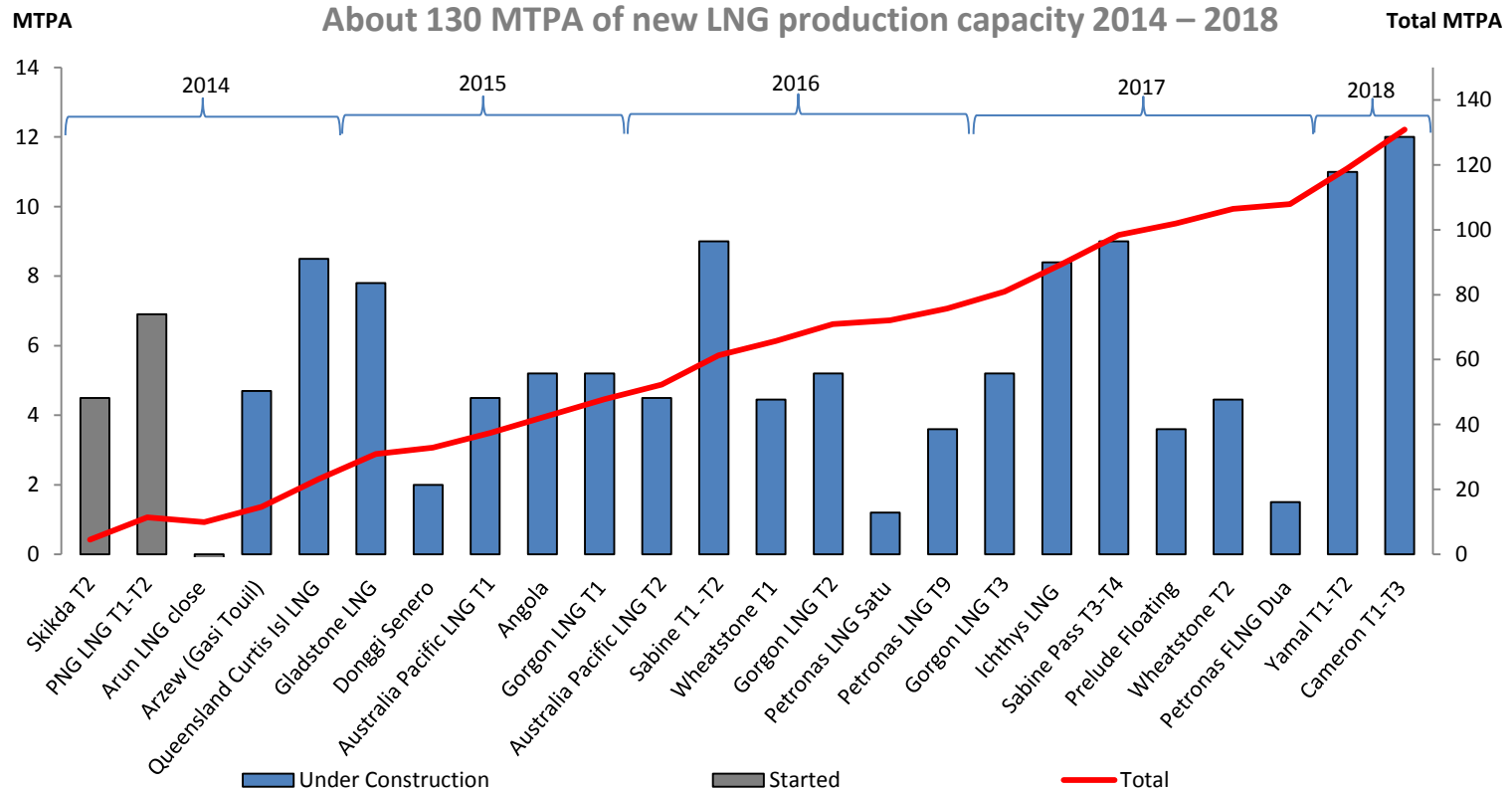
LNG imports



- 1st half 2014 in mill mt /YoY

- Europe	17.1	-12.8%
- N.America	4.0	10.6%
- S.America	6.3	-5.5%
- Japan	44.3	2.0%
- Korea	20.3	-5.3%
- Taiwan	6.2	-2.2%
- China	9.9	19.1%
- India	7.5	11.5%
- Total	119.9	0.5%
- In July, Japan imported a record amount of LNG – primary data shows that the total imports for the month were 7.8 million tonnes – 5.7% higher than same month last year
- According to CNPC, China's gas demand in 2014 is forecasted to be 206 bcm. Domestic production is estimated at 132 bcm, imports 60 bcm – implying a shortfall of 13.6 bcm – the equivalent of some 135 LNG cargoes....

