



FOURTH QUARTER 2016 RESULTS AND PRELIMINARY 2016 RESULTS

Highlights fourth quarter

- Awilco LNG ASA (Awilco LNG or the Company) reported freight income of MUSD 9.1 (MUSD 8.4 in Q3 2016) and EBITDA of MUSD 6.1 (MUSD 4.6 in Q3 2016).
- Vessel utilisation of 83 % compared to 80 % in Q3 2016 (trading vessels).

Highlights for the year 2016

- Full year freight income of MUSD 34.8 (MUSD 37.4 in 2015).
- Full year EBITDA of MUSD 19.8 (MUSD 15.8 in 2015).
- One-off impairment loss of MUSD 6.6 (MUSD 11.5 in 2015).
- Net loss before tax of MUSD 22.8 (MUSD 36.3 in 2015).
- Vessel utilisation of 79 % compared to 61 % in 2015 (trading vessels).

Key financial figures

USD million	Q4'16	Q3'16	Q2'16	2016	2015
Freight income	9.1	8.4	8.3	34.8	37.4
Voyage related expenses	0.3	0.7	1.1	2.8	4.9
EBITDA	6.1	4.6	4.2	19.8	15.8
Net profit/(loss)	(2.5)	(4.2)	(11.5)	(22.8)	(36.3)
Total assets	408.4	415.9	423.1	408.4	445.5
Total equity	132.8	135.3	139.5	132.8	155.6
Interest bearing debt	273.1	276.4	279.6	273.1	285.8
Cash and cash equivalents	30.0	34.5	5.7	30.0	17.3
Book equity ratio	33 %	33 %	33 %	33 %	35 %

FINANCIAL REVIEW

Income statement fourth quarter 2016

Freight income for the quarter was MUSD 9.1, up from MUSD 8.4 in the previous quarter, due to improved market rates and utilisation of WilPride. Fleet utilisation for the quarter ended at 83 %, compared to 80 % in Q3 2016 (trading vessels). Voyage related expenses were MUSD 0.3, compared to MUSD 0.7 in the previous quarter.

Operating expenses were MUSD 1.8 (MUSD 2.2 in Q3 2016), reflecting the full effect of reduced opex following the sale of WilEnergy and WilGas in August 2016, in addition to a positive one-off warranty settlement of MUSD 0.4 on the two TFDE vessels. Administration expenses for the quarter were MUSD 0.9, same as in Q3 2016. EBITDA for the quarter was MUSD 6.1 (MUSD 4.6 Q3 2016). Depreciation for the quarter was recorded at MUSD 2.9, same as in the previous quarter.

Net financial items were MUSD (5.7), compared to MUSD (5.9) in the previous quarter. Interest expenses on the WilForce and WilPride financial leases amounted to MUSD 5.7 (MUSD 5.8 in Q3 2016).

Loss for the period was MUSD 2.5, compared to a loss of MUSD 4.2 in Q3 2016.

Income statement full year 2016

Freight income for the year amounted to MUSD 34.8, compared to MUSD 37.4 in 2015. The decrease was due to weak market rates in the first half of 2016 and a reduction in the fleet. Fleet utilisation for the Company ended at 79 %, compared to 61 % in 2015 (trading vessels). Voyage related expenses were down to MUSD 2.8 in 2016 compared to MUSD 4.9 in 2015, mainly due to WilGas positioning to lay-up in Q3 2015.

Operating expenses for the year were MUSD 8.7 compared to MUSD 12.7 in 2016, reflecting the sale of WilEnergy and WilGas in 2016. Administration expenses were recorded at MUSD 3.5 in 2016, down from MUSD 4.0 in 2015. The decrease was mainly an effect of strict cost control measures implemented during the year in addition to the depreciation of NOK vs USD.

Full year EBITDA was MUSD 19.8, compared to MUSD 15.8 in 2015. Depreciation for the period was MUSD 12.9, down from MUSD 16.6 in 2015 following the sale of WilEnergy and WilGas. Impairment losses of MUSD 6.6 were recorded towards the sale of WilEnergy and WilGas in 2016, compared to MUSD 11.5 in various impairment charges recognised in 2015, of which MUSD 3.2 towards the sale of WilPower and MUSD 8.2 in year end impairments towards WilPride, WilGas and WilEnergy. Net finance income/(expense) was MUSD (23.2) compared to MUSD (24.0) in 2015.

