AWILCO LNG

FOURTH QUARTER 2015 RESULTS

AND

PRELIMINARY 2015 RESULTS

Highlights fourth quarter

- Awilco LNG ASA (Awilco LNG or the Company) reported freight income of MUSD 9.6 (MUSD 8.3 in Q3 2015) and EBITDA of MUSD 5.8 (MUSD 2.8 in Q3 2015).

- Vessel utilisation of 81 % compared to 68 % in Q3 2015 (trading vessels).

Highlights for the year 2015

- Full year freight income of MUSD 37.4 (MUSD 78.5 in 2014).

- Full year EBITDA of MUSD 15.8 (MUSD 41.0 in 2014).

- One-off impairment loss of MUSD 8.4 (nil in 2014).

- Net loss before tax of MUSD 36.3 (MUSD 2.6 in 2014).

- Vessel utilisation of 61 % compared to 86 % in 2014 (trading vessels).

Key financial figures

USD million	Q4'15	Q3'15	Q2'15	2015	2014
Freight income	9.6	8.3	7.3	37.4	78.5
Voyage related expenses	0.7	1.1	1.3	4.9	11.2
EBITDA	5.8	2.8	1.7	15.8	41.0
Net profit/(loss)	(12.6)	(7.3)	(11.7)	(36.3)	(2.7)
Total assets	445.5	461.4	472.4	445.5	497.5
Total equity	155.6	168.2	175.4	155.6	191.8
Interest bearing debt	285.8	288.8	291.8	285.8	297.4
Cash and cash equivalents	17.3	21.4	7.6	17.3	20.8
Book equity ratio	35 %	36 %	37 %	35 %	39 %

FINANCIAL REVIEW

Income statement fourth quarter 2015

Freight income for the quarter was MUSD 9.6, up from MUSD 8.3 in the previous quarter. The increase was due to a minor improvement in rates and utilisation of WilPride, from 56 % in Q3 to 62 % this quarter. Fleet utilisation for the quarter ended at 81 %, compared to 68 % in Q3 2015 (trading vessels). Voyage related expenses were MUSD 0.7 (MUSD 1.1 Q3 2015), down quarter-on-quarter mainly due to the positioning of WilGas to cold lay-up in Q3 2015.

Operating expenses were MUSD 2.3, down from MUSD 3.4 in Q3 2015. The decrease reflects the full effect of WilGas entering cold lay-up end August, which reduced operating expenses to approx. USD 2,000 per day, in addition to the sale of WilPower in Q3.

Administration expenses for the quarter were MUSD 0.8, down from MUSD 0.9 in Q3 2015. EBITDA for the quarter was MUSD 5.8 (MUSD 2.8 Q3 2015). Depreciation for the quarter was recorded at MUSD 4.1, compared to MUSD 4.0 in Q3 2015. An impairment loss of MUSD 5.0 on WilPride and MUSD 3.4 in total on the two second generation vessels, WilGas and WilEnergy, was recognised in Q4 2015.

Net financial items were MUSD (6.0) compared to MUSD (6.1) in Q3 2015. Interest expenses on the WilForce and WilPride financial leases amounted to MUSD 6.0 (MUSD 6.1 in Q3 2015).

Loss for the period was MUSD 12.6, compared to a loss of MUSD 7.3 in Q3 2015.

Income statement full year 2015

Freight income for the year amounted to MUSD 37.4, compared to MUSD 78.5 in 2014. The decrease was due to low rates and reduced utilisation caused by new vessel deliveries, reduced ton-mile as the price arbitrage West to East was limited and limited new LNG production. Fleet utilisation for the Company ended at 61 %, compared to 86 % in 2014 (trading vessels). Voyage related expenses were down to MUSD 4.9 in 2015 compared to MUSD 11.2 in 2014, mainly due to WilGas dry-docking in 2014 and lower expenses on WilPride in 2015.

