



Q1 2017

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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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Q1 2017 Income statement

USD million	Q1'17	Q4'16	2016
Freight income	2.5	9.1	34.8
Voyage related expenses	(1.6)	(0.3)	(2.8)
Net freight income	0.8	8.8	32.0
Operating expenses	(1.9)	(1.8)	(8.7)
Administration expenses	(0.9)	(0.9)	(3.5)
EBITDA	(2.0)	6.1	19.8
Depreciation	(2.9)	(2.9)	(12.9)
Impairment	-	-	(6.6)
Net finance	(5.5)	(5.7)	(23.2)
Profit/(loss) before tax	(10.4)	(2.5)	(22.8)
Tax	-	-	-
Profit/(loss)	(10.4)	(2.5)	(22.8)



Q1 2017 Balance sheet

USD million	31.03.17	31.12.16
Vessels	369.2	371.8
Other non-current assets	0.1	0.1
Total non-current assets	369.3	371.9
Trade receivables	-	0.6
Other short term assets	5.2	5.8
Cash	19.4	30.0
Total current assets	24.6	36.4
Total assets	393.9	408.4
Total equity	122.4	132.8
Long-term interest bearing debt	255.4	259.0
Other non-current liabilities	0.3	0.3
Non-current liabilities	255.7	259.3
Short-term interest bearing debt	14.1	13.8
Other current liabilities	1.7	2.5
Total current liabilities	15.8	16.3
Total equity and liabilities	393.9	408.4



Q1 2017 Cash flow

USD million	Q1'17	Q4'16	2016
Cash Flows from Operating Activities:			
Profit/(loss) before taxes	(10.4)	(2.5)	(22.8)
Income taxes paid	-	-	-
Interest and borrowing costs expensed	5.5	5.7	23.2
Depreciation, amortisation and impairment	2.9	2.9	19.5
Trade receivables, inventory and other short term assets	1.2	0.3	1.3
Accounts payable, accrued exp. and deferred revenue	(0.9)	(1.7)	(1.5)
Net cash provided by / (used in) operating activities	(1.6)	4.7	19.6
Cash Flows from Investing Activities:			
Investment in vessels / sale of vessels	(0.3)	(0.1)	32.1
Proceeds from sale of other fixed assets	-	-	-
Net cash provided by / (used in) investing activities	(0.3)	(0.1)	32.1
Cash Flows from Financing Activities:			
Repayment of borrowings	(3.3)	(3.3)	(13.9)
Interest and borrowing costs paid	(5.5)	(5.7)	(25.1)
Net cash provided by / (used in) financing activities	(8.7)	(9.0)	(39.0)
Net changes in cash and cash equivalents	(10.7)	(4.5)	12.7
Cash and cash equivalents at start of period	30.0	34.5	17.3
Cash and cash equivalents at end of period	19.4	30.0	30.0

