



Q2 2018

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Company overview



Awilco LNG is a fully integrated 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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2nd quarter highlights

2nd quarter 2018

- Awilco LNG reported:

– Net freight income	MUSD 4.6	MUSD 12.5 in Q1 2018
– EBITDA	MUSD 1.9	MUSD 9.5 in Q1 2018
– Net profit/(loss)	MUSD (6.5)	MUSD 1.0 in Q1 2018
- Vessel utilisation of 71 % compared to 97 % previous quarter
- TCE* of USD ~27,900 pd (USD ~69,200 pd in Q1 2018), current CBE** of USD ~53,000 pd

Subsequent events

- WilForce committed on a 9-12 month time charter contract to an oil and gas major, scheduled delivery 5 September, expected annualised EBITDA contribution of MUSD 26
- WilForce completed dry-docking in mid-August 2018 on time and on budget, at a cost of about MUSD 3.5 and incurring 21 offhire days

*TCE: net freight income divided by the number of calendar days minus off-hire days

**CBE: Cash break even in USD per day including operating expenses, administration expenses, dry-docking and financing costs (estimated)

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Q2 2018 income statement

USD million	Q2'18	Q1'18	2017
Freight income	6.4	13.8	20.4
Voyage related expenses	(1.8)	(1.4)	(6.9)
Net freight income	4.6	12.5	13.6
Operating expenses	(2.0)	(1.9)	(7.9)
Administration expenses	(0.7)	(1.0)	(3.9)
EBITDA	1.9	9.5	1.7
Depreciation	(3.3)	(3.2)	(12.3)
Net finance	(5.2)	(5.3)	(21.2)
Profit/(loss) before tax	(6.5)	1.0	(31.8)
Tax	-	-	-
Profit/(loss)	(6.5)	1.0	(31.8)



Q2 2018 financial position

USD million	30.06.18	31.03.18	31.12.17
Vessels	360.6	361.8	363.9
Total non-current assets	360.6	361.8	363.9
Trade receivables	-	0.4	1.6
Other short term assets	5.1	6.0	5.1
Cash	26.5	30.1	29.0
Total current assets	31.6	36.5	35.7
Total assets	392.2	398.3	399.6
Total equity	121.5	128.0	127.0
Long-term interest bearing debt	260.7	262.8	263.9
Other non-current liabilities	2.3	2.3	2.3
Non-current liabilities	263.0	265.1	266.2
Short-term interest bearing debt	5.1	3.9	2.7
Other current liabilities	2.5	1.2	3.7
Total current liabilities	7.6	5.1	6.4
Total equity and liabilities	392.2	398.3	399.6



Q2 2018 cash flow

USD million	Q2'18	Q1'18	2017
Cash Flows from Operating Activities:			
Profit/(loss) before taxes	(6.5)	1.0	(31.8)
Income taxes paid	-	-	-
Interest and borrowing costs expensed	5.4	5.4	22.2
Depreciation, amortisation and impairment	3.3	3.2	12.3
Trade receivables, inventory and other short term assets	1.3	-	(1.6)
Accounts payable, accrued exp. and deferred revenue	1.2	(2.0)	1.1
Net cash provided by / (used in) operating activities	4.7	7.6	2.1
Cash Flows from Investing Activities:			
Investment in vessels	(2.1)	(1.1)	(2.3)
Net cash provided by / (used in) investing activities	(2.1)	(1.1)	(2.3)
Cash Flows from Financing Activities:			
Gross proceeds from equity issue	-	-	26.8
Transaction costs of equity issue	-	-	(0.7)
Repayment of borrowings	(1.1)	-	(5.6)
Interest and borrowing costs paid	(5.1)	(5.4)	(21.4)
Net cash provided by / (used in) financing activities	(6.2)	(5.4)	(0.9)
Net changes in cash and cash equivalents	(3.6)	1.1	(1.1)
Cash and cash equivalents at start of period	30.1	29.0	30.0
Cash and cash equivalents at end of period	26.5	30.1	29.0