Operating expenses for the year were MUSD 12.7 compared to MUSD 21.1 in 2014, reflecting the sale of WilPower in mid-2015, lay-up of WilEnergy in Q4 2014 and WilGas from August 2015. Administration expenses were recorded at MUSD 4.0 in 2015, down from MUSD 5.1 in 2014. The decrease was mainly an effect of the depreciation of NOK vs USD, together with a decrease in the fair value of synthetic employee options.

Full year EBITDA was MUSD 15.8, compared to MUSD 41.0 in 2014. Depreciation for the period was MUSD 16.6, down from MUSD 18.4 in 2014 following sale of WilPower mid-year 2015. Net finance income/(expense) was MUSD (24.0) compared to MUSD (25.2) in 2014.

Loss before tax and for the period was MUSD 36.3, compared to a loss before tax of MUSD 2.6 and for the period of MUSD 2.7 in 2014.

Statement of financial position

Book value of vessels was MUSD 422.5 as at 31 December 2015 (MUSD 434.6 30 September 2015). The decrease reflects ordinary depreciation during the quarter and the MUSD 8.4 impairment charge, offset by a MUSD 0.3 purchase of multi-period spares. The impairment charge is based on estimating recoverable amount of the fleet at year end, see note 4 in the interim condensed consolidated financial statements for further details.

Total current assets were MUSD 22.8 as at 31 December 2015 (MUSD 26.7 as at 30 September 2015), of which cash and cash equivalents were MUSD 17.3 (MUSD 21.4 Q3 2015). MUSD 3.0 of the reduction in total current assets compared to last quarter follows from a decrease in prepayments relating to the financial lease bareboat payments.

Total equity as at 31 December 2015 was MUSD 155.6.

Total current liabilities were MUSD 16.9 as at 31 December 2015, same as at 30 September 2015. MUSD 12.8 of the current liabilities relates to the short term portion of the WilForce and WilPride financial leases (MUSD 12.5 as at 30 September 2015).

Based on the current liquidity situation and the forecasted cash flow in 2016, the Company is sufficiently funded for 2016. Forecasted cash flow comprise cash flow from firm contracts and expected cash flow from future employment based on the current and expected market situation, and also includes the possibility of leveraging the two all-equity financed second generation vessels, or potentially dispose of one or both to ensure sufficient funding to cover its obligations. Forecasting spot market earnings and utilisation involves a high degree of uncertainty.

MARKET UPDATE

Following increased seasonal demand the Asian LNG imports improved in Q4 2015 compared to Q3 2015. Despite the increase in Q4, the estimates for full year 2015 were still disappointing and down 4.3 % year on year. The largest reduction came from Korea, Japan and China which were down by approximately 4.2 MT, 3.3 MT and 1.5 MT respectively. On a positive note, the LNG imports to Jordan, Egypt and Brazil all increased in 2015.

The Far East gas price increased slightly during the quarter, starting at just above USD 6.6/MMBTU and ending at about USD 6.9/MMBTU. Despite the marginal increase in the Far East price, there were no arbitrage opportunities between West and East, which had a negative impact on ton-mile. According to market analysts the inter-basin trade was down by 26 % in 2015, resulting in a reduced average sailing distance of 5.9 % year on year.

Due to continued overhang of vessels combined with negative ton-mile development, market rates for TFDE LNG carriers were unchanged at about USD 30,000 per day throughout the period. There were pockets of increased activity towards the end of the year and at the start of the New Year, but so far with little impact on the rates.

Additional LNG production capacity was added in Q4 as Gladstone LNG and Queensland Curtis T2 in Australia came online. However, following start-up late in 2015, ramp-up delaying full effect of production as well as production problems in Egypt, Yemen and Algeria, estimated LNG export increased only by 2.0 % in 2015 according to market analysts. In 2016 the production start from Australia Pacific has commenced as scheduled, whereas the first US LNG exports from Cheniere's Sabine Pass is reported delayed to February/March. Furthermore, the long awaited re-start of Angola is reported to have started re-commissioning. In total more than 45 MTPA of new LNG capacity is scheduled for start-up in 2016. Analysts forecast the expected production capacity in 2020 to 450 MTPA, which represents an increase of more than 50% compared to the 2015 capacity.