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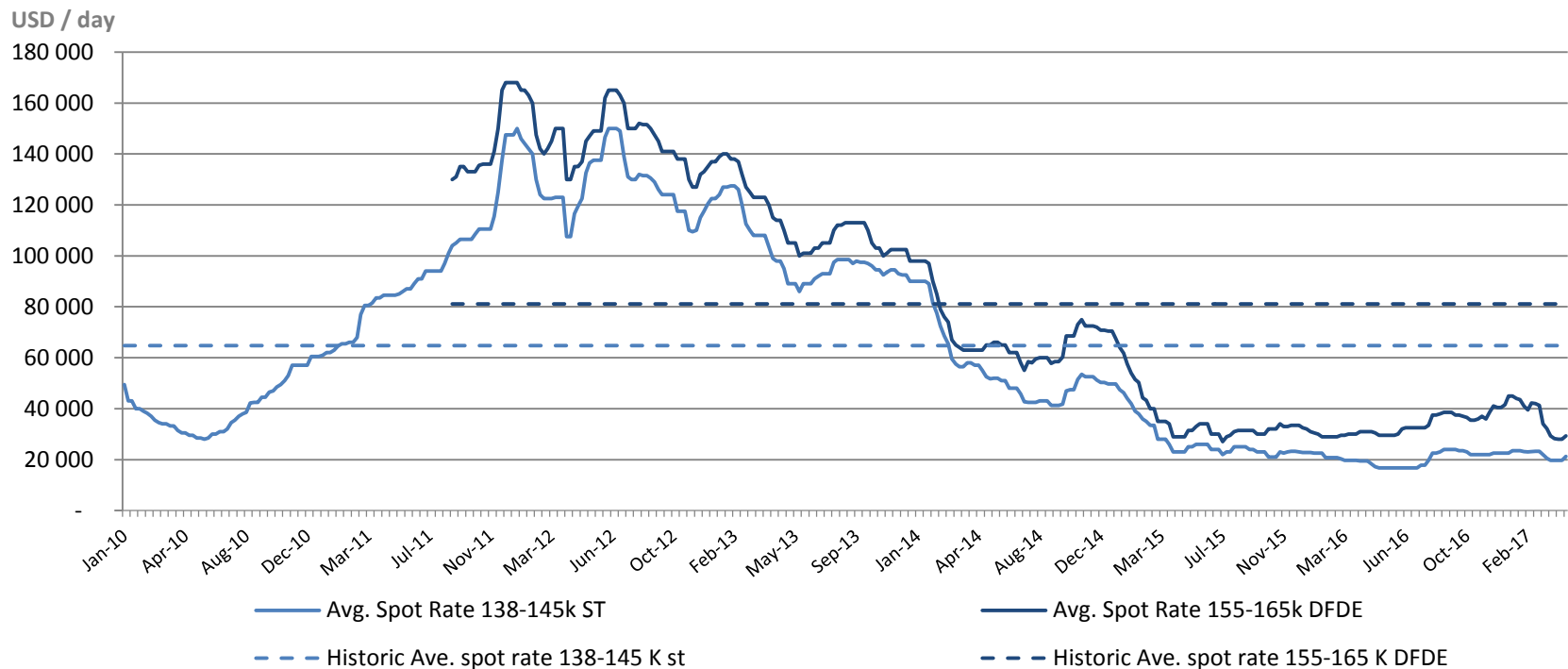


