



Q1 2019

Jon Skule Storheill

Øyvind Ryssdal

10 May 2019



Disclaimer

This presentation may include certain forward-looking statements, forecasts, estimates, predictions, influences and projections regarding the intent, opinion, belief, various assumptions or current expectations of Awilco LNG (the “Company”) and its management with respect to, among other things, (i) goals and strategies, (ii) evaluation of the Company’s markets, competition and competitive position, and (iii) anticipated future performance and trends which may be expressed or implied by financial or other information or statements contained herein.

All statements, other than statements of historical facts, that address activities and events that will, should, could or may occur in the future are forward-looking statements. Words such as “may,” “could,” “should,” “would,” “expect,” “plan,” “anticipate,” “intend,” “forecast,” “believe,” “estimate,” “predict,” “propose,” “potential,” “continue” or the negative of these terms and similar expressions are intended to identify such forward-looking statements.

These forward-looking statements, forecasts, estimates, predictions, influences and projections are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that will occur in the future, some of which are beyond our control and difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements, and no representation is made as to the accuracy of these. Among the important factors that could cause actual results to differ materially from those in the forward-looking statements, forecasts, estimates, predictions, influences and projections are: changes in LNG transportation market trends; changes in the supply and demand for LNG; changes in trading patterns; changes in applicable maintenance and regulatory standards; changes in applicable regulations and laws; technological developments affecting gas and LNG demand; political events affecting production and consumption of LNG; changes in the financial stability of clients of the Company; the Company’s ability to secure employment for available vessels and newbuildings on order; increases in the Company’s cost base; failure by yards to comply with delivery schedules; changes to vessels’ useful lives and residual values; the Company’s ability to obtain financing of the newbuildings and lastly unpredictable or unknown factors with material adverse effects on forward-looking statements.

Neither the receipt of this presentation by any person, nor any information contained herein, constitutes, or shall be relied upon as constituting, any advice relating to the future performance of the Company. Each person should make their own independent assessment of the merits of the Company and its business and should consult their own professional advisors. The information and opinions contained in this presentation relate only as of the date of this presentation, and are subject to change without notice. Neither the Board of Directors of the Company or the Company and its management make any representation or warranty, express or implied, as to the accuracy or completeness of this presentation or of the information contained herein and none of such parties shall have any liability for the information contained in, or any omissions from, this presentation, nor for any of the written, electronic or oral communications transmitted to the recipient in the course of the recipient’s own investigation and evaluation of the Company or its business. Unless legally required, the Company assumes no responsibility or obligation to update publicly or review any of the forward-looking statements contained herein, whether as a result of new information, future events or otherwise.

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.

Agenda 10/05 2019



1. Highlights
2. Financials Q1
3. Market update
4. Summary

1st quarter 2019 highlights

Net freight income	MUSD 8.4	MUSD 10.4 in Q4 2018
EBITDA	MUSD 5.0	MUSD 7.1 in Q4 2018
Net profit/(loss)	MUSD (3.4)	MUSD (1.2) in Q4 2018

- Utilisation 90 % compared to 84 % previous quarter (excluding DD off-hire)
- TCE* USD 46,200 pd (USD 62,900 pd in Q4 2018), current CBE** of USD ~58,000 pd
- Consolidation initiative with other ship owners developing, timing and outcome uncertain

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

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

Agenda 10/05 2019



1. Highlights
2. Financials Q1
3. Market update
4. Summary

Q1 2019 income statement

USD million	Q1'19	Q4'18	2018
Freight income	9.4	11.1	40.0
Voyage related expenses	(1.0)	(0.7)	(5.1)
Net freight income	8.4	10.4	34.8
Other income	0.9	-	4.0
Operating expenses	(3.3)	(1.9)	(12.5)
Administration expenses	(1.0)	(1.4)	(3.9)
EBITDA	5.0	7.1	22.4
Depreciation	(3.3)	(3.2)	(13.0)
Net finance	(5.1)	(5.1)	(20.9)
Profit/(loss) before tax	(3.4)	(1.2)	(11.4)
Tax	-	-	-
Profit/(loss)	(3.4)	(1.2)	(11.4)



Q1 2019 financial position

USD million	31.03.19	31.12.18
Vessels	358.9	362.1
Total non-current assets	358.9	362.1
Trade receivables	1.6	2.7
Other short term assets	6.8	6.1
Cash	18.7	22.5
Total current assets	27.1	31.4
Total assets	386.0	393.6
Total equity	112.2	115.6
Long-term interest bearing debt	-	-
Other non-current liabilities	0.3	0.3
Non-current liabilities	0.3	0.3
Short-term interest bearing debt	265.9	266.7
Other current liabilities	7.5	10.9
Total current liabilities	273.4	277.6
Total equity and liabilities	386.0	393.6



