FIRST QUARTER 2016 RESULTS

Highlights first quarter

- Awilco LNG ASA (Awilco LNG or the Company) reported freight income of MUSD 8.9 (MUSD 9.6 in Q4 2015) and EBITDA of MUSD 4.9 (MUSD 5.8 in Q4 2015).

- Vessel utilisation of 78 % compared to 81 % in Q4 2015 (trading vessels).

Key financial figures

USD million	Q1'16	Q4'15	Q3'15	2015
Freight income	8.9	9.6	8.3	37.4
Voyage related expenses	0.7	0.7	1.1	4.9
EBITDA	4.9	5.8	2.8	15.8
Net profit/(loss)	(4.6)	(12.6)	(7.3)	(36.3)
Total assets	437.9	445.5	461.4	445.5
Total equity	151.0	155.6	168.2	155.6
Interest bearing debt	282.7	285.8	288.8	285.8
Cash and cash equivalents	10.8	17.3	21.4	17.3
Book equity ratio	34 %	35 %	36 %	35 %

FINANCIAL REVIEW

Income statement first quarter 2016

Freight income for the quarter was MUSD 8.9, down from MUSD 9.6 in the previous quarter. The decrease was due to a minor reduction in rates and utilisation of WilPride, from 62 % in Q4 to 57 % this quarter. Fleet utilisation for the quarter ended at 78 %, compared to 81 % in Q4 2015 (trading vessels). Voyage related expenses were MUSD 0.7, same as in previous quarter.

Operating expenses were MUSD 2.4 (MUSD 2.3 in Q4 2015). Administration expenses for the quarter were MUSD 1.0 (MUSD 0.8 in Q4 2015). EBITDA for the quarter was MUSD 4.9 (MUSD 5.8 Q4 2015). Depreciation for the quarter was recorded at MUSD 3.6, compared to MUSD 4.1 in Q4 2015. The decrease in depreciation was due to the impairment losses charged in the previous quarter.

Net financial items were MUSD (5.8) compared to MUSD (6.0) in Q4 2015. Interest expenses on the WilForce and WilPride financial leases amounted to MUSD 5.9 (MUSD 6.0 in Q4 2015).

Loss for the period was MUSD 4.6, compared to a loss of MUSD 12.6 in Q4 2015.

Statement of financial position

Book value of vessels was MUSD 418.9 as at 31 March 2016 (MUSD 422.5 31 December 2015). The decrease reflects ordinary depreciation during the quarter.

Total current assets were MUSD 18.9 as at 31 March 2016 (MUSD 22.8 as at 31 December 2015), of which cash and cash equivalents were MUSD 10.8 (MUSD 17.3 Q4 2015). MUSD 3.0 of the increase in total current assets compared to last quarter follows from an increase in prepayments relating to the financial lease bareboat payments.

Total equity as at 31 March 2016 was MUSD 151.0.

Total current liabilities were MUSD 17.2 as at 31 March 2016 (MUSD 16.9 Q4 2015). MUSD 13.0 of the current liabilities relates to the short term portion of the WilForce and WilPride financial leases (MUSD 12.8 as at 31 December 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 the Company’s obligations. Forecasting spot market earnings and utilisation involves a high degree of uncertainty.

MARKET UPDATE

The Far East gas price continued the declining trend during the quarter, starting at about USD 6.9/MMBTU and ending at USD 4.4/MMBTU. The UK NBP price followed same trend, starting at about USD 4.8/MMBTU and ending at USD 3.78/MMBTU. The continuous falling Far East gas prices have further limited the arbitrage possibilities resulting in a persistent negative impact on ton-mile.

Despite falling LNG prices, LNG imports to Japan and South Korea continued the weakening trend from 2015, and imports were down 6 % and 5 % respectively during the quarter. On a positive note, LNG import to China has finally started to improve after a disappointing 2015, increasing by 17 % in the first quarter 2016.

New LNG production capacity added in Q4 2015 and Q1 2016 had a slight positive impact on the market as the number of available vessels was reduced during the quarter. However, due to the continued overhang of available vessels, the rates have only improved marginally. Average rates for TDFE vessels was reported at just below USD 30,000 per day at the beginning of the quarter increasing marginally to USD 30,000 and USD 32,000 per day at the end of the quarter for vessels open in the Far East and Atlantic respectively.

In Q1 the first LNG trains from Australia Pacific, Sabine Pass and Gorgon all shipped their first cargoes. The combined added capacity from the tree LNG trains after ramp-up is estimated at about 14 MTPA. Unfortunately, the Gorgon train was subsequently closed down due to start-up problems, and is expected to restart in May. The re-start of the Angola LNG plant is again rumored to be imminent, supported by the seven Angola vessels being pulled out from the spot-market. In total more than 45 MTPA of new LNG capacity is scheduled for start-up in 2016. Analysts forecast total production capacity in 2020 to 450 MTPA, which represents an increase of about 50 % compared to the 2015 capacity.

