AWILCO LNG

SECOND QUARTER 2017 AND

FIRST HALF YEAR 2017 RESULTS

Highlights second quarter

- Awilco LNG ASA (Awilco LNG or the Company) reported freight income of MUSD 2.6 (MUSD 2.5 in Q1 2017) and EBITDA of MUSD -1.8 (MUSD -2.0 in Q1 2017)
- Vessel utilisation of 83 % compared to 41 % in Q1 2017
- Renegotiated financial lease with Teekay LNG Partners L.P. (Teekay LNG), introducing flexibility, extending maturity and deferring bareboat payments, with effect from July 2017
- Private placement MUSD 25.4 completed
- Repair offering launched

Subsequent events

- Repair offering MUSD 1.4 completed in July

Key financial figures

USD million	Q2’17	Q1’17	Q4’16	2016
Freight income	2.6	2.5	9.1	34.8
Voyage related expenses	1.6	1.6	0.3	2.8
EBITDA	(1.8)	(2.0)	6.1	19.8
Net profit/(loss)	(10.1)	(10.4)	(2.5)	(22.8)
Total assets	408.4	393.9	408.4	408.4
Total equity	137.0	122.4	132.8	132.8
Interest bearing debt	266.4	269.8	273.1	273.1
Cash and cash equivalents	34.7	19.4	30.0	30.0
Book equity ratio	34 %	31 %	33 %	33 %

FINANCIAL REVIEW

Income statement second quarter 2017

Freight income for the quarter was MUSD 2.6, same level as in Q1 2017. Fleet utilisation for the quarter ended at 83 %, compared to 41 % in Q1 2017. Both vessels have been operating in the spot marked in 2017. Although utilisation increased significantly from the previous quarter, freight income did not due to low paying positioning voyages, which will benefit results in Q3. Voyage related expenses amounted to MUSD 1.6, same as in Q1 2017.

Operating expenses and administration expenses were MUSD 1.9 and MUSD 0.9 respectively, same as in the previous quarter. EBITDA for the quarter was MUSD -1.8 (MUSD -2.0 Q1 2017). Depreciation for the quarter was recorded at MUSD 2.9, same as in Q1 2017.

Net financial items were MUSD (5.4), compared to MUSD (5.5) in the previous quarter. Interest expenses on the WilForce and WilPride financial leases amounted to MUSD 5.5, same as in Q1 2017. Loss for the period was MUSD 10.1, compared to a loss of MUSD 10.4 in Q1 2017.

Income statement first half year 2017

For the first half of 2017, freight income was MUSD 5.1, compared to MUSD 17.2 in the first half of 2016. Voyage related expenses were MUSD 3.2 (MUSD 1.8), operating expenses MUSD 3.8 (MUSD 4.7) and administration expenses were MUSD 1.8 (MUSD 1.7). EBITDA in the first half of 2017 was MUSD -3.7, compared to MUSD 9.1 in the first half of 2016. Net loss for the period was MUSD 20.5, compared to MUSD 16.1 in the first half of 2016.

Statement of financial position

Book value of vessels was MUSD 368.6 as at 30 June 2017 (MUSD 369.2 Q1 2017). The decrease reflects ordinary depreciation during the quarter, offset by minor vessel upgrades and capitalisation of fees of MUSD 2.0 to Teekay LNG as described in note 4.

Total current assets were MUSD 39.7 as at 30 June 2017 (MUSD 24.6 Q1 2017), of which cash and cash equivalents were MUSD 34.7 (MUSD 19.4 Q1 2017).

Total equity as at 30 June 2017 was MUSD 137.0, following net proceeds of MUSD 24.7 from the refinancing share issue described in note 3.

Total current liabilities were MUSD 3.2 as at 30 June 2017 (MUSD 15.8 Q1 2017). Following deferral of bareboat hire for the WilForce and WilPride, as agreed in the amended bareboat lease agreements described below and in note 4, the short-term portion of the financial leases decreased from MUSD 14.1 as at 31 March 2017 to MUSD 0.2 at 30 June 2017.