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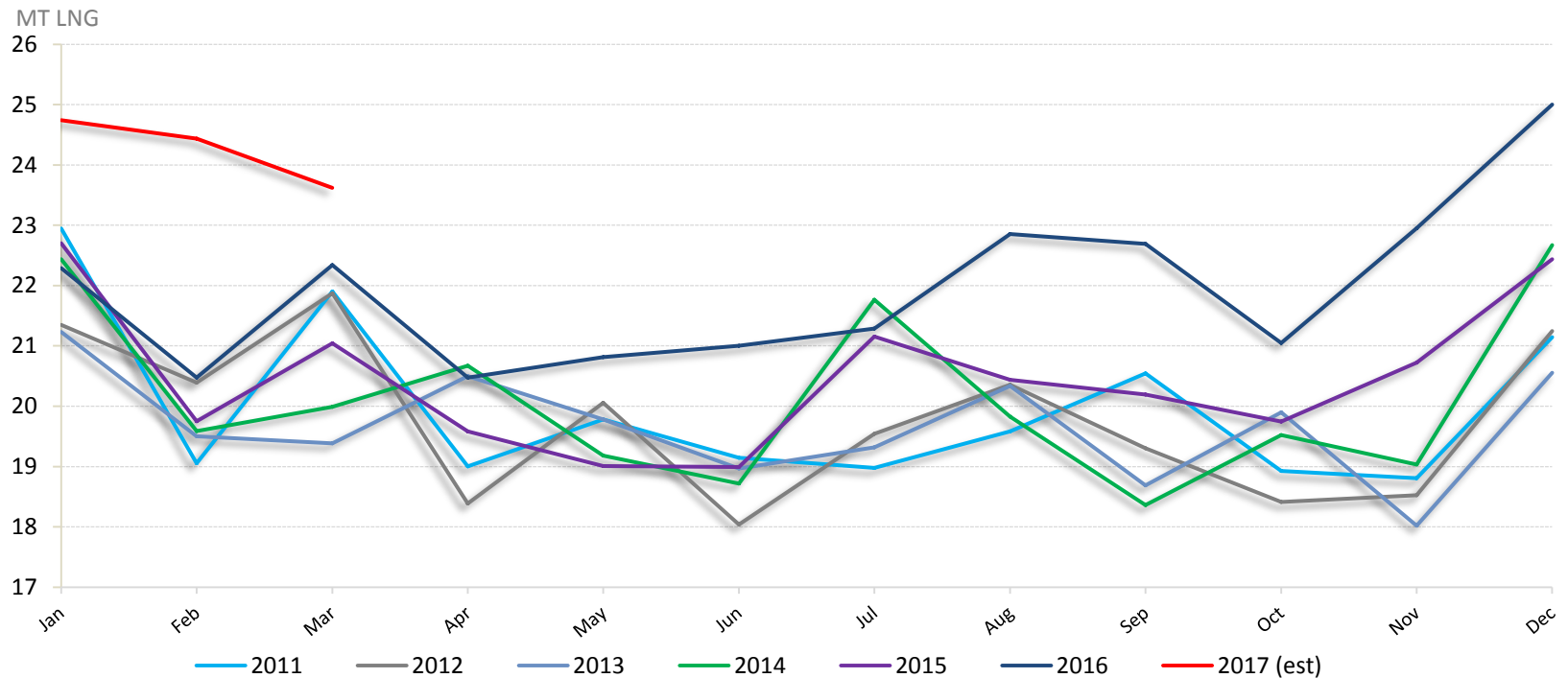
LNG rates



