



Q4 2016

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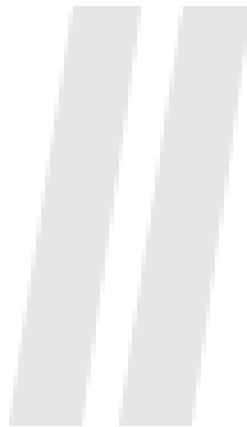
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Company Overview



Awilco LNG is a pure play LNG transportation provider, owning and operating LNG vessels. The Company owns two 2013 built 156,000 cbm TFDE membrane LNG vessels, WilForce and WilPride. Awilco LNG is listed on Oslo Axess under the ticker code ALNG.

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4th Quarter Highlights

4th quarter 2016

- Awilco LNG reported:
 - Net freight income of MUSD 8.8 MUSD 7.8 in Q3 2016
 - EBITDA of MUSD 6.1 MUSD 4.6 in Q3 2016
 - Net profit/(loss) of MUSD (2.5) MUSD (4.2) in Q3 2016
- Vessel utilisation of 83 %, compared to 80 % in Q3 2016 (trading vessels)

Full year 2016

- Awilco LNG reported:
 - Net freight income of MUSD 32.0 MUSD 32.5 in 2015
 - EBITDA of MUSD 19.8 MUSD 15.8 in 2015
 - Net profit/(loss) of MUSD(22.8) MUSD (36.3) in 2015



Q4 2016 Income statement

USD million	Q4'16	Q3'16	2016	2015
Freight income	9.1	8.4	34.8	37.4
Voyage related expenses	(0.3)	(0.7)	(2.8)	(4.9)
Net freight income	8.8	7.8	32.0	32.5
Operating expenses	(1.8)	(2.2)	(8.7)	(12.7)
Administration expenses	(0.9)	(0.9)	(3.5)	(4.0)
EBITDA	6.1	4.6	19.8	15.8
Depreciation	(2.9)	(2.9)	(12.9)	(16.6)
Impairment	-	-	(6.6)	(11.5)
Net finance	(5.7)	(5.9)	(23.2)	(24.0)
Profit/(loss) before tax	(2.5)	(4.2)	(22.8)	(36.3)
Tax	-	-	-	-
Profit/(loss)	(2.5)	(4.2)	(22.8)	(36.3)



Q4 2016 Balance sheet

USD million	31.12.16	30.09.16	31.12.15
Vessels	371.8	374.7	422.5
Other non-current assets	0.1	0.1	0.1
Total non-current assets	371.9	374.8	422.6
Trade receivables	0.6	2.6	2.5
Other short term assets	5.8	4.0	3.1
Cash	30.0	34.5	17.3
Total current assets	36.4	41.1	22.8
Total assets	408.4	415.9	445.5
Total equity	132.8	135.3	155.6
Long-term interest bearing debt	259.0	262.6	272.8
Other non-current liabilities	0.3	0.3	0.2
Non-current liabilities	259.3	262.9	273.0
Short-term interest bearing debt	13.8	13.5	12.8
Other current liabilities	2.5	4.2	4.1
Total current liabilities	16.3	17.8	16.9
Total equity and liabilities	408.4	415.9	445.5