Total non-current liabilities were MUSD 268.2 as at 30 June 2017 (MUSD 255.7 Q1 2017), of which the long-term portion of the WilForce and WilPride financial leases was MUSD 265.9 (MUSD 255.4 Q1 2017). Due to the deferral of bareboat hire most of the portion previously presented as short-term has been reclassified as long-term. Other non-current liabilities of MUSD 2.0 relates to fees payable to Teekay LNG as a result of the amended bareboat agreements, see note 4.

Refinancing transactions in Q2 2017

To strengthen the Company's balance sheet and improve its financial stability, a comprehensive refinancing was announced on 18 May 2017. The refinancing included an amended and more flexible agreement with the lessor of the Company's two vessels, Teekay LNG, and an equity issue to re-establish a robust financial platform for the Company.

The amended bareboat lease agreements with Teekay LNG includes an extension of the current bareboat agreements for WilForce and WilPride to December 2019, and flexibility through rolling options for early termination at any time before maturity. Furthermore, the amended agreement also includes a front-loaded reduction in the bareboat hire payable to Teekay through the deferral of up to MUSD 29 in charter hire. Please see note 4 below for further information.

The amended bareboat lease agreements were subject to completion of a private placement in the minimum amount of MUSD 25, which was completed on 18 May 2017, please see note 3 for further information.

MARKET UPDATE

The falling gas price trend from Q1 leveled off and stabilised in Q2. Gas prices were more or less unchanged during the quarter, Far East gas price started at USD 5.3/MMBTU and ended at 5.4/MMBTU, UK NBP and HH prices started at USD 4.9/MMBTU and USD 3.1/MMBTU and ended at USD 4.8/MMBTU and USD 3.2/MMBTU respectively.

The soft LNG shipping rate trend in Q1 levelled off and showed a firming trend in Q2. The quarter started with day rates reported at USD 30,000 and USD 28,500 West and East of Suez respectively, and ended at USD 40,000 and USD 30,000. Market activity was low for extended periods during the quarter, but firming on the back of additional enquires at the end of the quarter. In Q3 both activity and rates have continued the firming trend, leading to rates reported at USD 43,000 and USD 40,000 West and East of Suez respectively, in addition to increasing ballast payments, presently on full round voyage basis.

At the end of Q1, construction of Sabine Pass T3 was completed and the ramp up is according to schedule. In Q2 there were 48 cargoes exported from Sabine, compared to 43 in Q1 and 23 in Q4 2016. Most of the cargoes are going to South America while South Korea, China, Japan and India are importing spot cargoes, significantly supporting increased ton-mile. Furthermore, the 4.5 MTPA Sabine Pass T4 commenced production in early August, and by the end of the year it is forecasted that export from Sabine Pass will more than double from last year. In total, more than 27 MTPA of new LNG capacity is scheduled for start-up in 2017.

The uncertain political situation in the Middle East, involving the world’s largest LNG producer Qatar, could if it escalates further, affect global LNG trade and employment of the Company’s vessels.

As a result of new production capacity added in 2016 and 2017, worldwide LNG trade continued to increase and was up by 13 % first half 2017 compared to same period last year. The strongest demand growth came from China and South Korea which were up by 38 % and 18 %, while Japan had a modest increase of 5 %, ending a long line of reduced import. China recently announced that the country’s medium and long-term plan is to increase its LNG receiving capacity to 100 MTPA by 2025, which is more than a doubling of the existing capacity.

13 vessels were delivered in the first 6 months of 2017 and a further 24 vessels are scheduled for delivery in the remainder of 2017, although some delays are likely to occur.

Newbuilding ordering was low in 2016, but has picked up moderately so far in 2017, as 8 newbuildings have been ordered in 2017. According to shipbrokers the orderbook at the end of Q2 for LNG vessels above 100,000 cbm (excl. FSRU and FLNG) was 104 vessels, of which only 11 are available for contract. As a result of the weak market and shipyard constraints some deliveries can be expected to be delayed.