Loss before tax and for the period was MUSD 22.8, compared to MUSD 36.3 in 2015.

Statement of financial position

Book value of vessels was MUSD 371.8 as at 31 December 2016 (MUSD 374.7 30 September 2016). The decrease reflects ordinary depreciation during the quarter.

Total current assets were MUSD 36.4 as at 31 December 2016 (MUSD 41.1 as at 30 September 2016), of which cash and cash equivalents were MUSD 30.0 (MUSD 34.5 Q3 2016).

Total equity as at 31 December 2016 was MUSD 132.8.

Total current liabilities were MUS\$ 16.3 as at 31 December 2016 (MUS\$ 17.8 Q3 2016). MUS\$ 13.8 of the current liabilities relates to the short term portion of the WilForce and WilPride financial leases (MUS\$ 13.5 as at 30 September 2016).

Total non-current liabilities were MUS\$ 259.3 as at 31 December 2016 (MUS\$ 262.9 Q3 2016), of which the long term portion of the WilForce and WilPride financial leases was MUS\$ 259.0 (MUS\$ 262.6 Q3 2016). The WilPride financial lease commenced in November 2013, and is for four years plus a one year unconditional option in Awilco LNG's favour. As the facility can be extended until November 2018 it is presented as a non-current liability as at 31 December 2016.

MARKET UPDATE

Following increased seasonal demand and colder than anticipated weather, the Far East gas price continued the increasing price trend, starting the quarter at USD 5.80/MMBTU and ending at USD 9.13/MMBTU, which is the highest level seen in two years. The UK NBP and US HH prices increased as well, but considerably less than in the Far East. The UK NBP started at USD 5.1/MMBTU and ended at USD 5.96/MMBTU, while HH increased from USD 3.0/MMBTU to USD 3.5/MMBTU.

The widening gas price spread and arbitrage possibilities in Q4 resulted in periods with high activity in the shipping market. The availability of vessels in the Atlantic was low and freight rates continued to improve during the quarter. The rates West of Suez started the quarter at USD 40,000 per day and ended at USD 48,000 per day, while the rates East of Suez remained at USD 35,000 per day for the quarter. The positive trend seen in Q4 2016 persisted into 2017, as rates West of Suez further improved to USD 52,000 per day while East of Suez was reported at USD 38,000 per day, although activity slowed somewhat. Despite high activity and increasing spot market rates, the short- and mid-term TC rates have only slightly improved.

On the production side, both Petronas MLNG train 9 (3.6 MTPA) and Gorgon LNG train 2 (5.2 MTPA) started production in the 4th quarter. Technical issues at Gorgon LNG train 1 resulted in more than a month of down-time in Q4. In 2016 a total of 41 MTPA of new LNG production capacity was added. Ramp-up of new LNG production facilities normally takes about 6 months, resulting in the full effect of the nameplate capacity of 41 MTPA not being seen before well into 2017.

The LNG trade is estimated to have increased by 7 %, from 245 MT in 2015 to 263 MT in 2016, the highest percentage increase since 2011. LNG imports to China and India continued to increase and were up 33 % and 26 % respectively in 2016, while the imports into Japan and South Korea remained at about the same level as last year.

Newbuilding activity was low in 2016. Only 5 newbuildings were ordered during the year, all against long term contracts, compared to the 25 newbuilding orders placed in 2015. According to shipbrokers the orderbook at the end of 2016 for LNG vessels above 100,000 cbm (excl. FSRU and FLNG) was 109 vessels, of which only 7 are available for contract. 41 vessels were scheduled for delivery during 2016, but due to reduced production capacity at shipyards and a depressed market only 27 were actually delivered. In 2017 43 vessels are scheduled for delivery, but several deliveries are expected to be delayed in 2017 as well.