Q4 2016 Cash flow

USD million	Q4'16	2016	2015
Cash Flows from Operating Activities:			
Profit/(loss) before taxes	(2.5)	(22.8)	(36.3)
Income taxes paid	-	-	-
Interest and borrowing costs expensed	5.7	23.2	24.1
Depreciation, amortisation and impairment	2.9	19.5	28.1
Trade receivables, inventory and other short term assets	0.3	1.3	(0.2)
Accounts payable, accrued exp. and deferred revenue	(1.7)	(1.5)	(4.0)
Net cash provided by / (used in) operating activities	4.7	19.6	11.8
Cash Flows from Investing Activities:			
Investment in vessels / sale of vessels	(0.1)	32.1	17.4
Proceeds from sale of other fixed assets	-	-	0.1
Net cash provided by / (used in) investing activities	(0.3)	32.1	17.5
Cash Flows from Financing Activities:			
Repayment of borrowings	(3.3)	(13.9)	(10.7)
Interest and borrowing costs paid	(5.7)	(25.1)	(22.1)
Net cash provided by / (used in) financing activities	(9.0)	(39.0)	(32.8)
Net changes in cash and cash equivalents	(4.5)	12.7	(3.5)
Cash and cash equivalents at start of period	34.5	17.3	20.8
Cash and cash equivalents at end of period	30.0	30.0	17.3



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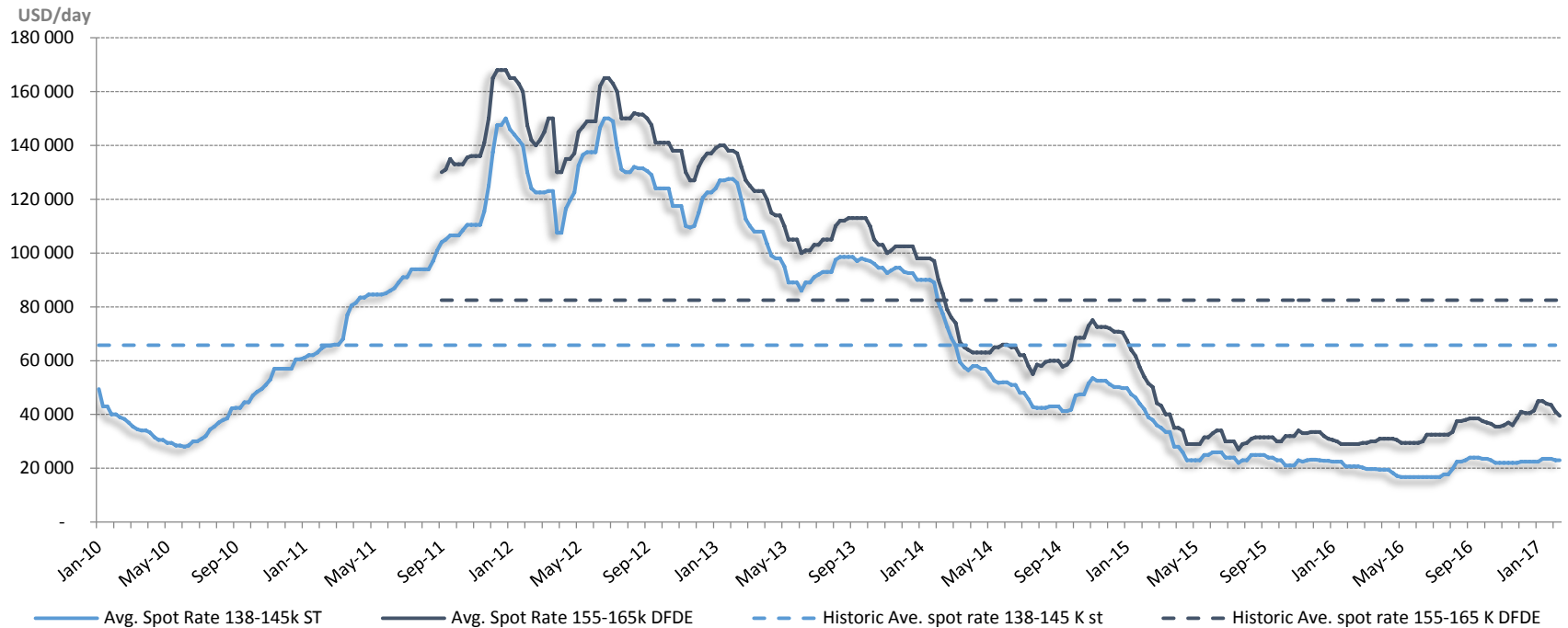


