FOURTH QUARTER 2017 RESULTS

AND

PRELIMINARY 2017 RESULTS

Highlights fourth quarter

- The Awilco LNG Group (Awilco LNG or the Group) reported net freight income of MUSD 7.3 (MUSD 4.4 in Q3 2017) and EBITDA of MUSD 4.2 (MUSD 1.2 in Q3 2017)

- Vessel utilisation of 83 % compared to 88 % in Q3 2017

Highlights for the year 2017

- Full year net freight income of MUSD 13.6 (MUSD 32 in 2016)

- Full year EBITDA of MUSD 1.7 (MUSD 19.8 in 2016)

- Net loss before tax of MUSD 31.8 (MUSD 22.8 in 2016)

- Vessel utilisation of 74 % compared to 79 % in 2016

- Comprehensive refinancing completed; raised MUSD 26.8 in equity and renegotiated financial leases, introducing flexibility, extending maturity and deferring bareboat payments

Key financial figures

USD million	Q4'17	Q3'17	Q2'17	2017	2016
Freight income	9.6	5.7	2.6	20.4	34.8
Voyage related expenses	2.3	1.3	1.6	6.9	2.8
EBITDA	4.2	1.2	(1.8)	1.7	19.8
Net profit/(loss)	(4.5)	(6.8)	(10.1)	(31.8)	(22.8)
Total assets	399.6	402.2	408.4	399.6	408.4
Total equity	127.0	131.6	137.0	127.0	132.8
Interest bearing debt	268.9	268.6	268.4	268.9	273.1
Cash and cash equivalents	29.0	30.4	34.7	29.0	30.0
Book equity ratio	32 %	33 %	34 %	32 %	33 %

FINANCIAL REVIEW

Income statement fourth quarter 2017

Freight income for the quarter was MUSD 9.6, up from MUSD 5.7 in Q3 2017, due to the improving market fundamentals. Fleet utilisation for the quarter ended at 83 %, compared to 88 % in Q3 2017. Both vessels have been operating in the spot market in 2017. Voyage related expenses amounted to MUSD 2.3, compared to MUSD 1.3 in Q3 2017.

Operating expenses were MUSD 1.9 in the quarter, down from MUSD 2.2 in the previous quarter, due to variations in purchasing of spares, stores and consumables. Administration expenses were MUSD 1.2 in Q4, up from MUSD 0.9 in Q3 2017, due to timing of expenses and provisions year-end. EBITDA for the quarter was MUSD 4.2 (MUSD 1.2 Q3 2017). Depreciation for the quarter was MUSD 3.2, same as in Q3 2017.

Net financial items were MUSD (5.5), down from MUSD (4.8) in the previous quarter due to foreign exchange gains in the previous quarter. Interest expenses on the WilForce and WilPride financial leases amounted to MUSD 5.5, same as in Q3 2017. Loss for the period was MUSD 4.5, compared to MUSD 6.8 in Q3 2017.

Income statement full year 2017

Freight income for the year amounted to MUSD 20.4, compared to MUSD 34.8 in 2016. The decrease reflects both the weak market rates in the first half of 2017, and the redelivery of WilForce from a three-year TC in December 2016. Fleet utilisation for the Company ended at 74 %, compared to 79 % in 2016. Voyage related expenses increased to MUSD 6.9 in 2017, from MUSD 2.8 in 2016, due to both vessels being employed in the spot market in 2017.

Operating expenses for the year were MUSD 7.9, compared to MUSD 8.7 in 2016. Operating expenses in 2016 included MUSD 1.0 from two vessels which were disposed in August 2016. Administration expenses amounted to MUSD 3.9 in 2017 (MUSD 3.5 in 2016).

Full year EBITDA was MUSD 1.7, compared to MUSD 19.8 in 2016. Depreciation for the period was MUSD 12.3 (MUSD 12.9 in 2016). Net finance income/(expense) was MUSD (21.2) compared to MUSD (23.2) in 2016.

Loss before tax and for the period was MUSD 31.8, compared to MUSD 22.8 in 2016.

Statement of financial position

Book value of vessels was MUSD 363.9 as at 31 December 2017 (MUSD 366.3 Q3 2017). The decrease reflects ordinary depreciation during the quarter, offset by minor vessel upgrades.

Total current assets were MUSD 35.7 as at 31 December 2017 (MUSD 35.9 Q3 2017), of which cash and cash equivalents were MUSD 29.0 (MUSD 30.4 Q3 2017).

Total equity as at 31 December 2017 was MUSD 127.0.

Total current liabilities were MUSD 6.4 as at 31 December 2017 (MUSD 3.5 Q3 2017). MUSD 2.7 of the current liabilities relates to the short term portion of the WilForce and WilPride financial leases (MUSD 1.5 as at 30 September 2017).