ORGANISATION

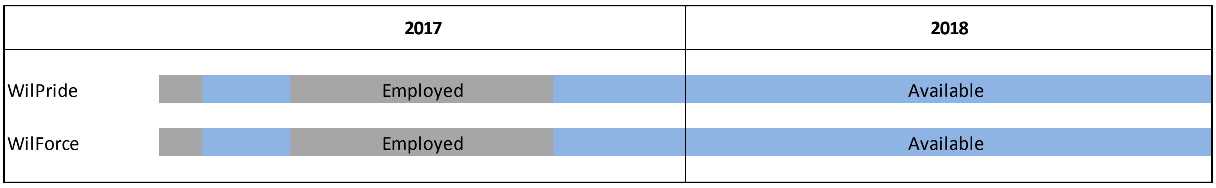
The principal activity of Awilco LNG ASA and its subsidiaries is to invest in and operate LNG transportation vessels. Awilco LNG's fleet is technically and commercially managed from the Group's office in Oslo, Norway. The Group has 8 employees. Awilco LNG purchases certain administrative and sub-management technical services from two companies in the Awilhelmsen Group; Awilhelmsen Management AS and Awilco Technical Services AS, see note 5 for further details.

VESSEL CONTRACT STATUS

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

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

Contract overview



KEY RISKS AND UNCERTAINTIES

The Awilco LNG Group is through its global LNG shipping operations exposed to certain market, operational and financial risks. There have been no material changes to these key risks and uncertainties since the release of the 2016 Annual report. For a thorough explanation of the risk factors, please refer to the 2016 Annual report pages 30 to 31 and note 20, page 57 to 59.

OUTLOOK

After a weak 1st half of 2017, the market firmed both in terms of rates and activity during the summer months on the back of increasing LNG production and fewer available vessels. The volatility and seasonality is expected to continue, but as additional LNG production comes on stream the current tonnage overcapacity is expected to gradually be absorbed, resulting in an improvement in the market going forward. The long-term outlook for LNG shipping remains promising on the back of scheduled LNG production capacity coming on stream over the next couple of years. Following the comprehensive refinancing undertaken in Q2 2017, Awilco LNG is fully financed until 2020 and is well positioned for the improving market.

Oslo, 30 August 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	Note	Q2 2017 (unaudited)	Q1 2017 (unaudited)	Q2 2016 (unaudited)	1.1 - 30.6 2017 (unaudited)	1.1 - 30.6 2016 (unaudited)
Freight income	2	2 590	2 492	8 346	5 081	17 236
Voyage related expenses	5	1 600	1 648	1 113	3 248	1 793
Net freight income		**990**	**844**	**7 233**	**1 833**	**15 443**
Operating expenses		1 905	1 876	2 294	3 781	4 657
Administration expenses	5	861	919	691	1 781	1 652
Earnings before interest, taxes, depr. and amort. (EBITDA)		**(1 777)**	**(1 952)**	**4 248**	**(3 728)**	**9 133**
Depreciation and amortisation		2 941	2 934	3 407	5 875	7 054
Impairment of vessels		-	-	6 569	-	6 569
Earnings before interest and taxes		**(4 718)**	**(4 886)**	**(5 728)**	**(9 604)**	**(4 490)**
Finance income		199	63	1	262	98
Finance expenses		5 596	5 545	5 789	11 141	11 696
Net finance income/(expense)		**(5 398)**	**(5 481)**	**(5 788)**	**(10 879)**	**(11 598)**
Profit/(loss) before taxes		**(10 115)**	**(10 367)**	**(11 516)**	**(20 483)**	**(16 087)**
Income tax expense		-	-	-	-	-
Profit/(loss) for the period		**(10 115)**	**(10 367)**	**(11 516)**	**(20 483)**	**(16 087)**
Earnings per share in USD attributable to ordinary equity holders of Awilco LNG ASA:						
Basic, profit/(loss) for the period		(0.13)	(0.15)	(0.17)	(0.28)	(0.24)
Diluted, profit/(loss) for the period		(0.13)	(0.15)	(0.17)	(0.28)	(0.24)

Interim Consolidated Statement of Comprehensive Income

Profit/(loss) for the period	(10 115)	(10 367)	(11 516)	(20 483)	(16 087)
Other comprehensive income:					
Other comprehensive income items	-	-	-	-	-
Total comprehensive income/(loss) for the period	(10 115)	(10 367)	(11 516)	(20 483)	(16 087)