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


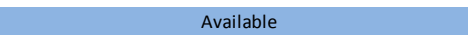


Management AS and Awilco Technical Services AS, see note 4 in the interim condensed consolidated financial statements for further details.

VESSEL CONTRACT STATUS

WilForce: was redelivered from a three year charter in December 2016, and is trading in the spot/short term market.

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

Contract overview

	2016	2017
WilPride		
WilForce		

OUTLOOK

After two years with a very weak LNG shipping market, the market turned during the summer of 2016. The start-up of new LNG production facilities and the increased number of spot market fixtures have gradually started to absorb the overhang of LNG vessels, resulting in a significantly improved market. As further new production capacity is coming on stream over the next 3 years, and newbuilding ordering was restrained throughout 2016, the outlook for the LNG shipping market is promising.

Both WilPride and WilForce are currently operating in a challenging spot market. The outlook for the long term LNG transportation market is firm and Awilco LNG is well positioned to benefit from the improving market.

Oslo, 14 February 2017

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

		Q4 2016	Q3 2016	Q4 2015	2016	2015
	Note	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
Freight income	2	9 098	8 435	9 603	34 769	37 354
Voyage related expenses	4	347	668	659	2 808	4 873
Net freight income		8 751	7 767	8 945	31 961	32 481
Operating expenses		1 754	2 247	2 330	8 658	12 690
Administration expenses	4	884	937	840	3 474	3 961
Earnings before interest, taxes, depr. and amort. (EBITDA)		6 113	4 583	5 776	19 829	15 831
Depreciation and amortisation		2 923	2 926	4 051	12 903	16 583
Impairment of vessels		-	-	8 359	6 569	11 548
Earnings before interest and taxes		3 190	1 657	(6 634)	357	(12 300)
Finance income		6	1	35	105	211
Finance expenses		5 690	5 875	5 993	23 260	24 183
Net finance income/(expense)		(5 684)	(5 874)	(5 958)	(23 156)	(23 972)
Profit/(loss) before taxes		(2 494)	(4 217)	(12 592)	(22 798)	(36 272)
Income tax expense		-	-	4	-	(4)
Profit/(loss) for the period		(2 494)	(4 217)	(12 588)	(22 798)	(36 276)
Earnings per share in USD attributable to ordinary equity holders of Awilco LNG ASA:						
Basic, profit/(loss) for the period		(0.04)	(0.06)	(0.19)	(0.34)	(0.54)
Diluted, profit/(loss) for the period		(0.04)	(0.06)	(0.19)	(0.34)	(0.54)

Interim Consolidated Statement of Comprehensive Income

Profit/(loss) for the period	(2 494)	(4 217)	(12 588)	(22 798)	(36 276)
Other comprehensive income:					
Other comprehensive income items	-	-	-	-	-
Total comprehensive income/(loss) for the period	(2 494)	(4 217)	(12 588)	(22 798)	(36 276)

Interim Condensed Consolidated Statement of Financial Position

<i>In USD thousands</i>		31.12.2016	30.9.2016	31.12.2015
	Note	(unaudited)	(unaudited)	(audited)
ASSETS				
Non-current assets				
Vessels		371 847	374 666	422 506
Other fixed assets		94	99	124
Total non-current assets		371 941	374 765	422 630
Current assets				
Trade receivables		552	2 619	2 460
Inventory		1 847	572	1 911
Other short term assets		3 983	3 452	1 154
Cash and cash equivalents		30 047	34 505	17 299
Total current assets		36 430	41 147	22 823
TOTAL ASSETS		408 371	415 913	445 454
EQUITY AND LIABILITIES				
Equity				
Share capital	3	48 420	48 420	48 420
Share premium		126 463	126 463	126 463
Retained earnings		(42 118)	(39 624)	(19 320)
Total equity		132 764	135 258	155 563
Non-current liabilities				
Pension liabilities		301	300	215
Long-term interest bearing debt		258 984	262 575	272 804
Total non-current liabilities		259 285	262 875	273 019
Current liabilities				
Short-term interest bearing debt		13 820	13 535	12 752
Trade payables		904	261	332
Income tax payable		-	-	4
Provisions and accruals	5	1 598	3 983	3 783
Total current liabilities		16 322	17 779	16 872
TOTAL EQUITY AND LIABILITIES		408 371	415 913	445 454