Despite the weak LNG transportation market in 2015, newbuilding ordering was at a relatively high level in the first half of 2015, but eased off towards the end of the year. In total 20 newbuildings were ordered in 2015, compared to above 50 in 2014.

According to shipbrokers the total orderbook at end 2015 for LNG vessels above 100,000 cbm (excl. FSRU and FLNG) stand at 131 vessels, of which only 12 are available for contract. 27 vessels were delivered during 2015 and 39 are scheduled for delivery in 2016. As a result of the weak market some deliveries can be expected to be delayed.

ORGANISATION

The principal activity of Awilco LNG ASA and its subsidiaries is to invest in and operate LNG transportation vessels. The Group handles the commercial and technical operation of the vessels from its main office in Oslo, and currently has 8 employees. Awilco LNG purchases certain administrative and sub-management technical services from two companies in the Awilhelmsen Group; Awilhelmsen Management AS and Wilhelmsen Marine Services AS, see note 5 in the interim condensed consolidated financial statements for further details.

VESSEL CONTRACT STATUS

TFDE vessels

WilForce: employed on a three year charter with a one year option in charterer’s favour to an oil and gas major, which commenced in January 2014.

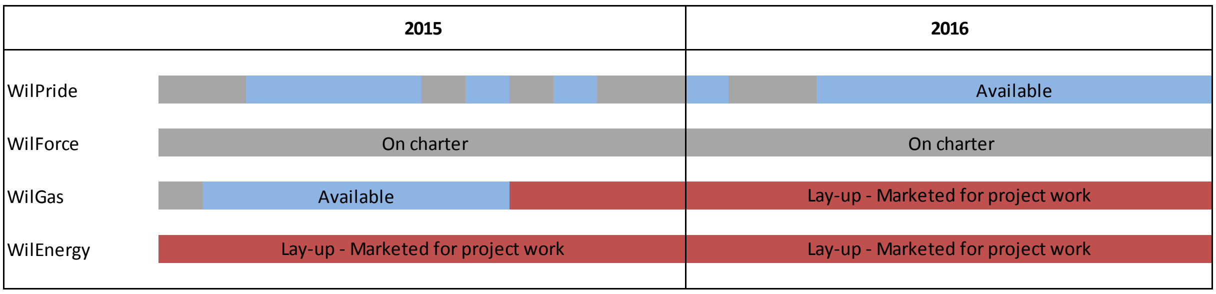
WilPride: is trading in the spot/short term market.

2nd generation vessels

WilGas: is in lay-up and marketed for primarily project work.

WilEnergy: is in lay-up and marketed for primarily project work.

Contract overview



OUTLOOK

Due to the increase of the LNG fleet combined with limited new LNG production, 2015 ended up as a tough year for LNG shipping owners without long term charter coverage. The year was characterized by both low rates and low utilisation, and according to market analysts the rates dropped to the lowest levels measured since the year 2000. The market for older tonnage was even more affected by the tough market, resulting in very few fixtures for such vessels and several steam vessels were placed in cold lay-up during the year.

The scheduled new LNG production coming on stream is expected to gradually improve the market during 2016. However, the current oversupply of vessels will have to be absorbed before rates and utilisation can be expected to improve substantially.

WilPride is currently operating in the spot market, and she has since delivery in November 2013 achieved 70 % utilisation. Awilco LNG is continuously evaluating mid- and long-term employment opportunities for WilPride, in addition to longer term infrastructure projects and for its second generation vessels.

