



Q3 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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3rd quarter 2018 highlights

Awilco LNG reported:

- Net freight income	MUSD 7.4	MUSD 4.6 in Q2 2018
- EBITDA	MUSD 3.8	MUSD 1.9 in Q2 2018
- Net profit/(loss)	MUSD (4.8)	MUSD (6.5) in Q2 2018

- Vessel utilisation of 70 % compared to 71 % previous quarter (excluding DD off-hire)
- TCE* of USD 45,000 pd (USD 27,900 pd in Q2 2018), current CBE** of USD ~53,000 pd
- WilForce completed dry-docking on time and budget, total cost of MUSD 3.3 and 21 off-hire days
- WilForce delivered on a 9-12 month TC to an oil and gas major, annualised EBITDA MUSD 26

Subsequent events

- WilPride en route to yard for dry-docking, budgeted at MUSD 3.3 and 20 off-hire 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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Q3 2018 income statement

USD million	Q3'18	Q2'18	2017
Freight income	8.6	6.4	20.4
Voyage related expenses	(1.3)	(1.8)	(6.9)
Net freight income	7.4	4.6	13.6
Other income	4.0	-	-
Operating expenses	(6.7)	(2.0)	(7.9)
Administration expenses	(0.8)	(0.7)	(3.9)
EBITDA	3.8	1.9	1.7
Depreciation	(3.3)	(3.3)	(12.3)
Net finance	(5.3)	(5.2)	(21.2)
Profit/(loss) before tax	(4.8)	(6.5)	(31.8)
Tax	-	-	-
Profit/(loss)	(4.8)	(6.5)	(31.8)



Q3 2018 financial position

USD million	30.09.18	30.06.18	31.12.17
Vessels	360.9	360.6	363.9
Total non-current assets	360.9	360.6	363.9
Trade receivables	4.8	-	1.6
Other short term assets	8.4	5.1	5.1
Cash	24.3	26.5	29.0
Total current assets	37.4	31.6	35.7
Total assets	398.3	392.2	399.6
Total equity	116.8	121.5	127.0
Long-term interest bearing debt	258.6	260.7	263.9
Other non-current liabilities	2.3	2.3	2.3
Non-current liabilities	260.9	263.0	266.2
Short-term interest bearing debt	6.4	5.1	2.7
Other current liabilities	14.3	2.5	3.7
Total current liabilities	20.7	7.6	6.4
Total equity and liabilities	398.3	392.2	399.6



Q3 2018 cash flow

USD million	Q3'18	Q2'18	2017
Cash Flows from Operating Activities:			
Profit/(loss) before taxes	(4.8)	(6.5)	(31.8)
Income taxes paid	-	-	-
Interest and borrowing costs expensed	5.4	5.4	22.2
Depreciation, amortisation and impairment	3.3	3.3	12.3
Trade receivables, inventory and other short term assets	(4.1)	1.3	(1.6)
Accounts payable, accrued exp. and deferred revenue	5.6	1.2	1.1
Net cash provided by / (used in) operating activities	5.4	4.7	2.1
Cash Flows from Investing Activities:			
Investment in vessels	(3.6)	(2.1)	(2.3)
Net cash provided by / (used in) investing activities	(3.6)	(2.1)	(2.3)
Cash Flows from Financing Activities:			
Gross proceeds from equity issue	-	-	26.8
Transaction costs of equity issue	-	-	(0.7)
Repayment of borrowings	(0.6)	(1.1)	(5.6)
Interest and borrowing costs paid	(3.5)	(5.1)	(21.4)
Net cash provided by / (used in) financing activities	(4.1)	(6.2)	(0.9)
Net changes in cash and cash equivalents	(2.2)	(3.6)	(1.1)
Cash and cash equivalents at start of period	26.5	30.1	30.0
Cash and cash equivalents at end of period	24.3	26.5	29.0



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Elevator pitch

Rates at all-time high

USD 185,000 per day spot

In spite of

- Newbuild deliveries at all-time high in 2018
- Atlantic-Far East arbitrage closed

42 delivered, 9 to come

Winter season approaching

New liquefaction capacity may lift rates further

- 30 MTPA liquefaction starting Q4 2018
- A further 22 MTPA in 2019 – all in the US

Fleet growth 36 vessels

What about 2020+?