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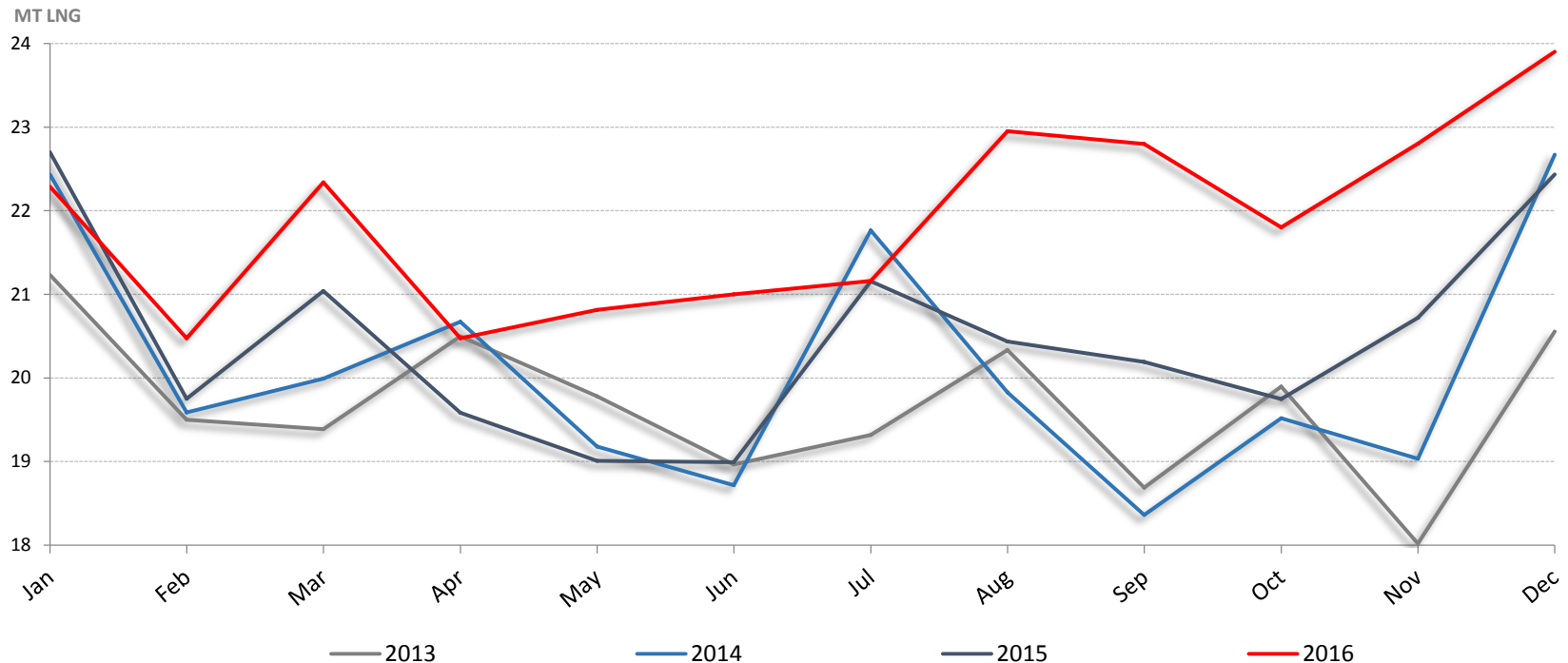
LNG rates



- Activity and rates bottomed during summer of 2016, and improved throughout Q4
- Reduced activity and marginally softer rates so far in Q1 2017, but still significantly higher than same period last year