Interim Consolidated Statement of Changes in Equity

For the period ended 31 December 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	-	-	(22 798)	(22 798)
Other comprehensive income for the period	-	-	-	-
<i>Total comprehensive income</i>	-	-	(22 798)	(22 798)
Balance as at 31 December 2016 (unaudited)	48 420	126 463	(42 118)	132 764

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	-	-	-	-
<i>Total comprehensive income</i>	-	-	(36 276)	(36 276)
Balance as at 31 December 2015 (unaudited)	48 420	126 463	(19 320)	155 563

Interim Condensed Consolidated Cash Flow Statement

In USD thousands

	Q4 2016 (unaudited)	Q3 2016 (unaudited)	2016 (unaudited)	2015 (audited)
Cash Flows from Operating Activities:				
Profit/(loss) before taxes	(2 494)	(4 217)	(22 798)	(36 272)
Income taxes paid	-	-	(12)	(49)
Interest and borrowing costs expensed	5 728	5 797	23 189	24 146
<i>Items included in profit/(loss) not affecting cash flows:</i>				
Depreciation and amortisation	2 923	2 926	12 903	16 583
Impairment of vessels	-	-	6 569	11 548
(Gain)/Loss on sale of other fixed assets	-	-	-	45
<i>Changes in operating assets and liabilities:</i>				
Trade receivables, inventory and other short term assets	260	935	1 315	(218)
Trade payables, provisions and accruals	(1 741)	246	(1 517)	(4 022)
i) Net cash provided by / (used in) operating activities	4 676	5 686	19 649	11 760
Cash Flows from Investing Activities:				
Investment in vessels	(99)	-	(99)	(333)
Proceeds from sale of vessels	-	32 185	32 185	17 764
Proceeds from sale of other fixed assets	-	-	-	89
ii) Net cash provided by / (used in) investing activities	(99)	32 185	32 085	17 521
Cash Flows from Financing Activities:				
Repayment of borrowings	(3 330)	(3 261)	(13 882)	(10 743)
Interest and borrowing costs paid	(5 704)	(5 774)	(25 103)	(22 058)
iii) Net cash provided by / (used in) financing activities	(9 034)	(9 034)	(38 985)	(32 801)
Net change in cash and cash equivalents (i+ii+iii)	(4 458)	28 836	12 749	(3 519)
Cash and cash equivalents at start of period	34 505	5 669	17 299	20 819
Cash and cash equivalents at end of period	30 047	34 505	30 047	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 two modern TFDE LNG carriers.

Basis for preparation

The Statements for the three months ended 31 December 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. None of the new accounting standards or amendments that came into effect in 2016 had a significant effect on the Statements.

Note 2 - Segment information

Operating segments

The Group currently owns and operates two modern TFDE 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 Q4 2016, same as in Q3 2016.

Information about major customers

The Group had two customers contributing with more than 10 per cent of the Group's freight income in Q4 2016.

Note 3 - Share capital

The number of issued shares was 67,788,874 at 31 December 2016. There were no changes in shares issued in Q4 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
Awilco Technical Services AS (ATS)	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 ATS, whereby ATS 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 ATS a management fee based on ATS' 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. ATS 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

Related party	Q4	Q3	2016	2015
	2016	2016		
Awilco Technical Services AS	126	179	669	680
Awilhelmsen Management AS	76	78	311	519
Astrup Fearnley Group	-	-	320	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 in 2016 are included in Voyage related expense (KUSD 4) and Impairment of vessels (KUSD 316), and in Voyage related expenses in 2015.

Note 5 - Provisions and accruals

Provisions and accruals as at 31 December 2016 were MUSD 1.6 (MUSD 4.0 as at 30 September 2016), of which deferred revenue was NIL, compared to MUSD 2.4 as at 30 September 2016.

Note 6 - Events after the balance sheet date

There were no material events after the balance sheet date.