- FIDs are coming

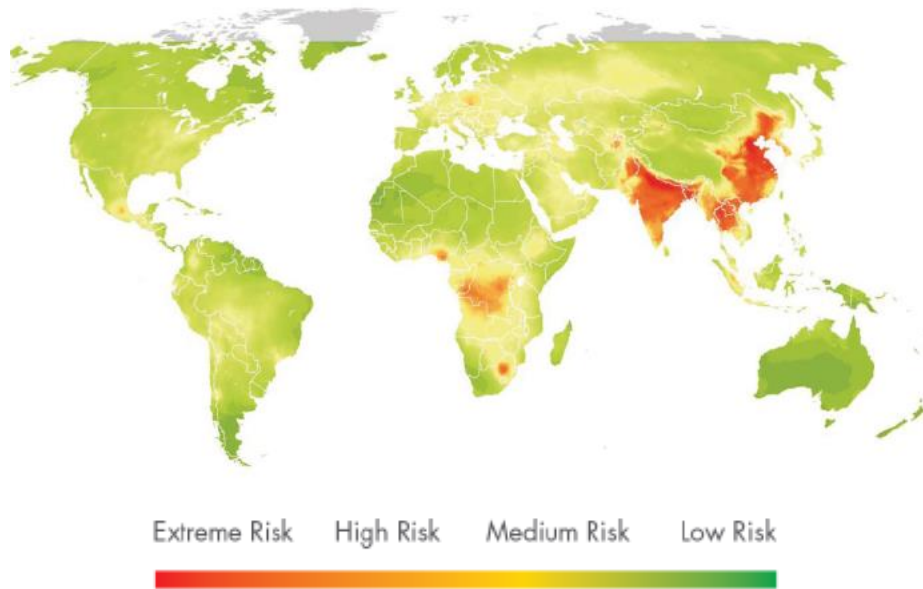
LNG Canada 14 MTPA in October 2018

- Gas is cheap, abundantly available and environmentally friendly



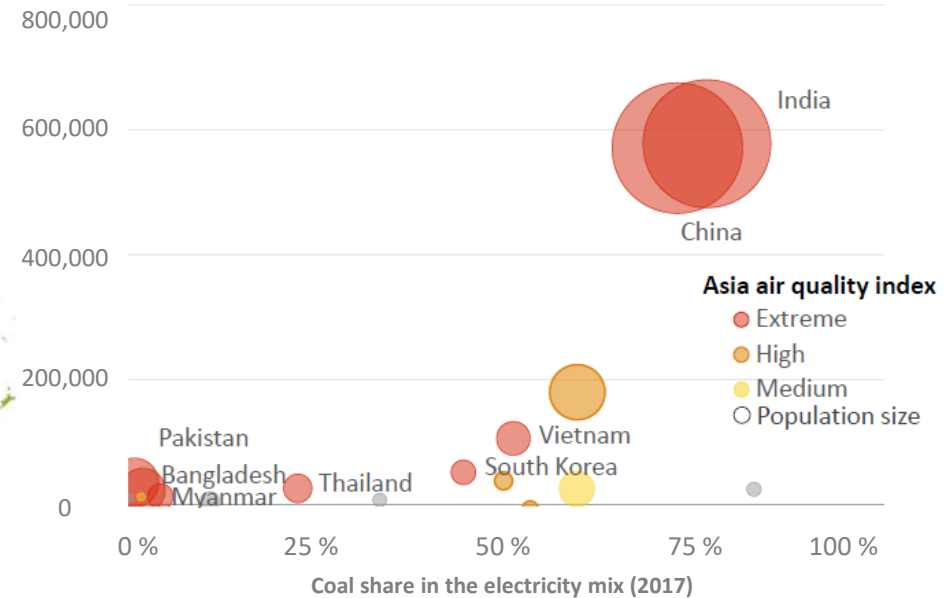
LNG demand growth in Asia

AIR QUALITY INDEX 2017



ENERGY DEMAND GROWTH VS COAL SHARE

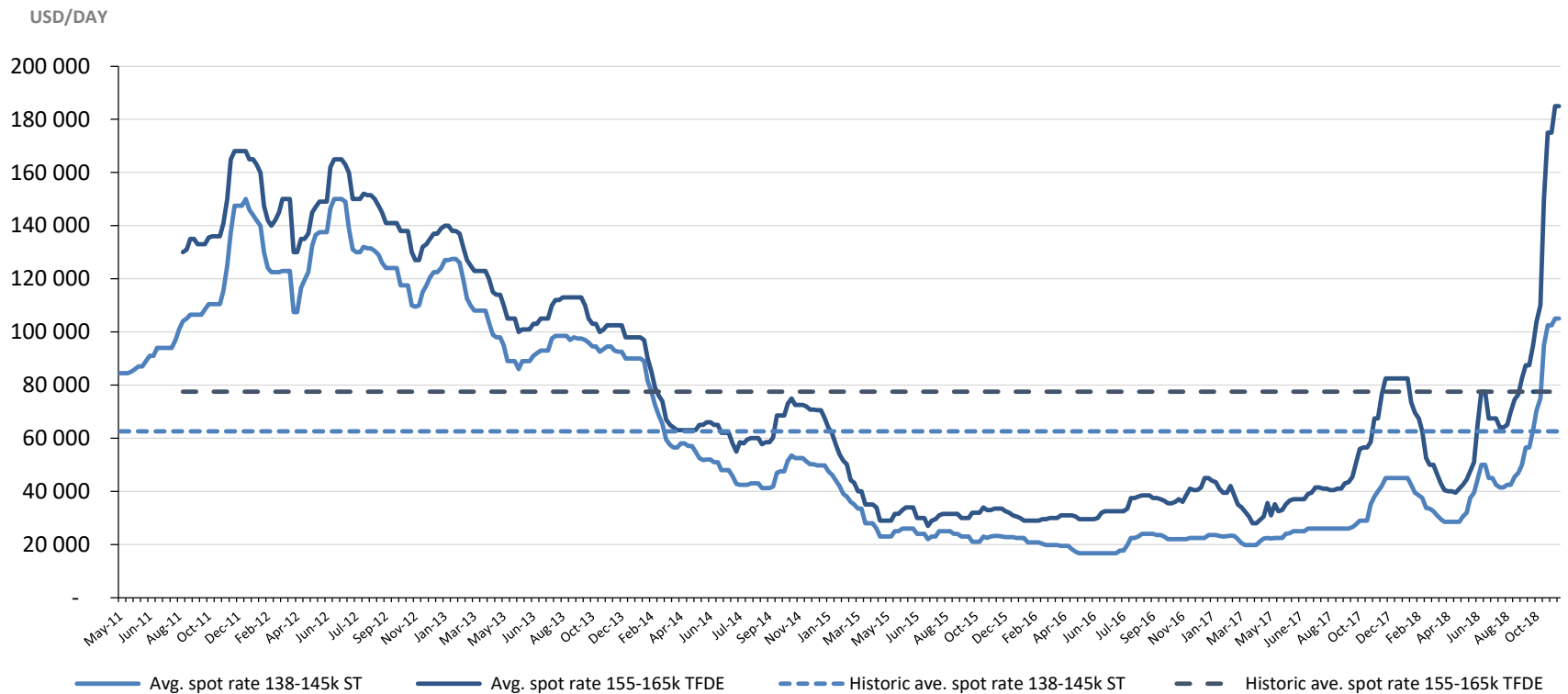
Change in energy demand (2017-2035), KTOE



- China's "Blue Sky" plan is working – no 1 gas importer, ~50 % increase in LNG imports two years running
- South Korea is a mature LNG importer and following same path - gas and renewables combating pollution
- India plans to double the share of natural gas in energy mix to 15 % by 2022, increasing LNG imports from 20 MTPA to 70 MTPA