Oslo, 11 February 2016

Sigurd E. Thorvildsen *Chairman of the Board*	Jon-Aksel Torgersen *Board member*	Henrik Fougner *Board member*
Annette Malm Justad *Board member*	Synne Syrrist *Board member*	Jon Skule Storheill *CEO*

Interim Condensed Consolidated Income Statement

In USD thousands, except per share figures	Note	Q4 2015 (unaudited)	Q3 2015 (unaudited)	Q4 2014 (unaudited)	2015 (unaudited)	2014 (audited)
Freight income	2	9 603	8 326	17 656	37 354	78 461
Voyage related expenses	5	659	1 124	2 527	4 873	11 239
Net freight income		**8 945**	**7 202**	**15 129**	**32 481**	**67 222**
Operating expenses		2 330	3 417	5 671	12 690	21 134
Administration expenses	5	840	945	986	3 961	5 120
Earnings before interest, taxes, depr. and amort. (EBITDA)		**5 776**	**2 840**	**8 472**	**15 831**	**40 968**
Depreciation and amortisation		4 051	4 043	4 723	16 583	18 376
Impairment of vessels	4	8 359	-	-	11 548	-
Earnings before interest and taxes		**(6 634)**	**(1 203)**	**3 749**	**(12 300)**	**22 592**
Finance income		35	12	71	211	154
Finance expenses		5 993	6 069	6 369	24 183	25 356
Net finance income/(expense)		**(5 958)**	**(6 057)**	**(6 297)**	**(23 972)**	**(25 202)**
Profit/(loss) before taxes		**(12 592)**	**(7 260)**	**(2 549)**	**(36 272)**	**(2 610)**
Income tax expense		4	2	(54)	(4)	(54)
Profit/(loss) for the period		**(12 588)**	**(7 258)**	**(2 603)**	**(36 276)**	**(2 664)**
Earnings per share in USD attributable to ordinary equity holders of Awilco LNG ASA:						
Basic, profit/(loss) for the period		(0.19)	(0.11)	(0.04)	(0.54)	(0.04)
Diluted, profit/(loss) for the period		(0.19)	(0.11)	(0.04)	(0.54)	(0.04)

Interim Consolidated Statement of Comprehensive Income

Profit/(loss) for the period	(12 588)	(7 258)	(2 603)	(36 276)	(2 664)
Other comprehensive income:					
Other comprehensive income items	-	-	-	-	-
Total comprehensive income/(loss) for the period	(12 588)	(7 258)	(2 603)	(36 276)	(2 664)

Interim Condensed Consolidated Statement of Financial Position

In USD thousands	Note	31.12.2015 (unaudited)	30.9.2015 (unaudited)	31.12.2014 (audited)
ASSETS				
Non-current assets				
Vessels	4	422 506	434 575	467 114
Other fixed assets		124	132	297
Total non-current assets		422 630	434 707	467 411
Current assets				
Trade receivables		2 460	2 578	2 520
Inventory		1 911	2 312	2 794
Other short term assets		1 154	405	3 960
Cash and cash equivalents		17 299	21 358	20 819
Total current assets		22 823	26 653	30 094
TOTAL ASSETS		**445 454**	**461 360**	**497 505**
EQUITY AND LIABILITIES				
Equity				
Share capital	3	48 420	48 420	48 420
Share premium		126 463	126 463	126 463
Retained earnings		(19 320)	(6 732)	16 956
Total equity		155 563	168 150	191 838
Non-current liabilities				
Pension liabilities		215	203	165
Long-term interest bearing debt		272 804	276 111	285 556
Total non-current liabilities		273 019	276 314	285 721
Current liabilities				
Short-term interest bearing debt		12 752	12 487	11 699
Trade payables		332	582	467
Income tax payable		4	56	54
Provisions and accruals	6	3 783	3 771	7 725
Total current liabilities		16 872	16 896	19 945
TOTAL EQUITY AND LIABILITIES		**445 454**	**461 360**	**497 505**