- After a promising end 2016, activity and rates weakened considerably during the winter months
- Improvement in both activity and rates in April and May, but still far below start of the year

Source: Fearnley LNG

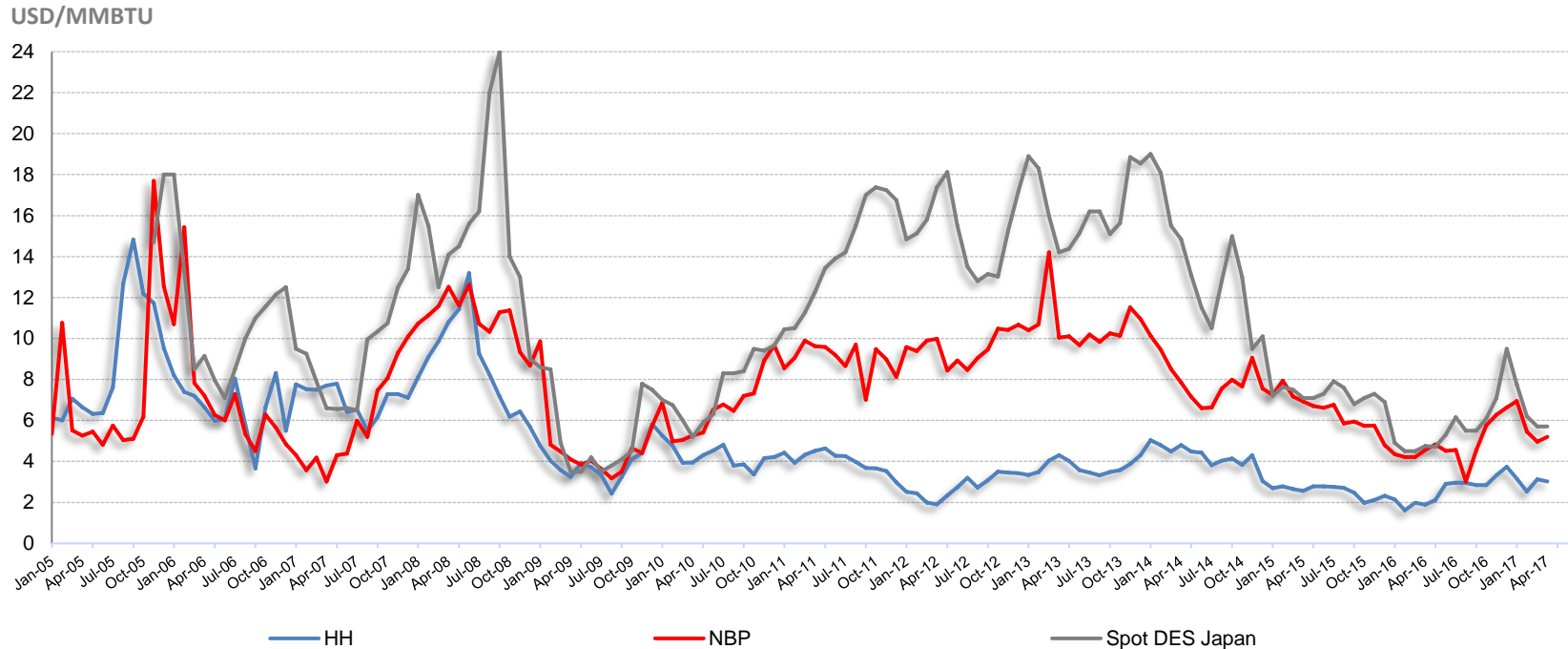
Monthly global LNG trade



- Global LNG trade up by 12 % in Q1 2017 compared to same period last year
- New LNG production capacity added in 2016 was 41 MT – full production expected to be reached during 2017
- Seasonality is still valid in LNG trading, but new production capacity coming on line is lifting volumes

Source: Clarksons Platou

Gas price

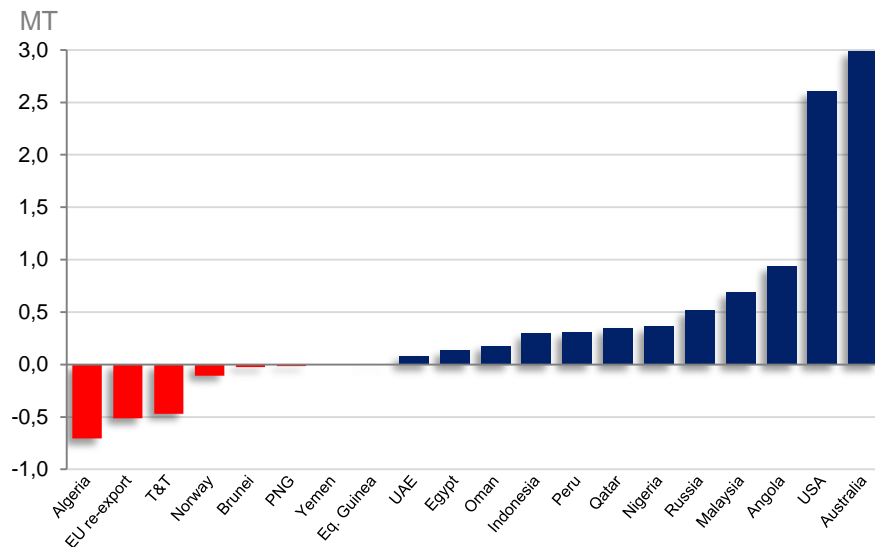


- Both Far East and Europe gas prices declined during the quarter
- Europe – Far East arbitrage closed leading to fewer re-loads
- Cheap US LNG prices - cargoes exported to a various destinations, including Far East
 - 2016 avr 1.7 ships/mtpa vs historical avr 1.3 ships/mtpa