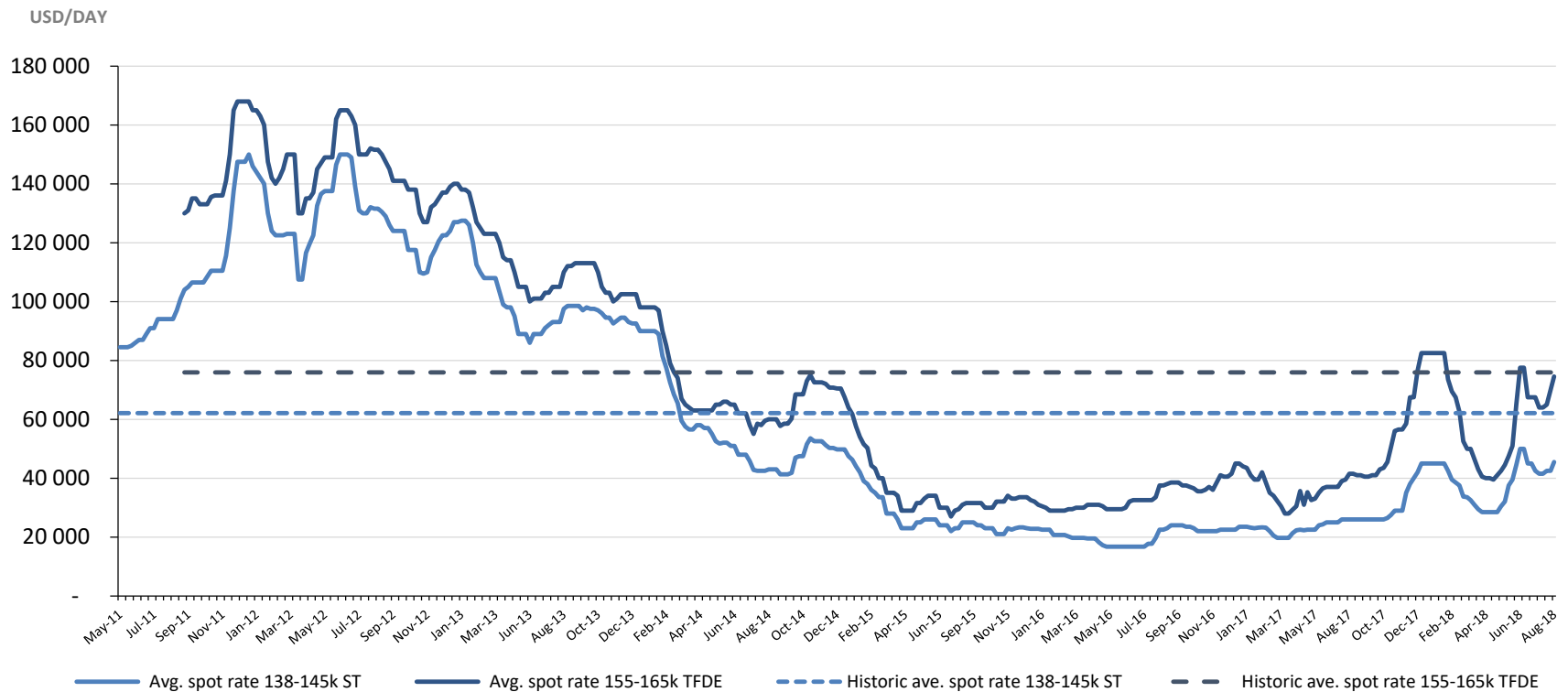


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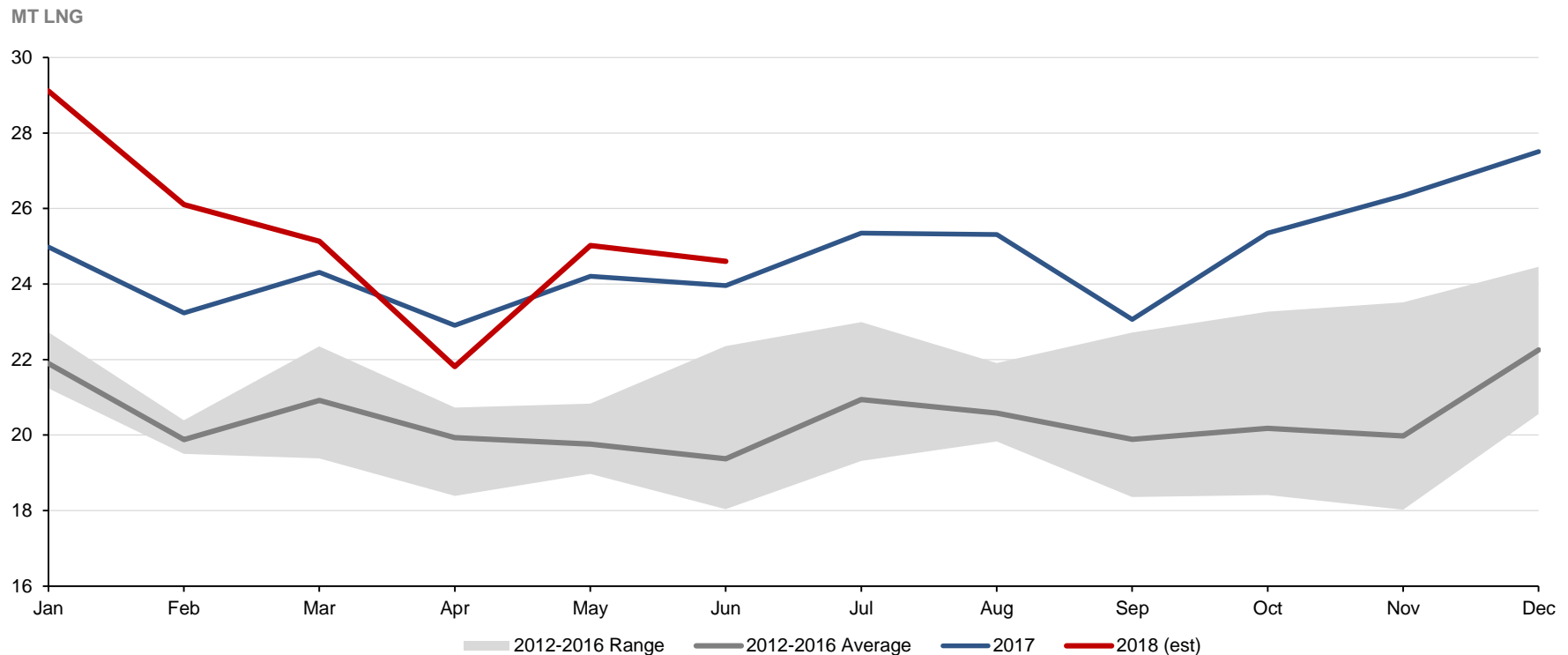
LNGC rates



- Utilisation and rates softening into shoulder season, troughed in May and showed counter seasonal strength in June
- Average headline rates in Q2 2018 50 % higher y-on-y