Interim Consolidated Statement of Changes in Equity

For the period ended 31 December 2015

In USD thousands	Share capital	Share premium	Retained earnings	Total equity
Equity at 1 January 2015	48 420	126 463	16 956	191 838
Profit/(loss) for the period	-	-	(36 276)	(36 276)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income	-	-	*(36 276)*	*(36 276)*
Balance as at 31 December 2015 (unaudited)	48 420	126 463	(19 320)	155 563

For the period ended 31 December 2014

In USD thousands	Share capital	Share premium	Retained earnings	Total equity
Equity at 1 January 2014	48 420	126 463	19 620	194 502
Profit/(loss) for the period	-	-	(2 664)	(2 664)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income	-	-	*(2 664)*	*(2 664)*
Balance as at 31 December 2014 (audited)	48 420	126 463	16 956	191 838

Interim Condensed Consolidated Cash Flow Statement

In USD thousands	Q4 2015 (unaudited)	Q3 2015 (unaudited)	2015 (unaudited)	2014 (audited)
Cash Flows from Operating Activities:				
Profit/(loss) before taxes	(12 592)	(7 260)	(36 272)	(2 610)
Income taxes paid	(49)	-	(49)	(9)
Interest and borrowing costs expensed	5 993	6 055	24 146	25 124
Items included in profit/(loss) not affecting cash flows:				
Depreciation and amortisation	4 051	4 043	16 583	18 376
Impairment of vessels	8 359	-	11 548	-
(Gain)/Loss on sale of other fixed assets	-	-	45	-
Changes in operating assets and liabilities:				
Trade receivables, inventory and other short term assets	(229)	(77)	(218)	7 004
Trade payables, provisions and accruals	(229)	(752)	(4 022)	(2 194)
i) Net cash provided by / (used in) operating activities	**5 304**	**2 009**	**11 760**	**45 690**
Cash Flows from Investing Activities:				
Investment in vessels	(333)	-	(333)	(6 719)
Investment in vessels under construction	-	-	-	(505)
Investment in other fixed assets	-	-	-	(2)
Proceeds from sale of vessels	-	17 764	17 764	
Proceeds from sale of other fixed assets	-	-	89	-
ii) Net cash provided by / (used in) investing activities	**(333)**	**17 764**	**17 521**	**(7 226)**
Cash Flows from Financing Activities:				
Repayment of borrowings	(3 042)	(1 982)	(10 743)	(10 841)
Interest and borrowing costs paid	(5 988)	(4 013)	(22 058)	(25 047)
iii) Net cash provided by / (used in) financing activities	**(9 030)**	**(5 995)**	**(32 801)**	**(35 889)**
Net change in cash and cash equivalents (i+ii+iii)	(4 059)	13 779	(3 519)	2 575
Cash and cash equivalents at start of period	21 358	7 579	20 819	18 244
Cash and cash equivalents at end of period	**17 299**	**21 358**	**17 299**	**20 819**

Notes to the Interim Condensed Consolidated Financial Statements

Note 1 - Corporate information, basis for preparation and accounting policies

Corporate information
Awilco LNG ASA (the Company) is a public limited liability company incorporated and domiciled in Norway. The Company's registered office is Beddingen 8, 0250 Oslo, Norway.

The interim consolidated financial statements (the Statements) of the Company comprise the Company and its subsidiaries, together referred to as the Group. The principal activity of the Group is the investment in and operation of LNG transportation vessels. The Group owns and operates a fleet of four LNG carriers.

Basis for preparation
The Statements for the three months ended 31 December 2015 are prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The Statements have not been subject to audit or review. The Statements do not include all of the information and disclosures required by International Financial Reporting Standards (IFRS) for a complete set of financial statements, and the Statements should be read in conjunction with the Group's annual consolidated financial statements for the period ended 31 December 2014, which includes a detailed description of the applied accounting policies.

Significant accounting policies
The accounting policies adopted in the preparation of the Statements are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2014.