Total non-current liabilities were MUSD 266.2 as at 31 December 2017 (MUSD 267.2 Q3 2017), of which the long-term portion of the WilForce and WilPride financial leases was MUSD 263.9 (MUSD 264.9 Q3 2017).

MARKET UPDATE

Reflecting seasonal demand and colder than anticipated weather in the US and Far East, gas prices continued firming in Q4 2017. The Far East gas price started the quarter at USD 8.4/MMTBU and ended Q4 at USD 11.2/MMBTU. The UK NBP price increased from about USD 5.5/MMBTU and closed at USD 7.1/MMBTU, while US Henry Hub increased from USD 2.9/MMBTU to USD 3.7/MMBTU.

After almost three years of depressed freight rates, the market finally returned to profitable territory in Q4 2017 on the back of increased production volumes, the open West-East arbitrage and low availability of vessels in the Atlantic. The quarter started with day rates reported at USD 47,000 and USD 39,000 West and East of Suez respectively, and ended at USD 85,000 and USD 80,000, according to Fearnleys LNG. At the end of Q4 six vessels were available in the spot market across all basins, a reduction from eight at the start of Q4.

LNG trade is estimated to have increased by 12 % in 2017, from 263 MT in 2016 to 294 MT in 2017. LNG imports to China increased by 46 % in 2017, from 26 MT in 2016 to 38 MT in 2017, and China surpassed South Korea as the second biggest importer, after Japan. Imports to South Korea and India also increased by 12 % and 9 % respectively, while imports into Japan remained at about the same level as last year.

A total of 24 MTPA of new LNG production capacity was added in 2017. Train 1 at Yamal LNG commenced production in December 2017, while startup of Cove Point in the US has been delayed into Q1 2018. Ramp-up to full production of new LNG production facilities normally takes about 6 months, resulting in the full effect of approx. 10 MTPA nameplate capacity added Q4 2017 not expected until first half 2018.

In 2017 43 vessels were scheduled for delivery, but due to reduced production capacity at shipyards, delays of certain projects and a depressed market only 24 were actually delivered during the year.

Newbuilding ordering was low in both 2017 (ten) and 2016 (six). According to shipbrokers the orderbook at the end of Q4 2017 for LNG vessels above 100,000 cbm (excl. FSRU and FLNG) was 95 vessels, of which only 10 are potentially available for contract. 49 vessels are scheduled for delivery in 2018, 38 vessels in 2019 and 8 in 2020 however some delays to the delivery schedule may be expected also in the future.

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 7 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

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

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

OUTLOOK

Following a rebound in Q3 2017, the market recovery was firmly established in Q4 2017. Headline rates in Q4 moved beyond USD 80,000 per day for the first time since Q1 2014, before coming off somewhat in Q1 2018, reflecting normal seasonal patterns.

The long-term outlook for LNG shipping remains promising. Newbuilding activity was low in 2017 and 2016, and new orders placed today will not be delivered until the second half of 2020. Although the orderbook of 95 vessels represents over 20 % of the LNGC fleet, 88 MTPA of new LNG production scheduled to come on stream from 2018 to 2021 is expected to require more vessels than the current available tonnage and orderbook. Still, periods of volatility and seasonality should be expected.

Following the comprehensive refinancing completed in 2017, Awilco LNG is fully financed until 2020 and is well positioned for the improving market.

Oslo, 12 February 2018

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	Q4 2017 (unaudited)	Q3 2017 (unaudited)	Q4 2016 (unaudited)	2017 (unaudited)	2016 (audited)
Freight income	2	9 633	5 723	9 098	20 437	34 769
Voyage related expenses	5	2 286	1 349	347	6 883	2 808
Net freight income		**7 347**	**4 374**	**8 751**	**13 554**	**31 961**
Operating expenses		1 945	2 222	1 754	7 949	8 658
Administration expenses	5	1 194	940	884	3 915	3 474
Earnings before interest, taxes, depr. and amort. (EBITDA)		**4 207**	**1 212**	**6 113**	**1 691**	**19 829**
Depreciation and amortisation		3 196	3 198	2 923	12 269	12 903
Impairment of vessels		-	-	-	-	6 569
Earnings before interest and taxes		**1 012**	**(1 987)**	**3 190**	**(10 579)**	**357**
Finance income		43	740	6	1 045	105
Finance expenses		5 577	5 552	5 690	22 269	23 260
Net finance income/(expense)		**(5 534)**	**(4 811)**	**(5 684)**	**(21 224)**	**(23 156)**
Profit/(loss) before taxes		**(4 522)**	**(6 798)**	**(2 494)**	**(31 803)**	**(22 798)**
Income tax expense		-	-	-	-	-
Profit/(loss) for the period		**(4 522)**	**(6 798)**	**(2 494)**	**(31 803)**	**(22 798)**
Earnings per share in USD attributable to ordinary equity holders of Awilco LNG ASA:						
Basic, profit/(loss) for the period		(0.03)	(0.05)	(0.04)	(0.31)	(0.34)
Diluted, profit/(loss) for the period		(0.03)	(0.05)	(0.04)	(0.31)	(0.34)