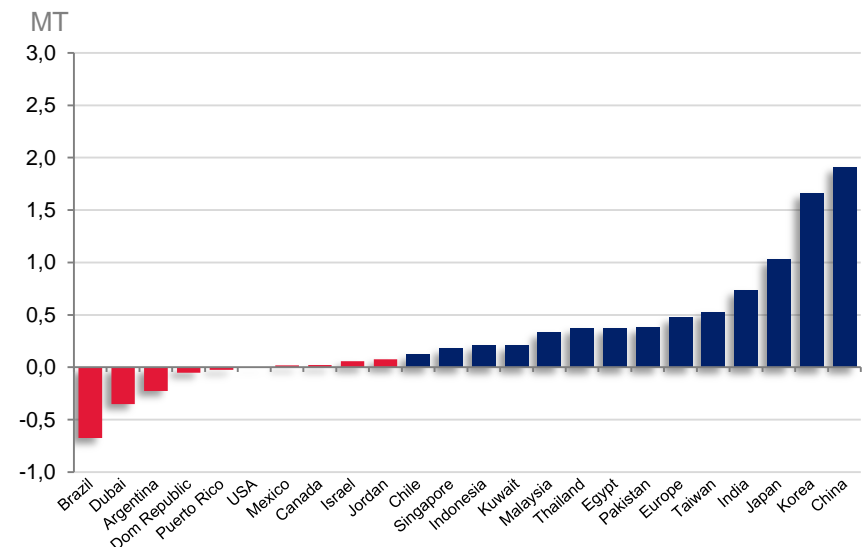
Source: Clarksons Platou

LNG trade

LNG exports yoy 2017



LNG imports yoy 2017

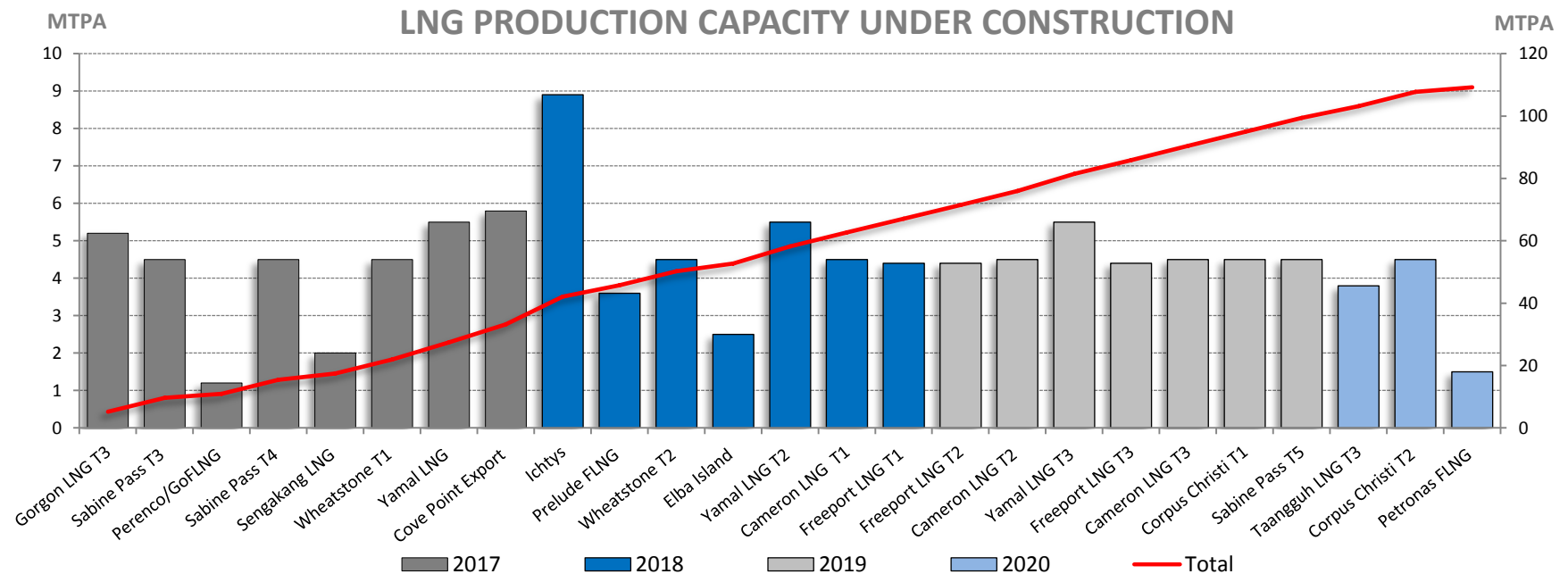


- Australian and US ramp up is materialising
- LNG exports increased by 12 % YoY

- China and India continue increasing import trend
- The Japanese and Korean declining trend has finally turned
- Europe is increasing, but has massive untapped import capacity