Q1 2019 cash flow

USD million	Q1'19	Q4'18	2018
Cash Flows from Operating Activities:			
Profit/(loss) before taxes	(3.4)	(1.2)	(11.4)
Income taxes paid	-	-	-
Interest and borrowing costs expensed	5.2	5.4	21.5
Depreciation, amortisation and impairment	3.3	3.2	13.0
Trade receivables, inventory and other short term assets	0.5	4.3	(2.2)
Accounts payable, accrued exp. and deferred revenue	(5.1)	(2.9)	5.7
Net cash provided by / (used in) operating activities	0.5	8.8	26.5
Cash Flows from Investing Activities:			
Investment in vessels / sale of vessels	-	(4.4)	(11.2)
Net cash provided by / (used in) investing activities	-	(4.4)	(11.2)
Cash Flows from Financing Activities:			
Repayment of borrowings	(1.1)	(1.0)	(2.7)
Interest and borrowing costs paid	(5.0)	(5.1)	(19.1)
Net cash provided by / (used in) financing activities	(6.0)	(6.2)	(21.8)
Net changes in cash and cash equivalents	(5.6)	(1.8)	(6.4)
Cash and cash equivalents at start of period	24.3	24.3	29.0
Cash and cash equivalents at end of period	18.7	22.5	22.5