Interim Consolidated Statement of Comprehensive Income

Profit/(loss) for the period	(4 522)	(6 798)	(2 494)	(31 803)	(22 798)
Other comprehensive income:					
Other comprehensive income items	-	-	-	-	-
Total comprehensive income/(loss) for the period	(4 522)	(6 798)	(2 494)	(31 803)	(22 798)

Interim Condensed Consolidated Statement of Financial Position

In USD thousands	Note	31.12.2017 (unaudited)	30.9.2017 (unaudited)	31.12.2016 (audited)
ASSETS				
Non-current assets				
Vessels		363 917	366 271	371 847
Other fixed assets		12	13	94
Total non-current assets		363 929	366 284	371 941
Current assets				
Trade receivables		1 611	1 367	552
Inventory		2 335	1 918	1 847
Other short term assets		2 730	2 283	3 983
Cash and cash equivalents		28 979	30 366	30 047
Total current assets		35 655	35 934	36 430
TOTAL ASSETS		**399 584**	**402 218**	**408 371**
EQUITY AND LIABILITIES				
Equity				
Share capital	3	49 407	49 407	48 420
Share premium	3	133 384	133 384	126 463
Other paid-in capital		18 157	18 157	-
Retained earnings		(73 921)	(69 399)	(42 118)
Total equity		127 028	131 550	132 764
Non-current liabilities				
Pension liabilities		263	252	301
Long-term interest bearing debt	4	263 907	264 928	258 984
Other non-current liabilities	4	2 000	2 000	-
Total non-current liabilities		266 170	267 180	259 285
Current liabilities				
Short-term interest bearing debt	4	2 682	1 450	13 820
Trade payables		240	1 171	904
Income tax payable		-	-	-
Provisions and accruals	6	3 464	867	1 598
Total current liabilities		6 386	3 488	16 322
TOTAL EQUITY AND LIABILITIES		**399 584**	**402 218**	**408 371**

Interim Consolidated Statement of Changes in Equity

For the period ended 31 December 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	-	-	-	(31 803)	(31 803)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income	-	-	-	*(31 803)*	*(31 803)*
Share capital reduction	(18 157)	-	18 157	-	-
Equity issue	19 145	7 658	-	-	26 803
Transaction costs equity issue	-	(736)	-	-	(736)
Balance as at 31 December 2017 (unaudited)	49 407	133 384	18 157	(73 921)	127 028

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

Interim Condensed Consolidated Cash Flow Statement

In USD thousands	Q4 2017 (unaudited)	Q3 2017 (unaudited)	2017 (unaudited)	2016 (audited)
Cash Flows from Operating Activities:				
Profit/(loss) before taxes	(4 522)	(6 798)	(31 803)	(22 798)
Income taxes paid	-	-	-	(12)
Interest and borrowing costs expensed	5 539	5 549	22 152	23 189
Items included in profit/(loss) not affecting cash flows:				
Depreciation and amortisation	3 196	3 198	12 269	12 903
Impairment of vessels	-	-	-	6 569
(Gain)/Loss on sale of other fixed assets	-	27	27	-
Changes in operating assets and liabilities:				
Trade receivables, inventory and other short term assets	(1 108)	(476)	(1 571)	1 315
Trade payables, provisions and accruals	1 593	(1 065)	1 059	(1 517)
i) Net cash provided by / (used in) operating activities	**4 698**	**435**	**2 134**	**19 649**
Cash Flows from Investing Activities:				
Investment in vessels / sale of vessels	(841)	(856)	(2 327)	32 085
Proceeds from sale of other fixed assets	-	43	43	-
ii) Net cash provided by / (used in) investing activities	**(841)**	**(813)**	**(2 284)**	**32 085**
Cash Flows from Financing Activities:				
Gross proceeds from equity issue	-	1 399	26 803	-
Transation costs of equity issue	-	(66)	(736)	-
Repayment of borrowings	-	-	(5 580)	(13 882)
Interest and borrowing costs paid	(5 244)	(5 244)	(21 405)	(25 103)
iii) Net cash provided by / (used in) financing activities	**(5 244)**	**(3 910)**	**(919)**	**(38 985)**
Net change in cash and cash equivalents (i+ii+iii)	(1 387)	(4 289)	(1 068)	12 749
Cash and cash equivalents at start of period	30 366	34 654	30 047	17 299
Cash and cash equivalents at end of period	**28 979**	**30 366**	**28 979**	**30 047**

Notes to the Interim Condensed Consolidated Financial Statements

Note 1 - Corporate information, basis for preparation and accounting policies

Corporate information
Awilco LNG ASA (the Parent Company) is a public limited liability company incorporated and domiciled in Norway. The Parent Company's registered office is Beddingen 8, 0250 Oslo, Norway.