Source: Clarksons Platou

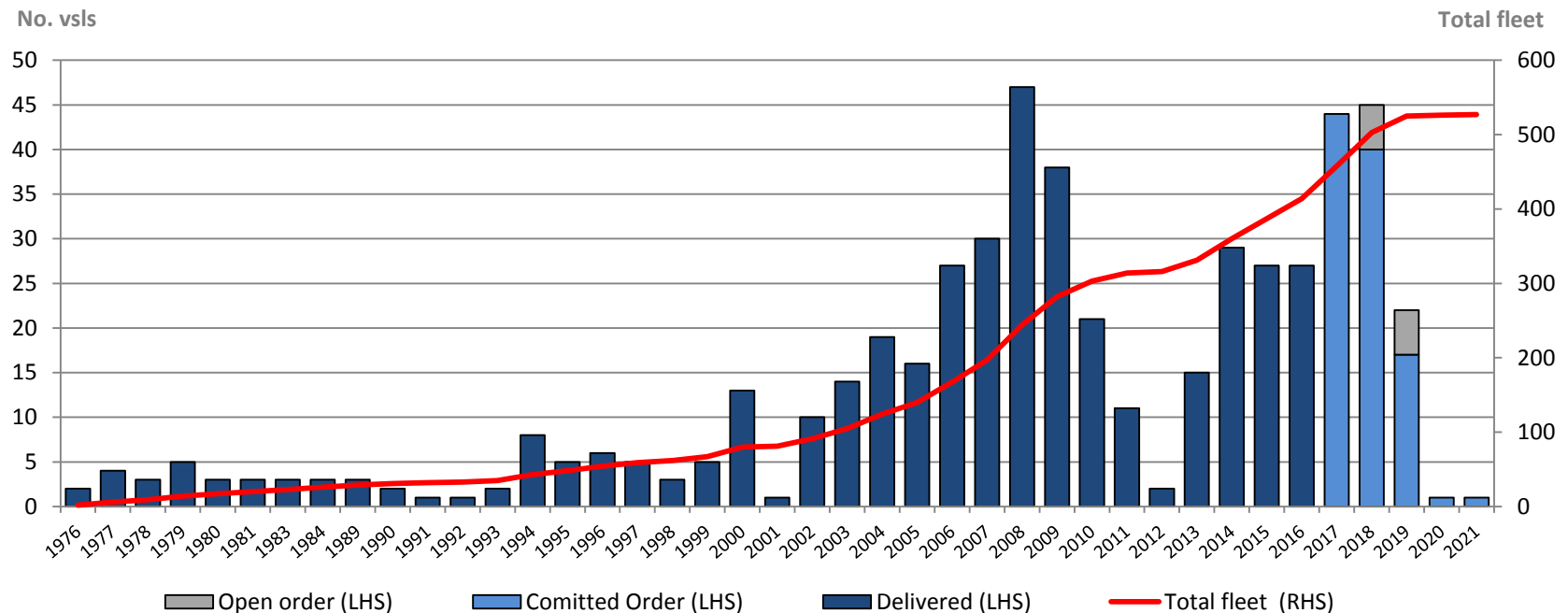
LNG production



- Ramp-up takes about 6 months - full effect of 2016 capacity increase through 2017
- Gorgon T3 and Sabine Pass T3 on time - completed by the end of Q1
- Australian plants showing production issues resulting in restrictions on export volumes , may lead to sourcing from US

Source: Clarksons Platou, Poten & Partners

LNG fleet and orderbook



- Total orderbook coming down – now 104 vessels – of which max 10 are available
- 9 vessels delivered in Q1 - further 35 scheduled for delivery in 2017, although delays may be expected
- Three newbuildings ordered Q1 2017

Source: Fearnley LNG

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Summary

- Market still volatile and seasonal
 - Q1 very weak both in terms of rates and activity
 - Improvement in Q2 – but still below Q4 2016 level
- 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 during 2017
 - Surplus of available ships led to low rates in Q1 but ships are being absorbed and activity picking up
 - Limited newbuilding orders, charterers and finance available
 - 17 % of existing fleet is built prior to 2000 and is smaller and inefficient
- Awilco LNG exposed to seasonal and volatile LNG spot market
- In constructive discussions with Teekay LNG Partners



Q&A

A Pure Play LNG Transportation Provider





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