Source: Fearnley LNG

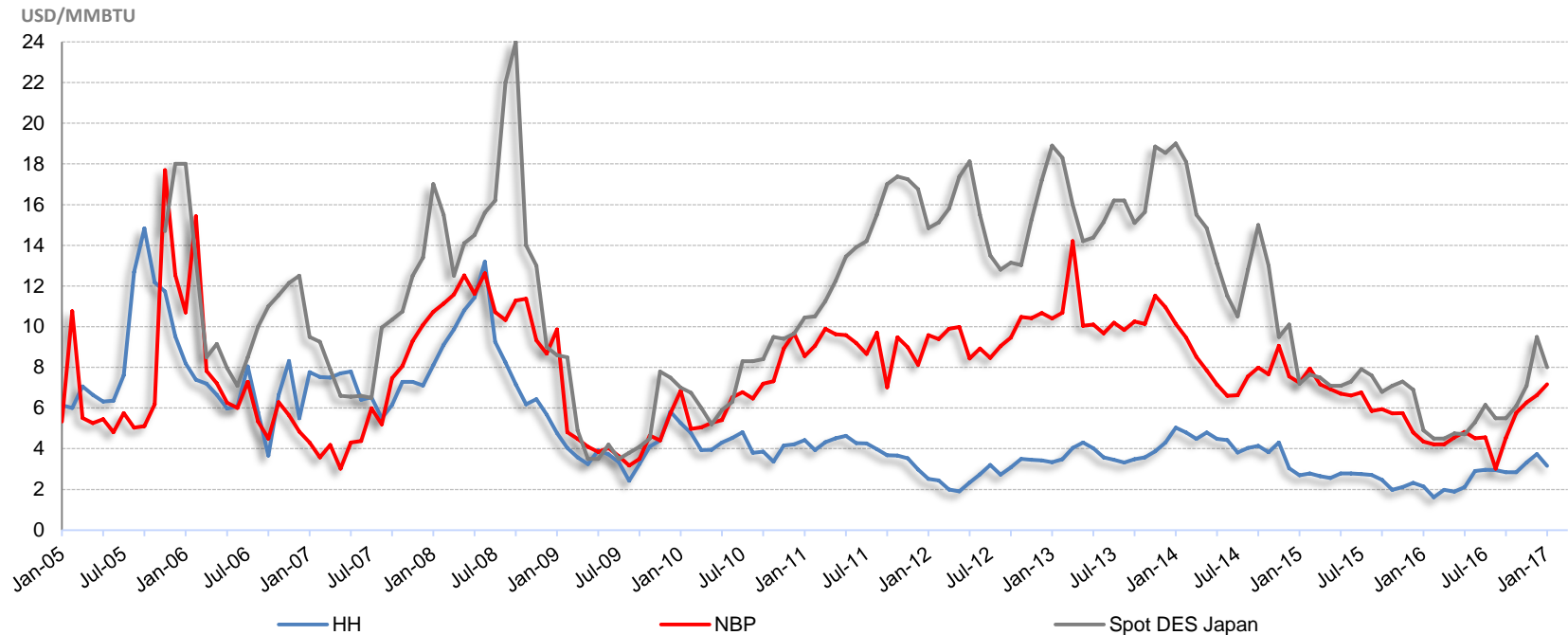
Monthly global LNG trade



- Global trade was up by 7 % in 2016
- New LNG production capacity added in 2016 was 41 MT – global trade expected to increase more in 2017 and 2018
- Seasonality is still valid in LNG trading, but new production capacity coming on line is lifting volumes