Source: Shell LNG Outlook 2018, Reuters, ICIS

LNGC rates

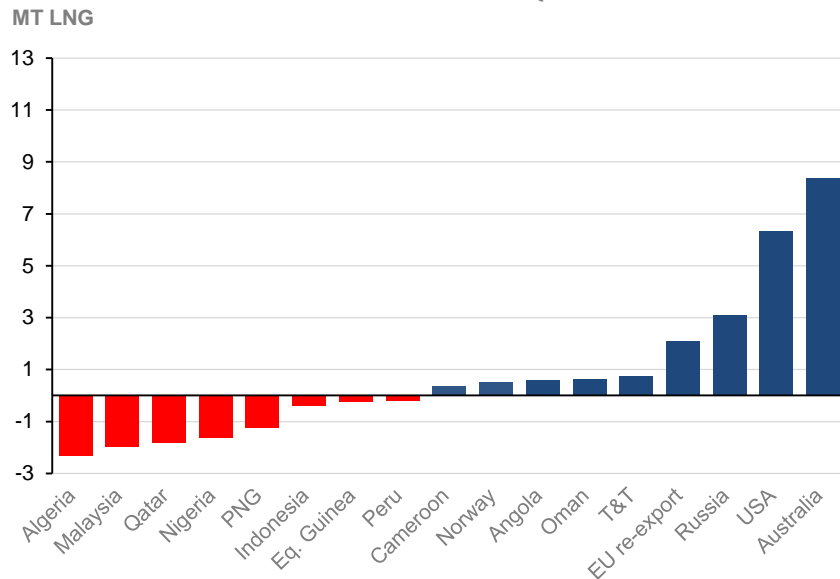


- USD 195,000 pd East and USD 175,000 pd West - rates at all-time high
- 100 % ballast bonus and positioning payments may lift TCE beyond headline