Source: Fearnley LNG

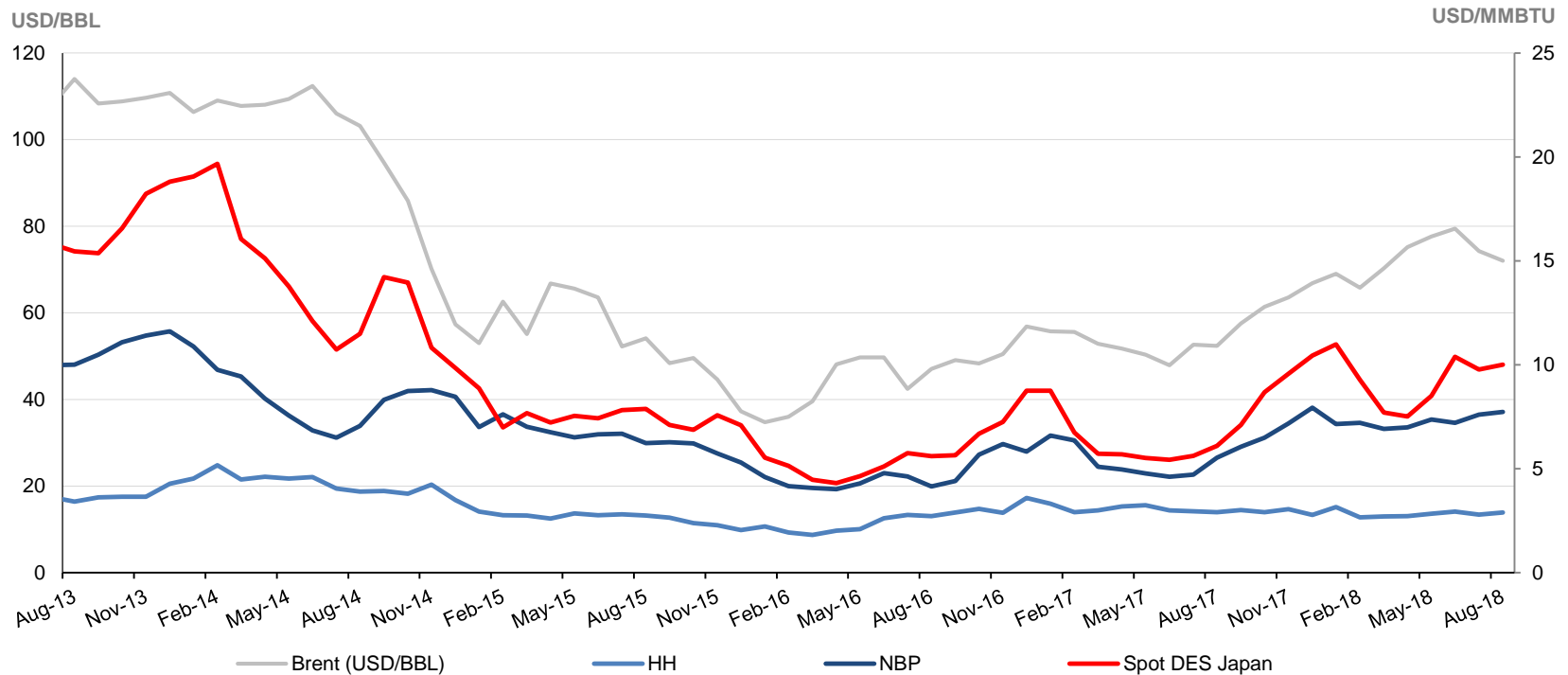
Monthly global LNG trade



- Global LNG trade up by 6 % in H1 2018, equating to 8.2 MT
- Trade growth due to ramp up of production capacity added second half 2017 and new liquefaction plants added in Q2 2018 in Cameroon, the US and Australia, which was offset by planned maintenance and minor outages at multiple liquefaction plants in the first half of 2018