Source: Clarksons Platou

Gas price

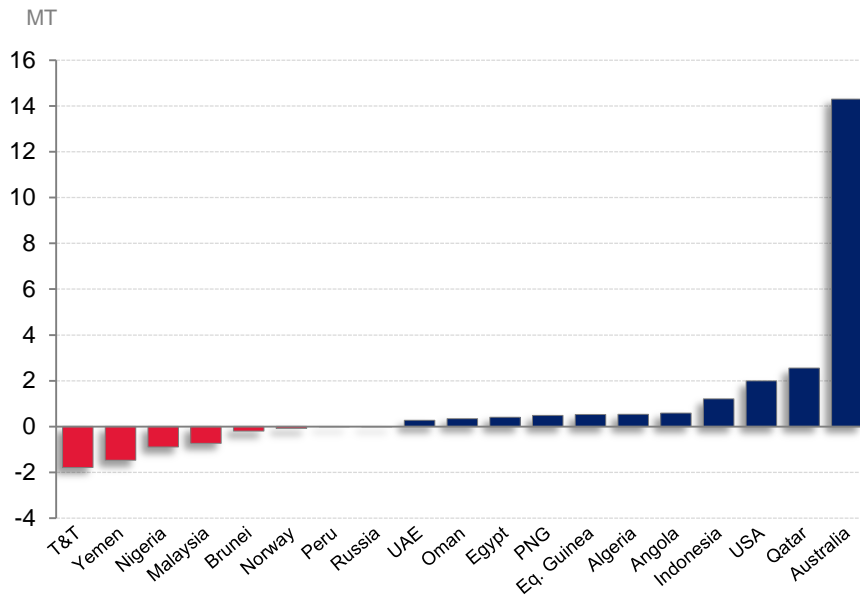


- Due to cold weather and low inventory, gas price in Far East increased sharply Q4 and hit highest level since 2014
- Far East price coming off at the end of the quarter while Europe sees cold weather and increasing prices into Q1 reducing the W-E arbitrage
- US LNG prices wide open for arbitrage – 15 cargoes exported from Sabine Pass in January