Additionally the Group has applied the following policy regarding non-current assets held for sale:
Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through sale rather than continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell and presented separately as assets held for sale and liabilities held for sale in the statement of financial position.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan to sell will be withdrawn. In addition, the management is committed to the plan, and it is expected that the sale will be completed within a year. Once classified as held for sale assets are not depreciated or amortised.

Note 2 - Segment information

Operating segments
The Group currently owns and operates four LNG vessels, after disposing of WilPower in July 2015. For internal reporting and management purposes the Group's business is organised into one reporting segment, LNG transportation. Performance is not evaluated by geographical region. Revenue from the Group's country of domicile was MUSD 2.3 in Q4 2015 (nil in Q3 2015 and Q4 2014).

Information about major customers
The Group had two customers contributing with more than 10 per cent of the Group's freight income in Q4 2015.

Note 3 - Share capital

The number of issued shares was 67,788,874 at 31 December 2015. There were no changes in shares issued in Q4 2015. The share capital is denominated in NOK, and the nominal value per share is NOK 4 (in US dollars 0.74).
All issued shares are of equal rights.

Note 4 - Significant events and commitments

Impairment assessment fleet

A MUSD 8.4 million impairment loss has been recognised towards the fleet in 2015 based on an assessment of recoverable amount. MUSD 5.0 relates to WilPride and the remaining MUSD 3.4 relates to the two second generation vessels. Recoverable amount of the two second generation vessels is based on estimating fair value less costs to sell from comparable transactions of similar vessels. As there is not an active transaction market for modern vessels, recoverable amount of the TFDE vessels is based on estimating value in use. The estimated value in use is sensitive to changes in key assumptions regarding for instance vessel charter rates, utilisation rates and discount rate, and a prolonged weak market may result in future impairment losses.

Note 5 - Related party transactions

Agreements

Related party	Description of service	Note
Wilhelmsen Marine Services AS (WMS)	Technical Sub-management Services	1
Awilhelmsen Management AS (AWM)	Administrative Services	2
Astrup Fearnley Group	Ship Brokering Services	3

(1) The Group's in-house technical manager, ALNG TM, has entered into a sub-management agreement with WMS, whereby WMS assists ALNG TM in management of the Group's fleet. The sub-management services also include management for hire of the managing director in ALNG TM. ALNG TM pays WMS a management fee based on WMS' costs plus a margin of 7 %, cost being time accrued for the sub-manager's employees involved. The fee is subject to quarterly evaluation, and is regulated according to the consumer price index in Norway. The agreement can be terminated by both parties with three months notice. WMS is 100 % owned by Awilco AS.

(2) AWM provides the Group with administrative and general services including accounting and payroll, legal, secretary function and IT. The Group pays AWM MNOK 4.3 in yearly management fee (approx. MUSD 0.5-0.6) based on AWM's costs plus a margin of 5 %. The fee is subject to semi-annual evaluation, and is regulated according to the consumer price index in Norway. The agreement can be terminated by both parties with three months notice. AWM is 100 % owned by Awilhelmsen AS, which owns 100 % of Awilco AS.

(3) One of the Company's Board Members is also the General Manager of the Astrup Fearnley Group. The Astrup Fearnley Group delivers ship brokering services on a competitive basis to the Group.

Purchases from related parties

In USD thousands	**Q4**	**Q4**		
Related party	**2015**	**2014**	**2015**	**2014**
Wilhelmsen Marine Services AS	196	152	680	774
Awilhelmsen Management AS	119	158	519	695
Astrup Fearnley Group	20	22	20	243

Purchases from related parties are included as part of Administration expenses in the income statement, except from commissions paid to the Astrup Fearnley Group, which are included in Voyage related expenses.

Note 6 - Provisions and accruals

Provisions and accruals as at 31 December 2015 were MUSD 3.8, same as at 30 September 2015, of which deferred revenue was MUSD 2.4, same as at 30 September 2015.

Note 7 - Events after the balance sheet date

There were no material events after the balance sheet date.