LNG production

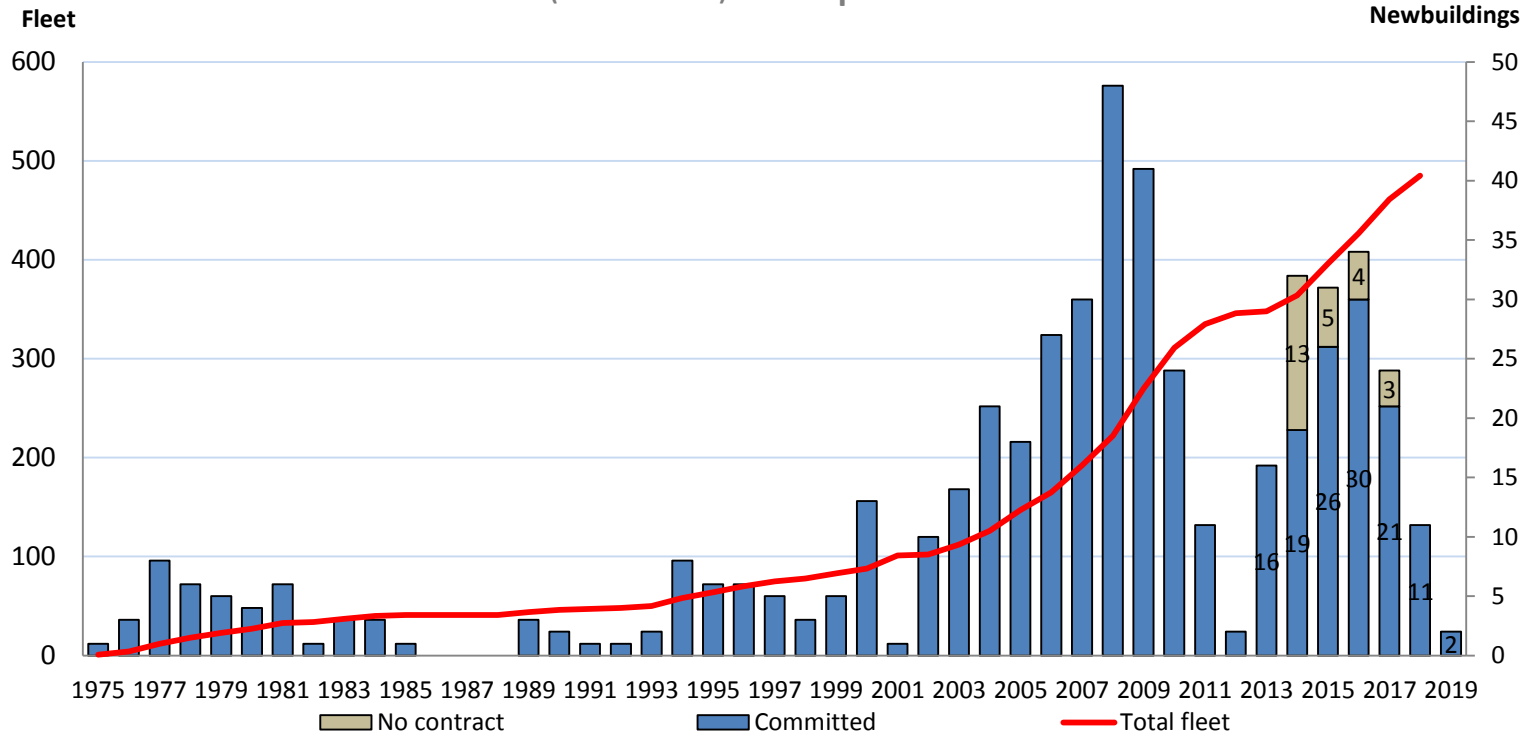


- 27% increase in production capacity scheduled to start up 2014 - 2016
- A total of ca 130 MTPA of new LNG capacity is under construction with startup by end 2018
- In addition 150 – 200 MTPA capacity is in various stages of planning with planned startup from 2017 – 2020

Source: RS Platou

World LNG fleet by year built

LNG Fleet (> 100 000 cbm) development and orderbook



- 16 vessels were delivered 1st half 2014 and 16 scheduled for delivery in 2nd half
- As of end June 2014 - total orderbook of 119 LNGC of which 22 available for contract
- Increased ordering activity in 2nd quarter – 8 vessels ordered

Source: Fearnleys LNG

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Summary

- Rates have weakened consistently since summer of 2012 but the market has been able to absorb 35 newbuildings despite reduced LNG production
- Spot activity and rates turned in July, when gas prices tumbled and several modern vessels have been taken out for storage plays
- Still a number of newbuildings to come in 2014 but increased production should start to show its effect going forward
 - Real improvement in rates can be expected from mid/late 2015 – and sentiment is improving
- The long term LNG picture is very strong with 130 MTPA of new production under construction with historic and expected growth at close to 7 %
- Demand for LNG is strong – and expected to remain so in the foreseeable future
- Start up and production levels from new liquefaction determine the LNG market in the short – mid term



Summary Awilco LNG

- WilPride utilisation of 85 % in spot market since delivery
- Short-midterm contract WilPride – waiting for the “right” deal
- 2nd Generation vessels coming of charter during the 2nd half of 2014
- Evaluating infrastructure projects and potential contracts for the 2nd Generation vessels
- Several fresh short and long term tenders in the market for existing tonnage and newbuildings

Q&A

A Pure Play LNG Transportation Provider





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