During the 2nd half of 2015 the newbuilding orders finally eased of and have remained at low level since. So far in 2016 no newbuilding orders have been placed compared to 10 vessels in the same period last year.

According to shipbrokers the total orderbook at end Q1 2016 for LNG vessels above 100,000 cbm (excl. FSRU and FLNG) was 129 vessels, of which only 14 are available for contract. 7 vessels were delivered during Q1 and further 37 are scheduled for delivery in remaining of 2016. As a result of the weak market and shipyard constraints some deliveries are 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 4 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.

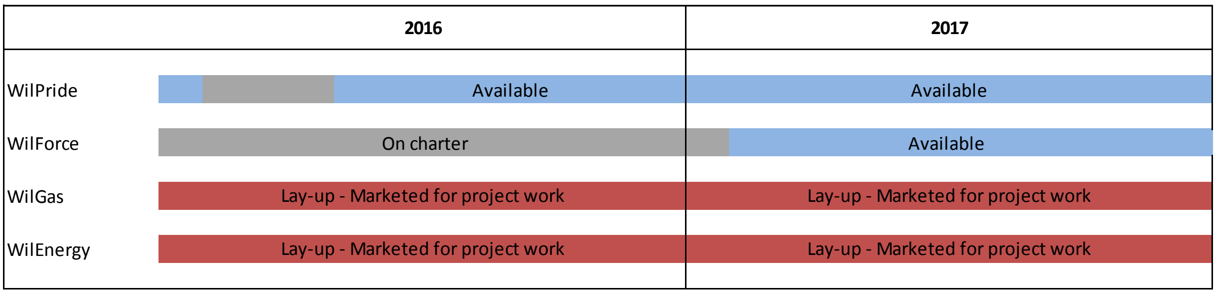
WilPride: is trading in the spot/short term market.

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

As a result of deliveries of newbuilding vessels over the last couple of years, combined with limited growth in the LNG trade and reduced ton-mile, the LNG spot market has been at unsustainable levels for more than one year, both in terms of low utilisation and depressed freight rates. The market for older tonnage has been even more affected by the tough market, resulting in very few fixtures for such vessels and several steam vessels have been placed in cold lay-up.

Due to continued oversupply of vessels, the short term market for LNG shipping is expected to continue to be challenging. However, new LNG production which has started during the last 6 months in addition to scheduled new production coming on stream is expected to gradually improve the LNG shipping market. As the current oversupply of vessels is gradually absorbed, it is expected that both the utilisation and rates will start to improve.

WilPride is currently operating in the spot market, and she has since delivery in November 2013 achieved 68 % utilisation. Awilco LNG is continuously evaluating mid- and long-term employment opportunities for WilPride, in addition to longer term infrastructure projects for its second generation vessels.

Oslo, 12 May 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	Q1 2016 (unaudited)	Q4 2015 (unaudited)	Q1 2015 (unaudited)	2015 (audited)
Freight income	2	8 890	9 603	12 135	37 354
Voyage related expenses	4	680	659	1 827	4 873
Net freight income		**8 210**	**8 945**	**10 308**	**32 481**
Operating expenses		2 363	2 330	3 567	12 690
Administration expenses	4	962	840	1 223	3 961
Earnings before interest, taxes, depr. and amort. (EBITDA)		**4 885**	**5 776**	**5 518**	**15 831**
Depreciation and amortisation		3 647	4 051	4 287	16 583
Impairment of vessels		-	8 359	-	11 548
Earnings before interest and taxes		**1 238**	**(6 634)**	**1 231**	**(12 300)**
Finance income		97	35	133	211
Finance expenses		5 907	5 993	6 059	24 183
Net finance income/(expense)		**(5 809)**	**(5 958)**	**(5 926)**	**(23 972)**
Profit/(loss) before taxes		**(4 571)**	**(12 592)**	**(4 694)**	**(36 272)**
Income tax expense		-	4	(24)	(4)
Profit/(loss) for the period		**(4 571)**	**(12 588)**	**(4 718)**	**(36 276)**
Earnings per share in USD attributable to ordinary equity holders of Awilco LNG ASA:					
Basic, profit/(loss) for the period		(0.07)	(0.19)	(0.07)	(0.54)
Diluted, profit/(loss) for the period		(0.07)	(0.19)	(0.07)	(0.54)

Interim Consolidated Statement of Comprehensive Income

Profit/(loss) for the period	(4 571)	(12 588)	(4 718)	(36 276)
Other comprehensive income:				
Other comprehensive income items	-	-	-	-
Total comprehensive income/(loss) for the period	(4 571)	(12 588)	(4 718)	(36 276)