Source: Fearnley LNG

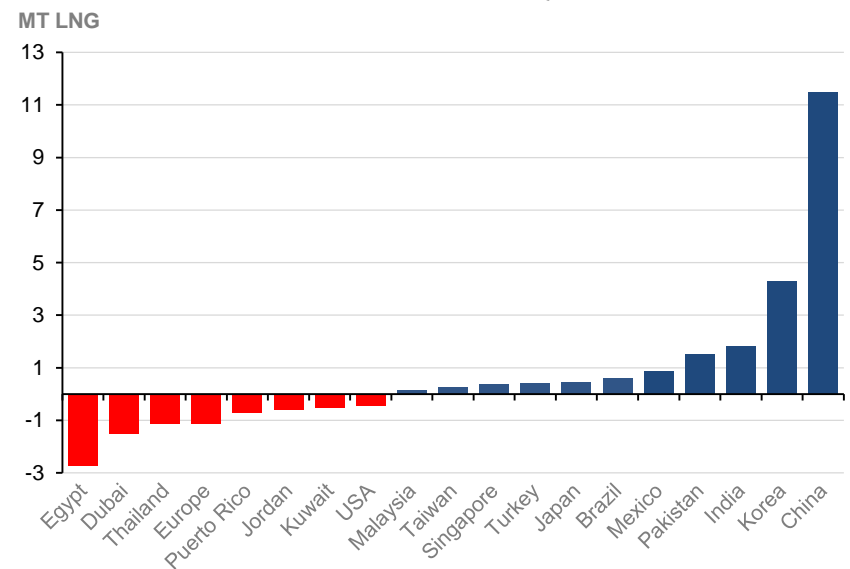
LNG trade change

LNG EXPORT CHANGE Q3 2018 YTD



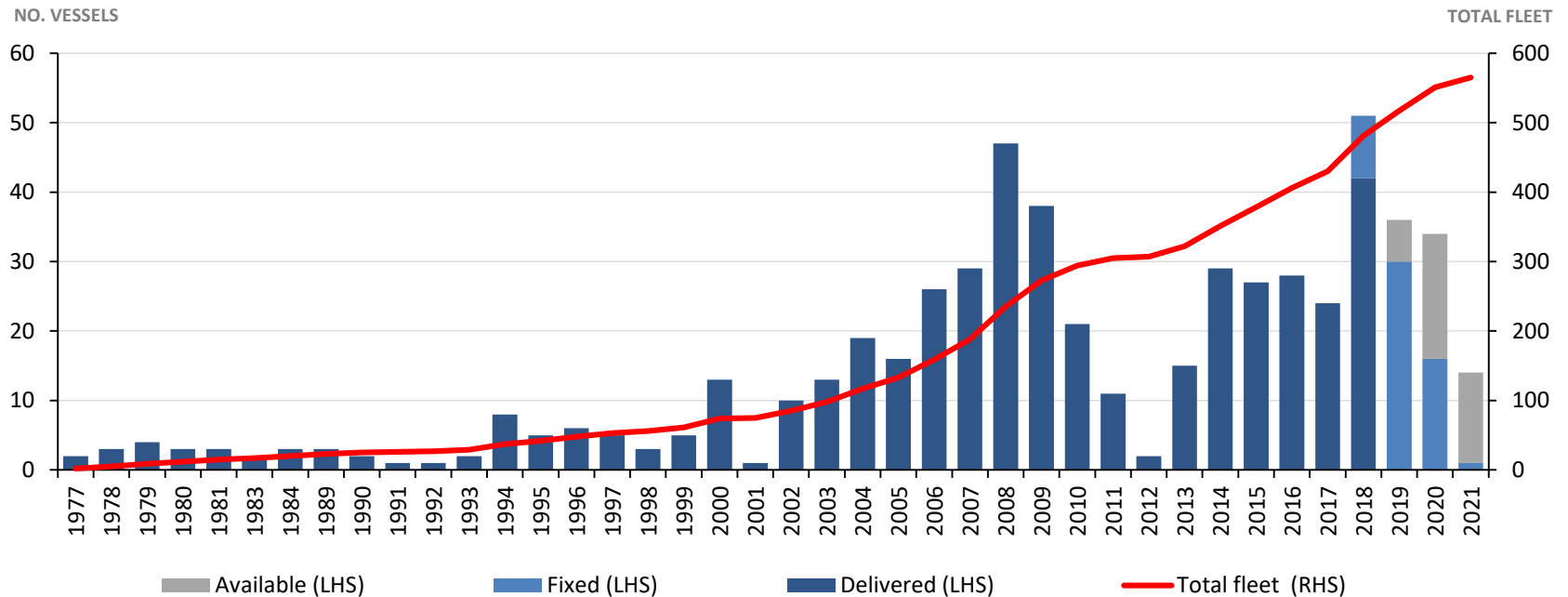
- Five liquefaction plants commenced operations this year in USA, Russia, Australia and Cameroon with total capacity of 26 MTPA
- Ramp up of capacity added in 2017 contributed to export growth, partly offset by minor outages and maintenance

LNG IMPORT CHANGE Q3 2018 YTD



- Continued fuel switching in China and South Korea resulting in import growth of 45 and 17 % respectively
- India up 12 % in 2018