Interim Condensed Consolidated Statement of Financial Position

In USD thousands	Note	30.6.2017 (unaudited)	31.3.2017 (unaudited)	31.12.2016 (audited)	30.6.2016 (unaudited)
ASSETS					
Non-current assets					
Vessels	4	368 610	369 229	371 847	377 584
Other fixed assets		85	90	94	107
Total non-current assets		368 695	369 319	371 941	377 691
Current assets					
Trade receivables		757	-	552	2 998
Inventory		2 125	1 904	1 847	939
Other short term assets		2 211	3 310	3 983	3 640
Cash and cash equivalents		34 654	19 355	30 047	5 669
Total current assets		39 747	24 570	36 430	13 247
Vessels held for sale		-	-	-	32 190
TOTAL ASSETS		**408 442**	**393 889**	**408 371**	**423 128**
EQUITY AND LIABILITIES					
Equity					
Share capital	3	48 408	48 420	48 420	48 420
Share premium	3	133 050	126 463	126 463	126 463
Other paid-in capital	3	18 157	-	-	-
Retained earnings		(62 601)	(52 486)	(42 118)	(35 407)
Total equity		137 014	122 397	132 764	139 475
Non-current liabilities					
Pension liabilities		351	323	301	268
Long-term interest bearing debt	4	265 869	255 396	258 984	266 094
Other non-current liabilities	4	2 000	-	-	-
Total non-current liabilities		268 221	255 719	259 285	266 362
Current liabilities					
Short-term interest bearing debt	4	225	14 107	13 820	13 254
Trade payables		1 766	883	904	505
Income tax payable		-	-	-	-
Provisions and accruals		1 216	784	1 598	3 531
Total current liabilities		3 207	15 773	16 322	17 291
TOTAL EQUITY AND LIABILITIES		**408 442**	**393 889**	**408 371**	**423 128**

Interim Consolidated Statement of Changes in Equity

For the period ended 30 June 2017

In USD thousands	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity at 1 January 2017	48 420	126 463	-	(42 118)	132 764
Profit/(loss) for the period	-	-	-	(20 483)	(20 483)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income	-	-	-	*(20 483)*	*(20 483)*
Share capital reduction	(18 157)	-	18 157	-	-
Equity issue	18 145	7 258	-	-	25 403
Transaction costs equity issue	-	(671)	-	-	(671)
Balance as at 30 June 2017 (unaudited)	48 408	133 050	18 157	(62 601)	137 014

For the period ended 30 June 2016

In USD thousands	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity at 1 January 2016	48 420	126 463	-	(19 320)	155 563
Profit/(loss) for the period	-	-	-	(16 087)	(16 087)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income	-	-	-	*(16 087)*	*(16 087)*
Balance as at 30 June 2016 (unaudited)	48 420	126 463	-	(35 407)	139 476

Interim Condensed Consolidated Cash Flow Statement

In USD thousands	Q2 2017 (unaudited)	Q1 2017 (unaudited)	1.1 - 30.6 2017 (unaudited)	1.1 - 30.6 2016 (unaudited)
Cash Flows from Operating Activities:				
Profit/(loss) before taxes	(10 115)	(10 367)	(20 483)	(16 087)
Income taxes paid	-	-	-	(12)
Interest and borrowing costs expensed	5 528	5 536	11 064	11 665
Items included in profit/(loss) not affecting cash flows:				
Depreciation and amortisation	2 941	2 934	5 875	7 054
Impairment of vessels	-	-	-	6 569
Changes in operating assets and liabilities:				
Trade receivables, inventory and other short term assets	(1 155)	1 168	12	120
Trade payables, provisions and accruals	1 442	(911)	531	(22)
i) Net cash provided by / (used in) operating activities	**(1 360)**	**(1 640)**	**(3 000)**	**9 287**
Cash Flows from Investing Activities:				
Investment in vessels	(317)	(312)	(629)	-
ii) Net cash provided by / (used in) investing activities	**(317)**	**(312)**	**(629)**	**-**
Cash Flows from Financing Activities:				
Gross proceeds from equity issue	25 403	-	25 403	-
Transation costs of equity issue	(671)	-	(671)	-
Repayment of borrowings	(2 293)	(3 287)	(5 580)	(7 291)
Interest and borrowing costs paid	(5 465)	(5 453)	(10 917)	(13 625)
iii) Net cash provided by / (used in) financing activities	**16 976**	**(8 740)**	**8 236**	**(20 917)**
Net change in cash and cash equivalents (i+ii+iii)	15 299	(10 692)	4 607	(11 630)
Cash and cash equivalents at start of period	19 355	30 047	30 047	17 299
Cash and cash equivalents at end of period	**34 654**	**19 355**	**34 654**	**5 669**

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 and first half year ended 30 June 2017 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 2016, 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 2016. None of the new accounting standards or amendments that came into effect in the first half of 2017 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 Q2 2017, same as in Q1 2017.