Source: Clarksons Platou

Gas price

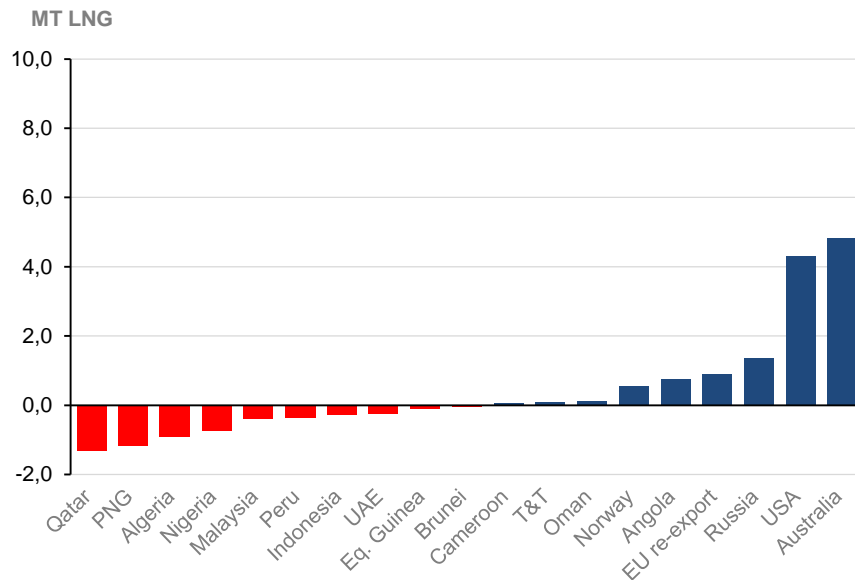


- Far east prices softening into shoulder season, but due to warmer weather earlier than expected Asian buying interest surged in June, opening the West – East arbitrage
- Arbitrage wide open this winter;
 - JKM Nov-Feb futures avg. USD ~12.6/MMBTU
 - HH Nov-Feb futures avg. USD ~3.0/MMBTU