LNG fleet and orderbook

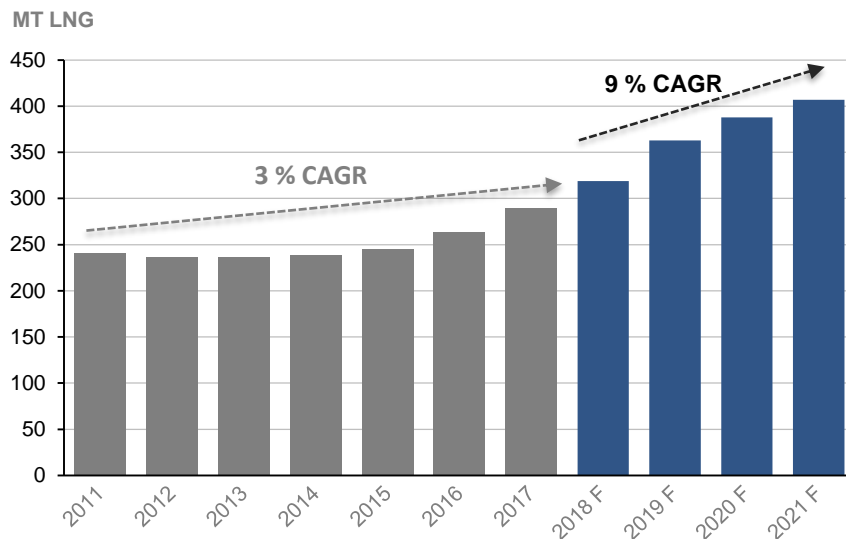


- 42 vessels delivered year to date, 9 further vessels scheduled for delivery
- Total fleet 472 vessels > 100' cbm
 - Orderbook is 93 LNGC or 19 %, 42 orders YTD 2018
 - ~20 % of the fleet is «Commercially challenged» (smaller/less efficient), of these 19 laid up, 3 recycled in 2018

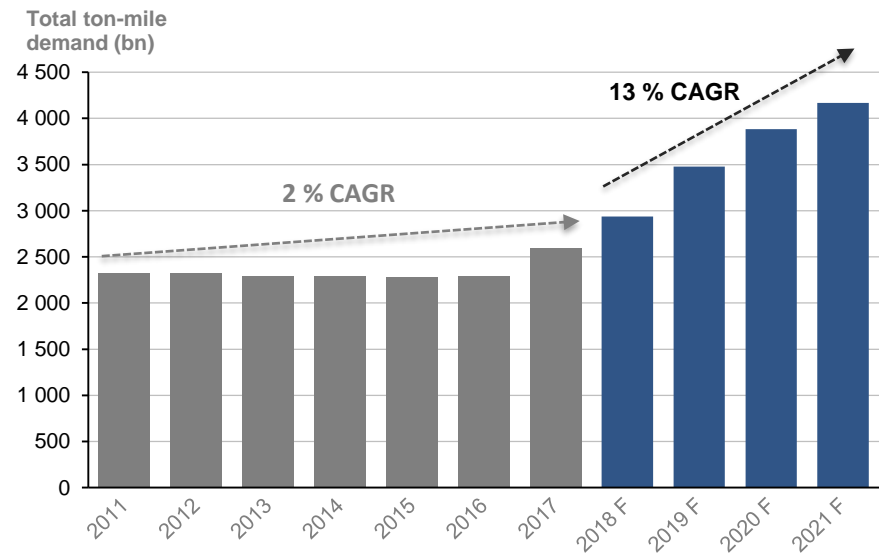
Source: Fearnley LNG

LNG production and ton-mile

LNG PRODUCTION 2011 - 2021



TON-MILE 2011 - 2021



- 47 MTPA new liquefaction capacity expected to start up in 2018, and a further 44 MTPA in 2019 – 2021
 - 53 MTPA in the US
- 380 MTPA new LNG production pre-FID phase with target startup 2021 - 2024
- Asia's appetite for LNG met by new US supply, increasing sailing distances by 80 – 90 % compared to historical average
- Ton-mile increased by 12.9 % y-o-y October 2018

Source: Reuters, GIIGNL, DNB, Arctic Securities, Fearnley LNG

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Summary

- Owner's expectations for the coming years are high
 - Rates at all-time high despite all-time high newbuilding deliveries in 2018
 - 10 % growth in LNG production in 2018, 14 % exp in 2019 (or 40 % higher growth..)
 - 12.9 % growth in ton-miles in 2018 year to date, 18.4 % exp in 2019 (or 42 % higher growth..)
 - 30 % fewer newbuilding deliveries in 2019
- Mid- and long-term demand for LNG transportation remains strong
 - Gas is cheap, abundantly available and environmentally friendly
 - LNG as a marine fuel is IMO 2020 and future compliant – SOx in 2020 – PM and NOx next?
 - Growing gas demand will trigger further FIDs for next liquefaction wave
 - ~20 % of the sailing fleet is smaller and inefficient
- Awilco LNG
 - Pure play integrated LNG transportation company with excellent commercial and operational track record in a segment with high barriers to entry
 - Strong earnings from WilForce for 9-12 months supporting spot exposure strategy on WilPride in firm (and firming!) 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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