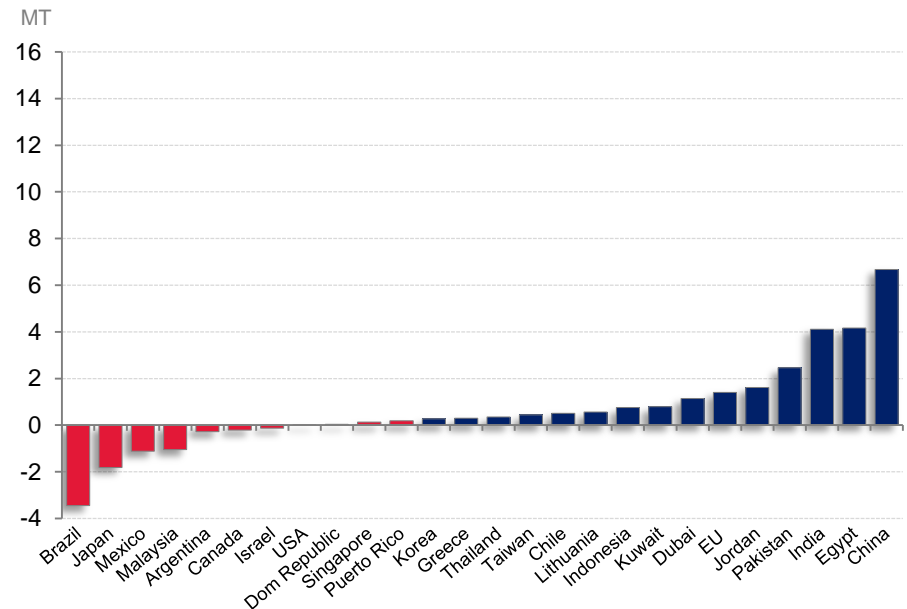
Source: Clarksons Platou

LNG trade

LNG exports yoy 2016



LNG imports yoy 2016

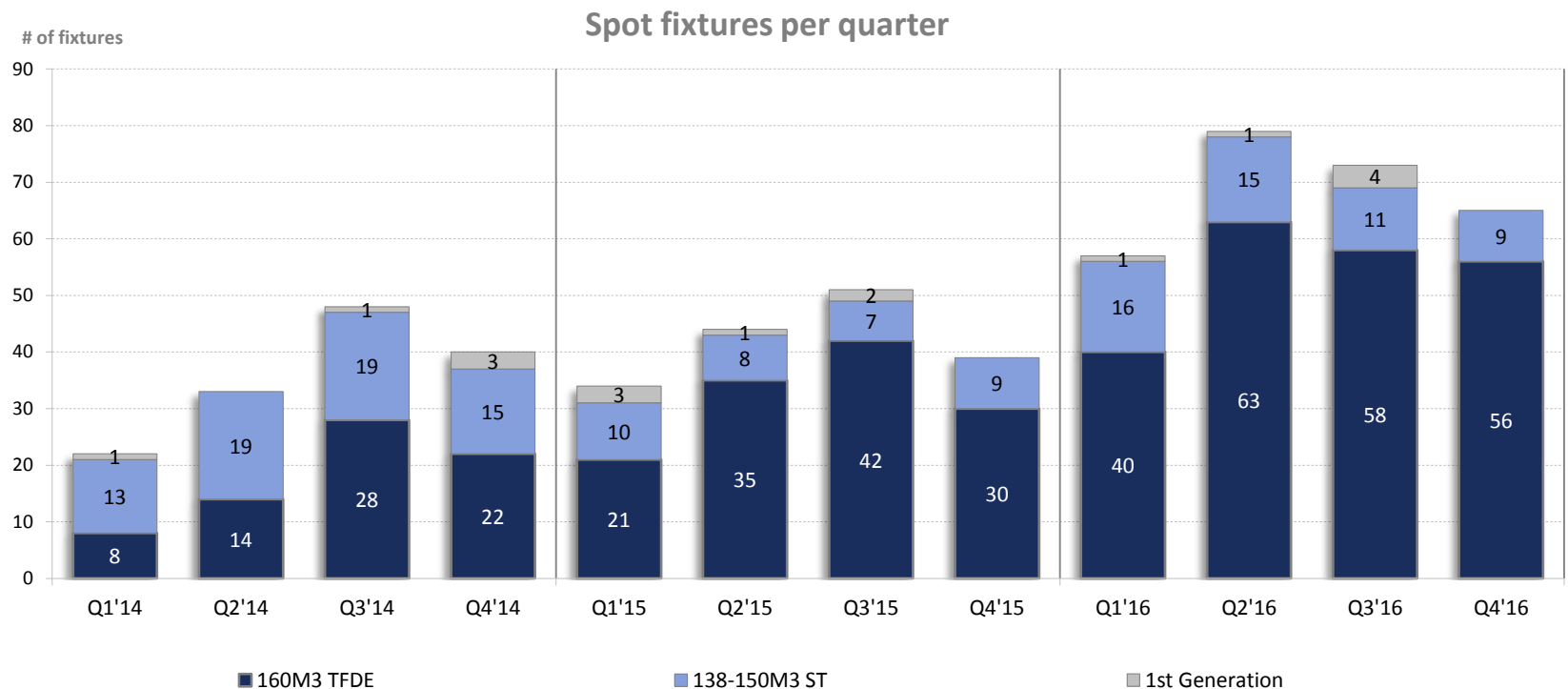


- LNG exports increased by 7.2% YoY
- Total new LNG production capacity increased by 41 MT vs. 17.5 MT increased trade
- New Australian LNG is materialising with 14 MT
- US has just started, Sabine Pass T3 ahead of schedule

Source: Clarksons Platou

- China, India and Egypt showing continued strong demand
- Europe is price sensitive and has massive capacity
- Japan is again down YOY but the trend has slowed