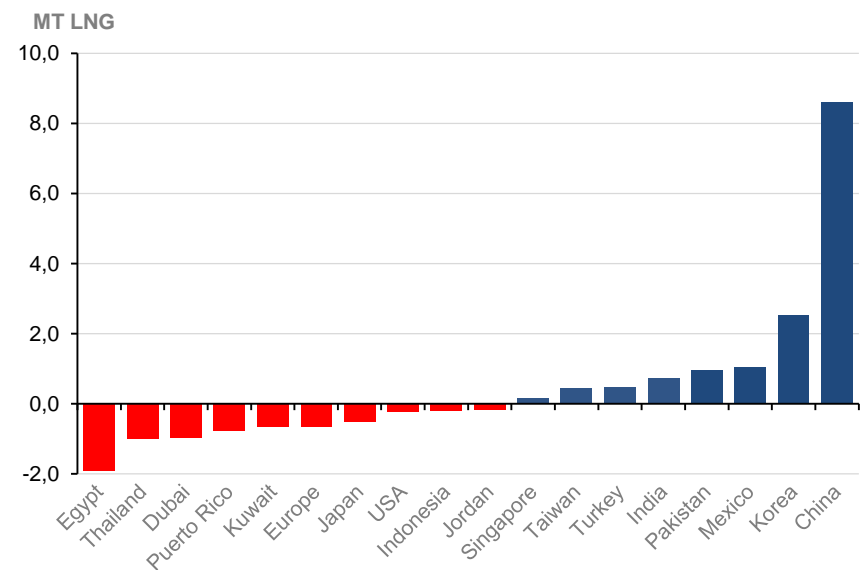
Source: Clarksons Platou, CME

LNG trade change

LNG EXPORT CHANGE YOY JUNE 2018



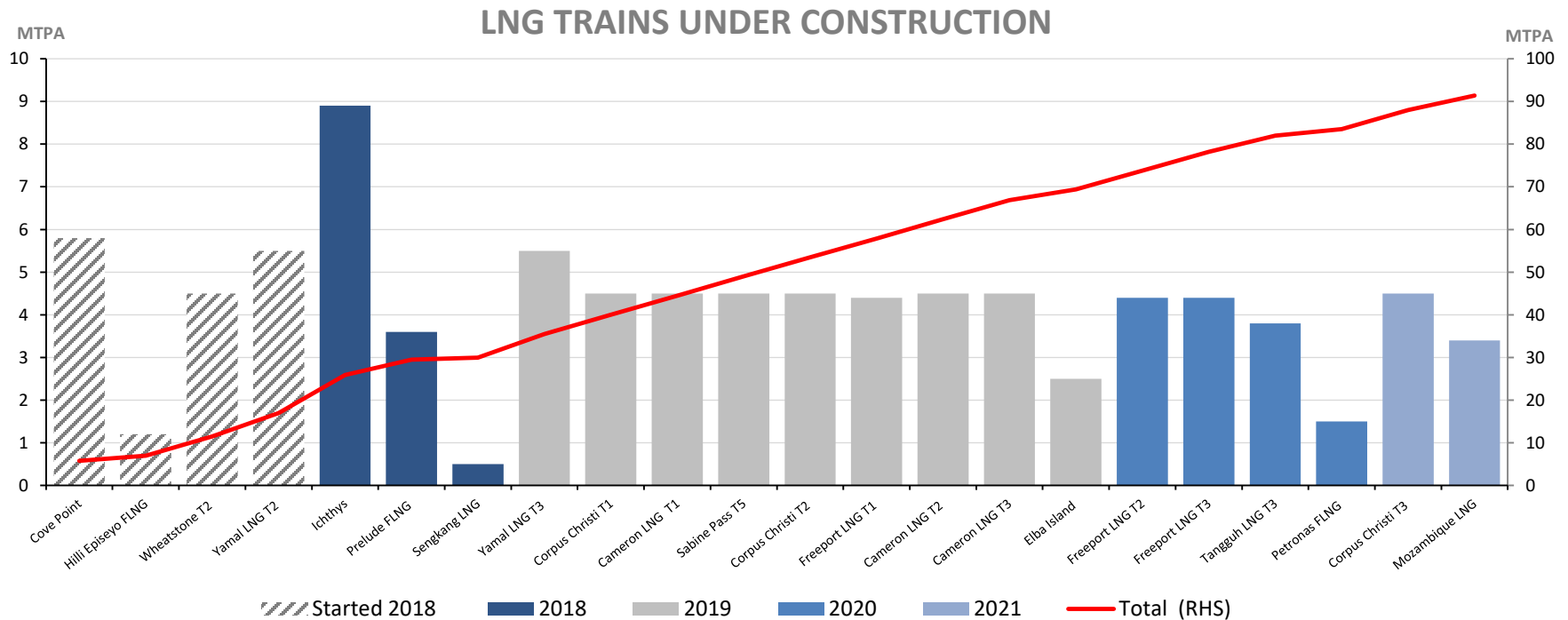
LNG IMPORT CHANGE YOY JUNE 2018



- LNG exports increased by 6 %
- Three production plants commenced operations in Q2; Cove Point in the US in April, FLNG Hilli Episeyo in Cameroon in May and Wheatstone T2 in Australia in June
- Ramp up of capacity added in 2017 also contributed to export growth, but was partly offset by minor outages and maintenance projects
- Continued fuel switching in China and South Korea resulting in y-on-y import growth of 50 and 16 % respectively