Interim Condensed Consolidated Statement of Financial Position

In USD thousands	Note	31.3.2016 (unaudited)	31.12.2015 (audited)	31.3.2015 (unaudited)
ASSETS				
Non-current assets				
Vessels		418 868	422 506	462 841
Other fixed assets		115	124	149
Total non-current assets		418 983	422 630	462 989
Current assets				
Trade receivables		3 069	2 460	2 439
Inventory		1 580	1 911	3 302
Other short term assets		3 527	1 154	512
Cash and cash equivalents		10 769	17 299	17 419
Total current assets		18 946	22 823	23 671
TOTAL ASSETS		**437 929**	**445 454**	**486 660**
EQUITY AND LIABILITIES				
Equity				
Share capital	3	48 420	48 420	48 420
Share premium		126 463	126 463	126 463
Retained earnings		(23 891)	(19 320)	12 238
Total equity		150 991	155 563	187 120
Non-current liabilities				
Pension liabilities		250	215	172
Long-term interest bearing debt		269 503	272 804	282 485
Total non-current liabilities		269 753	273 019	282 657
Current liabilities				
Short-term interest bearing debt		12 982	12 752	11 977
Trade payables		277	332	162
Income tax payable		-	4	73
Provisions and accruals	5	3 926	3 783	4 672
Total current liabilities		17 185	16 872	16 884
TOTAL EQUITY AND LIABILITIES		**437 929**	**445 454**	**486 660**

Interim Consolidated Statement of Changes in Equity

For the period ended 31 March 2016

In USD thousands	Share capital	Share premium	Retained earnings	Total equity
Equity at 1 January 2016	48 420	126 463	(19 320)	155 563
Profit/(loss) for the period	-	-	(4 571)	(4 571)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income	-	-	*(4 571)*	*(4 571)*
Balance as at 31 March 2016 (unaudited)	48 420	126 463	(23 891)	150 991

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 (audited)	48 420	126 463	(19 320)	155 563

Interim Condensed Consolidated Cash Flow Statement

In USD thousands	Q1 2016 (unaudited)	Q4 2015 (unaudited)	Q1 2015 (unaudited)	2015 (audited)
Cash Flows from Operating Activities:				
Profit/(loss) before taxes	(4 571)	(12 592)	(4 694)	(36 272)
Income taxes paid	(4)	(49)	-	(49)
Interest and borrowing costs expensed	5 865	5 993	6 045	24 146
Items included in profit/(loss) not affecting cash flows:				
Depreciation and amortisation	3 647	4 051	4 287	16 583
Impairment of vessels	-	8 359	-	11 548
(Gain)/Loss on sale of other fixed assets	-	-	45	45
Changes in operating assets and liabilities:				
Trade receivables, inventory and other short term assets	392	(229)	(22)	(218)
Trade payables, provisions and accruals	24	(229)	(3 355)	(4 022)
i) Net cash provided by / (used in) operating activities	**5 352**	**5 304**	**2 306**	**11 760**
Cash Flows from Investing Activities:				
Investment in vessels	-	(333)	-	(333)
Proceeds from sale of vessels	-	-	-	17 764
Proceeds from sale of other fixed assets	-	-	89	89
ii) Net cash provided by / (used in) investing activities	**-**	**(333)**	**89**	**17 521**
Cash Flows from Financing Activities:				
Repayment of borrowings	(4 098)	(3 042)	(1 838)	(10 743)
Interest and borrowing costs paid	(7 784)	(5 988)	(3 957)	(22 058)
iii) Net cash provided by / (used in) financing activities	**(11 882)**	**(9 030)**	**(5 795)**	**(32 801)**
Net change in cash and cash equivalents (i+ii+iii)	(6 530)	(4 059)	(3 400)	(3 519)
Cash and cash equivalents at start of period	17 299	21 358	20 819	20 819
Cash and cash equivalents at end of period	**10 769**	**17 299**	**17 419**	**17 299**

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 March 2016 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 2015, 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 2015.

Note 2 - Segment information

Operating segments
The Group currently owns and operates four LNG vessels. 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 nil in Q1 2016 (MUSD 2.3 in Q4 2015).

Information about major customers
The Group had one customer contributing with more than 10 per cent of the Group's freight income in Q1 2016.

Note 3 - Share capital

The number of issued shares was 67,788,874 at 31 March 2016. There were no changes in shares issued in Q1 2016. 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 - 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.

Note 4 - Related party transactions cont.

(2) AWM provides the Group with administrative and general services including accounting and payroll, legal, secretary function and IT. The Group pays AWM MNOK 2.6 in yearly management fee (approx. MUSD 0.3) 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	**Q1**	**Q1**	
Related party	**2016**	**2015**	**2015**
Wilhelmsen Marine Services AS	209	194	680
Awilhelmsen Management AS	78	135	519
Astrup Fearnley Group	4	-	20

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 5 - Provisions and accruals

Provisions and accruals as at 31 March 2016 were MUSD 3.9 (MUSD 3.8 as at 31 December 2015), of which deferred revenue was MUSD 2.4, same as at 31 December 2015.

Note 6 - Events after the balance sheet date

There were no material events after the balance sheet date.