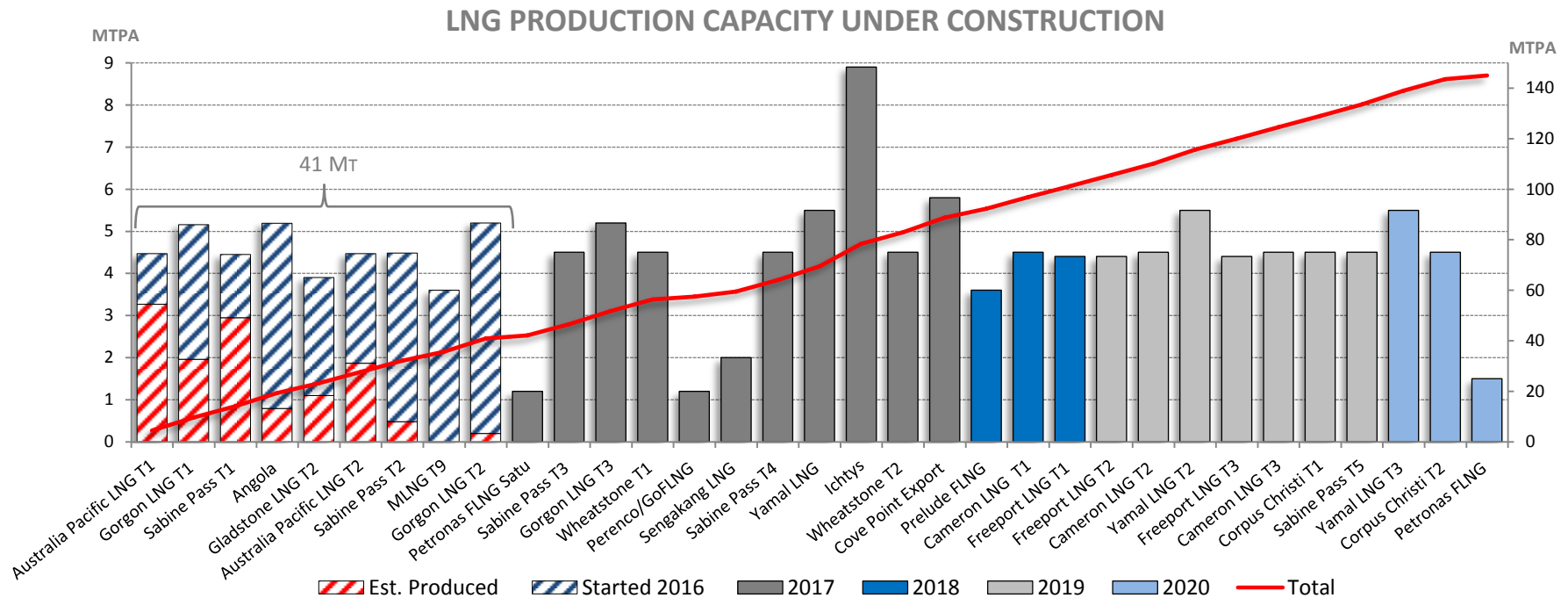
LNG spot market



- 274 fixtures recorded in 2016
- 67 % increase in number of fixtures YOY
- With substantial increase in production LNG will become a fully commercially traded commodity