The interim consolidated financial statements (the Statements) of the Parent Company comprise the Parent 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 two modern TFDE LNG carriers.

Basis for preparation
The Statements for the three months ended 31 December 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 2017 had a significant effect on the Statements.

New and amended standards and interpretations
The following new standards have been issued and become effective in 2018 onwards:

IFRS 15 - Revenue from contracts with customers (2018): Based on a preliminary assessment including industry discussions, IFRS 15 is expected to have an insignificant effect on the Group's financial position and performance.
IFRS 9 - Financial instruments (2018): The Group has made a preliminary assessment of the effects of replacing IAS 39 with IFRS 9, and has not identified any material impact on the Group's financial position or performance.
IFRS 16 - Leases (2019): The Group has made a preliminary assessment of the effects of replacing IAS 17 with IFRS 16, and has not identified any material impact on the Group's financial position or performance.

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 2017.

Information about major customers
The Group had four customers contributing with more than 10 per cent of the Group's freight income in Q4 2017, and three in Q3 2017.

Note 3 - Share capital

The number of issued shares was 132,548,611 at 31 December 2017, compared to 67,788,874 as at 31 December 2016. As part of the comprehensive refinancing completed in 2017, a private placement was concluded in May resulting in the issue of 61,400,000 new shares, and subsequently a repair offering was carried out in July resulting in the issue of 3,359,737 new shares. Combined gross proceeds from the two issues were MUSD 26.8, and net of MUSD 0.7 in transaction costs MUSD 26.1 was raised. Subsequent to the two share issues, Awilco LNG ASA's share capital is NOK 331,371,528 (MUSD 49.4), divided into 132,548,611 shares

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 - Financing

A comprehensive refinancing was completed in 2017, which included an amended and more flexible agreement with the lessor of the Group's two vessels, Teekay LNG Partners L.P. (Teekay LNG), and an equity issue to re-establish a robust financial platform.

The amended bareboat lease agreements with Teekay LNG include 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 agreements also include 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 Group 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, in addition to the deferred hire.

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 Group agrees to not defer any bareboat hire, the Parent Company is not entitled to pay dividends to its shareholders.

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 Parent 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	Q4	Q3		
Related party	**2017**	**2017**	**2017**	**2016**
Awilco Technical Services AS	160	184	680	669
Awilhelmsen Management AS	60	85	302	311
Astrup Fearnley Group	10	-	10	320

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 were included in Voyage related expenses (KUSD 10 in Q4 2017 and KUSD 4 in 2016) and Impairment of vessels KUSD 316 in 2016.

Note 6 - Provisions and accruals

Provisions and accruals as at 31 December 2017 were MUSD 3.5 (MUSD 0.9 as at 30 September 2017), of which deferred revenue was MUSD 2.1, compared to NIL as at 30 September 2017.

Note 7 - Events after the balance sheet date

There were no material events after the balance sheet date.

Appendix 1

ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures (APMs), ie financial performance measures not within the applicable financial reporting framework, are used by Awilco LNG to provide supplemental information. Financial APMs are intended to enhance comparability of the results and cash flows from period to period, and it is Awilco LNG's experience that these are frequently used by analysts and investors.

These measures are adjusted IFRS measures defined, calculated and used consistently. Operational measures such as, but not limited to, volumes, utilisation and prices per MMBTU are not defined as financial APMs. Financial APMs should not be considered as a substitute for measures of performance in accordance with IFRS. Disclosures of APMs are subject to established internal control procedures.

Awilco LNG's financial APMs:

- Net freight income*: freight income – voyage related expenses
- EBIT: Net freight income - operating expenses - administration expenses - depreciation and amortisation - impairments
- EBITDA: EBIT + depreciation and amortisation + impairments
- Interest bearing debt: long-term interest bearing debt + short-term interest bearing debt + pension liabilities + other non-current liabilities
- Book equity ratio: Total equity divided by total assets

*When vessels operate in the spot market, freight income includes bunkers compensation and the fuel element of ballast bonuses, whereas voyage related expenses include the corresponding costs of bunkers compensation, and unless the vessels are fixed back to back also repositioning costs. The APM net freight income adjusts for this grossing up, and provides for improved comparability of the Group's performance between periods.