Source: Clarksons Platou, Energy Aspects

LNG production

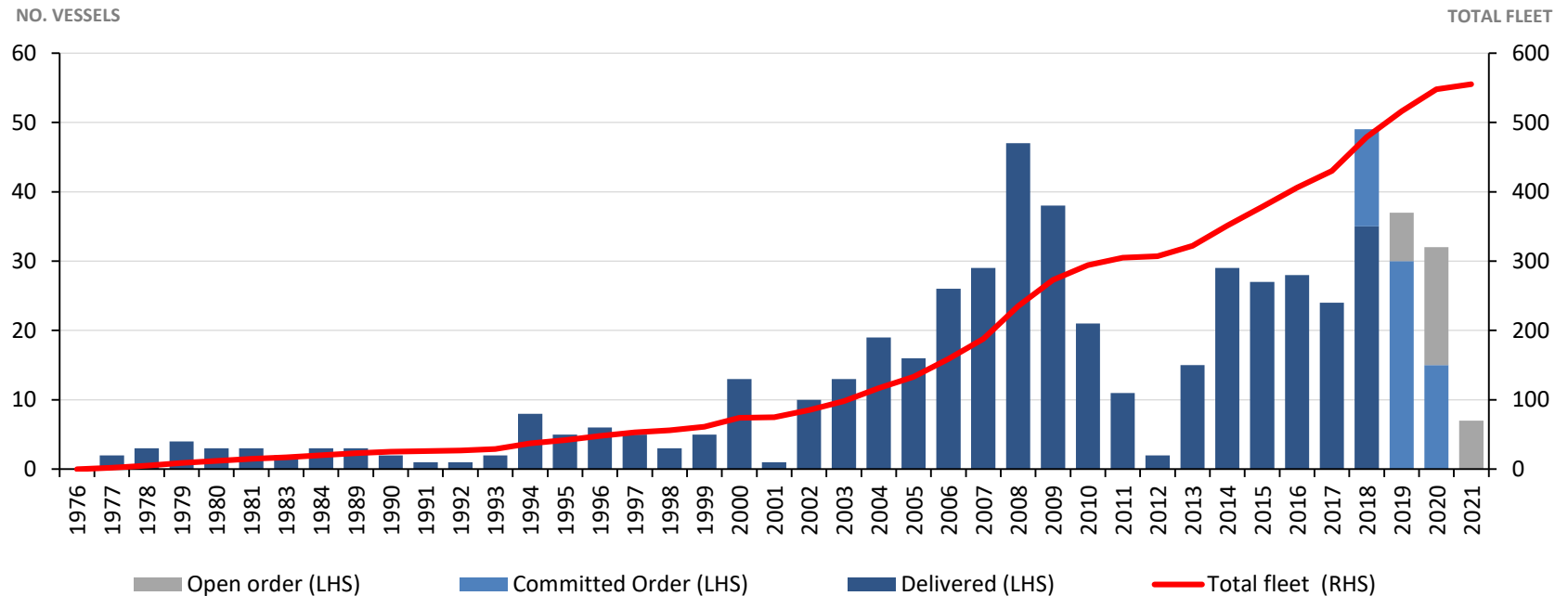


- 30 MTPA new liquefaction capacity expected to start up in 2018, and a further 61 MTPA in 2019 – 2021
- Beyond 2020 over 700 MTPA new LNG production is in planning stages with some 200+ in pre-FID phase with specified timeline

Source: Clarksons Platou, Arctic Securities, Fearnley LNG, Company presentations

LNG fleet and orderbook

LNG FLEET AND ORDERBOOK MID-AUGUST 2018



- 35 vessels delivered in 2018
- 14 further vessels scheduled for delivery this year
- Total fleet of 465 vessels > 100' cbm
 - 19 laid up, 74 built before year 2000, 3 scrapped in 2018 (same as in 2017)
- 33 newbuilding orders so far in 2018, total orderbook at 90 vessels of which 31 assumed available

Source: Fearnley LNG, Tradewinds

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Summary

- Increasing gas demand in the Far East coupled with new LNG supply has absorbed tonnage and improved ton-mile
- Charterers have, and are continuing to, position for a firm winter market, arbitrage is wide open and Owner's expectations are correspondingly high
- Mid- and long-term demand for LNG transportation remains strong
 - Growing global gas demand is expected to trigger FIDs in the near future for the next liquefaction wave
 - 74 vessels built prior to 2000, smaller and inefficient
- Awilco LNG
 - Pure play fully integrated LNG transportation company with excellent operational track record
 - Firm earnings from WilForce for 9-12 months supporting spot exposure strategy on WilPride in what is expected to be a firm winter market
 - Actively pursuing refinancing at improved terms
- Awilco LNG is well positioned for the improving market



Q&A

A Fully Integrated Pure Play LNG Transportation Provider





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