Source: Pareto Securities

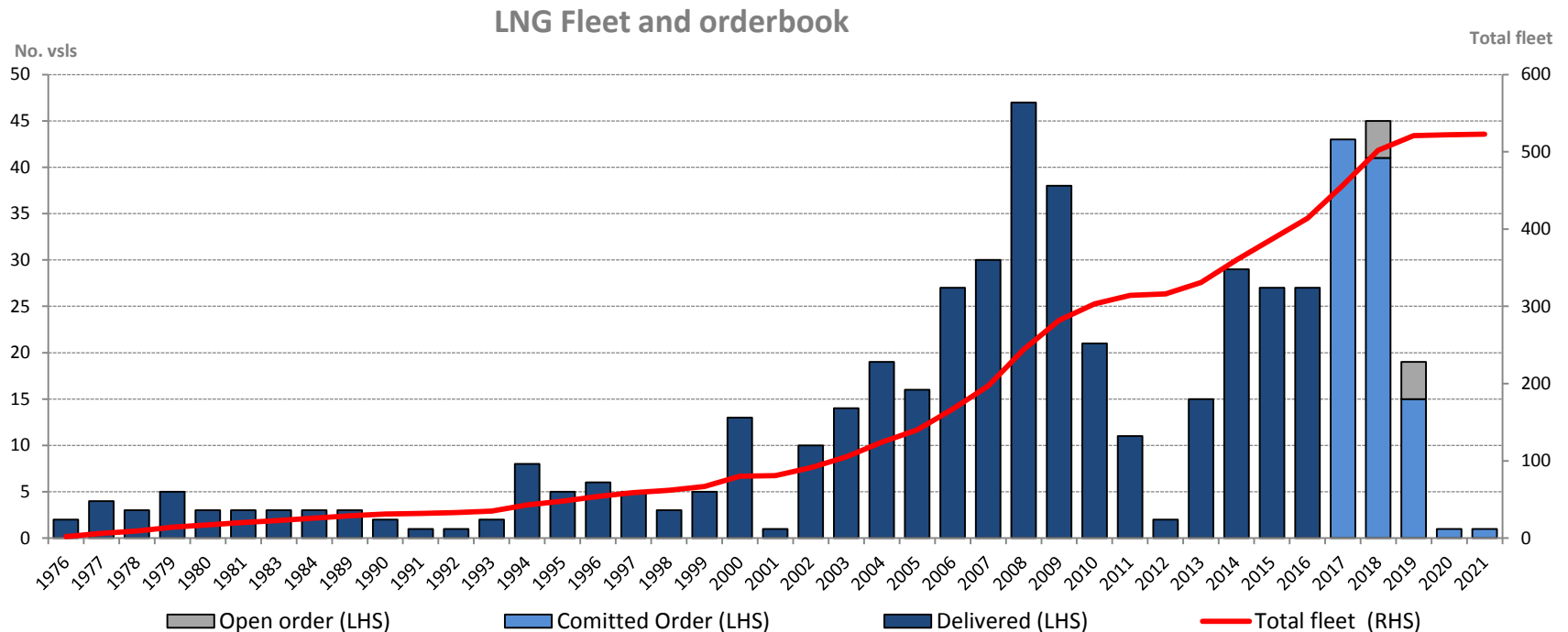
LNG production



- About 41 MTPA of new production capacity added in 2016
- Ramp-up takes about 6 months - full effect of 2016 capacity increase will come in 2017 – another busy year for new LNG plants
- Sabine Pass T3 ahead of schedule, several others recently confirmed on time

Source: Clarksons Platou, Poten & Partners

LNG fleet and orderbook



- Total orderbook 109 vessels – of which only 7 are available
- 41 vessels were scheduled for delivery in 2016 - 27 actually delivered
- 43 vessels scheduled for delivery in 2017 – slippage expected in 2017 as well
- Only 5 newbuilding orders placed in 2016, very low activity continues

Source: Fearnley LNG

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Summary

- Market has turned – but still volatile
 - Q4 experienced highest rates in two years
 - Softer market so far in Q1 but rates still significantly higher than last year
 - Continued seasonal variations
 - Fluctuating ton-mile due to price variations

- Mid- and long-term demand for LNG transportation remains strong
 - We are at the start of the biggest increase of LNG volumes in history
 - Full effect of 2016 new capacity will be seen in 2017
 - Limited newbuilding orders, charterers and finance available
 - 17 % of existing fleet is built prior to 2000 and is smaller and inefficient



Awilco LNG – summary

- ✓ Awilco LNG offers full LNG spot market exposure
- Expect improving and firmer markets going forward – but still volatility
- With two modern TFDE vessels available from 2017 ALNG is perfectly positioned for improving market

Q&A

A Pure Play LNG Transportation Provider





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