Information about major customers
The Group had two customers contributing with more than 10 per cent of the Group's freight income in Q2 2017, and three in the first half of 2017.

Note 3 - Share capital

The number of issued shares was 129,188,874 at 30 June 2017, compared to 67,788,874 at 31 March 2017. As part of the comprehensive refinancing described in note 4 below, 61,400,000 new shares were issued in Q2 2017. Gross proceeds from the issue were MUSD 25.4, and net of transaction costs (MUSD 0.7) MUSD 24.7 were raised.

Due to legal requirements, a share capital reduction was carried out prior to the share issue. In the share capital reduction the nominal value of the shares were reduced from NOK 4 to NOK 2.5, totalling NOK 101,683,311 (MUSD 18.2). The MUSD 18.2 is presented as other paid-in capital in the statement of financial position.

A subsequent repair share offering was completed in July, please see note 6 below for further information.

The share capital is denominated in NOK, and the nominal value per share is NOK 2.5. All issued shares are of equal rights.

Note 4 - Significant events

To strengthen the Company's balance sheet and improve its financial stability, a comprehensive refinancing was announced on 18 May 2017. The refinancing included an amended and more flexible agreement with the lessor of the Company's two vessels, Teekay LNG Partners L.P. (Teekay LNG), and an equity issue to re-establish a robust financial platform for the Company.

The amended bareboat lease agreements with Teekay LNG includes an extension of the current bareboat agreements for WilForce and WilPride to December 2019, and flexibility through rolling options for early termination at any time before maturity. Furthermore, the amended agreement also includes a front-loaded reduction in the bareboat hire payable to Teekay through the deferral of up to MUSD 29 in charter hire. The deferred amounts will become payable at maturity of the contracts, or by way of a cash sweep mechanism measured on a quarterly basis. Net earnings in excess of cash break even levels, currently at approx USD 48,000 per day, is to be sweeped towards the outstanding deferred charter hire, subject to the Company retaining a minimum cash position after sweeping.

The contractual bareboat hire per day is USD 49,100 per vessel. From July 2017 to March 2018, the bareboat hire payable is USD 28,500 per day, from April 2018 to March 2019 USD 33,500 per day, and from April 2019 to December 2019 USD 38,500 per day. The purchase obligations at maturity of the lease agreements in December 2019 are MUSD 113.3 and MUSD 114.5 for WilForce and WilPride, respectively.

According to the amended lease agreements a fee of MUSD 2 is payable to Teekay LNG. The fee is payable either following voluntary prepayment of all, or parts, of the deferred amounts or by refinancing of the vessels. The fee has been capitalised as cost price of the vessels and depreciated over the term of the lease, and presented as other non-current liabilities until paid.

Until Teekay LNG and the Company agrees to not defer any bareboat hire, the Company is not entitled to pay dividends to its shareholders.

The amended bareboat lease agreements were subject to completion of a private placement in the minimum amount of MUSD 25, which was completed on 18 May 2017, please see note 3 for further information.

Note 5 - 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.

(2) AWM provides the Group with administrative and general services including accounting and payroll, legal, secretary function and IT. The Group pays AWM MNOK 2.7 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.

Note 5 - Related party transactions - continued

Purchases from related parties

In USD thousands **Related party**	**Q2 2017**	**Q1 2017**	**1.1 - 30.6 2017**	**1.1 - 30.6 2016**
Awilco Technical Services AS	168	168	336	364
Awilhelmsen Management AS	78	78	156	157
Astrup Fearnley Group	-	-	-	4

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 were included in Voyage related expenses.

Note 6 - Events after the balance sheet date

In July 2017 a subsequent repair share offering was completed. 3,359,737 new shares were issued, raising gross proceeds of MUSD 1.4. After the repair offering the Company's share capital is NOK 331,371,528 (MUSD 49.4), divided into 132,548,611 shares.