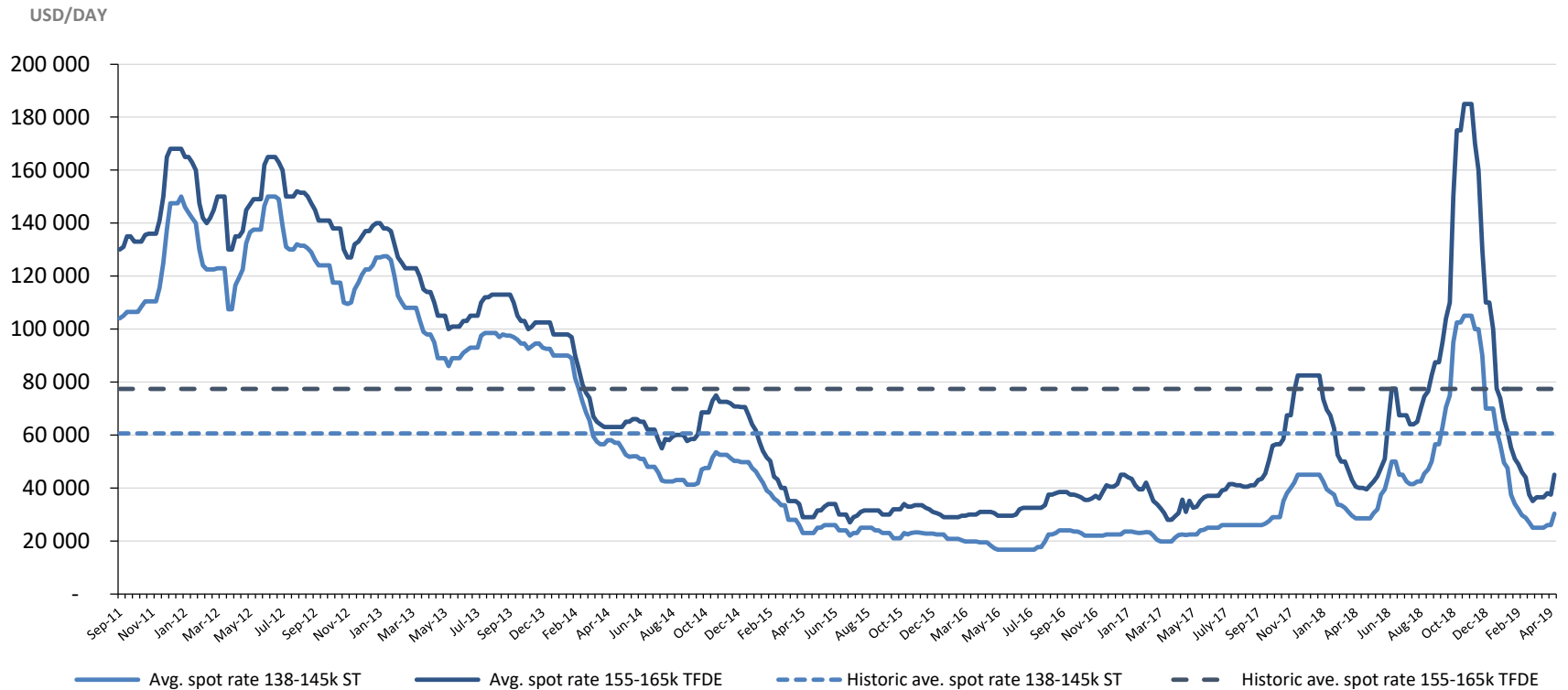


Agenda 10/05 2019



1. Highlights
2. Financials Q1
3. Market update
4. Summary

Spot rates

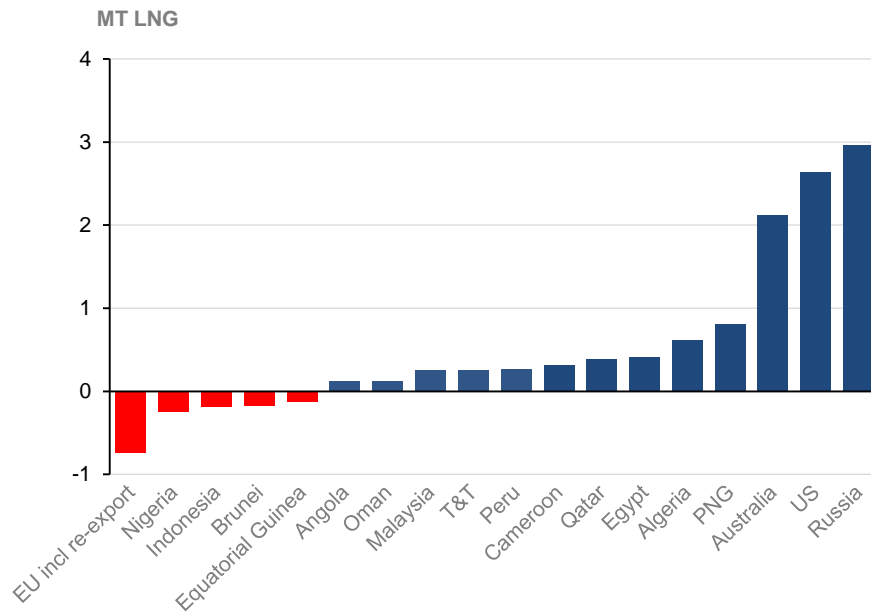


- Assessed rates bottomed in mid-April around USD 36,500 pd
- Normal seasonal pattern, although higher volatility
- Average headline assessed rate USD 56,400 pd in Q1 2019 vs USD 66,800 in Q1 2018

Source: Fearnley LNG

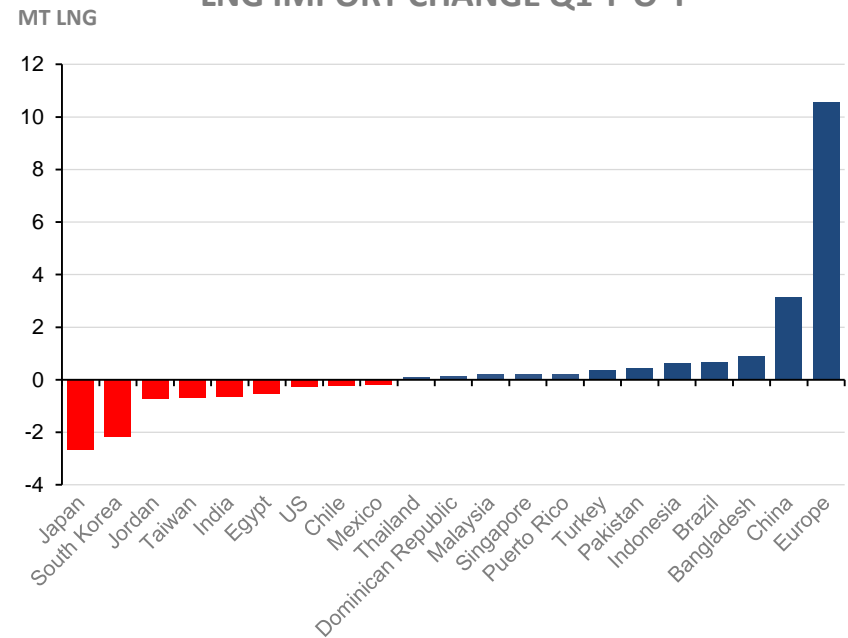
LNG trade

LNG EXPORT CHANGE Q1 Y-O-Y



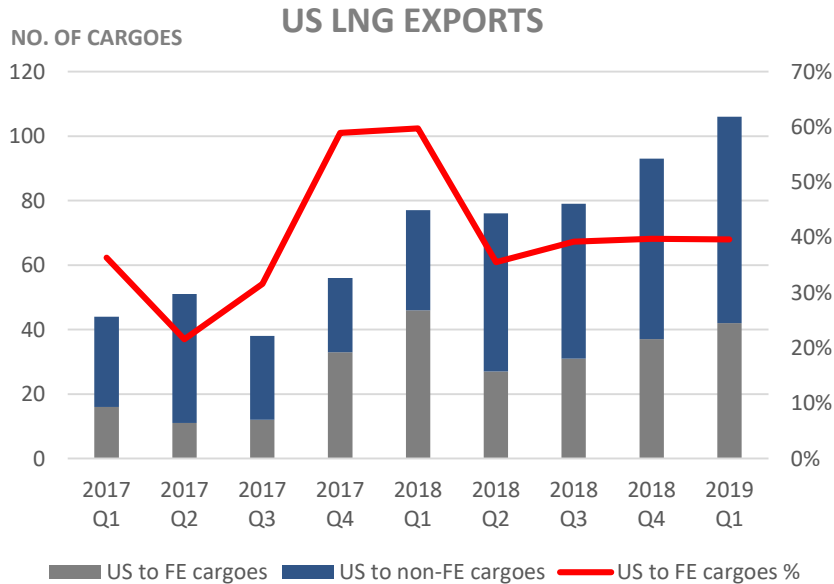
- 27 MTPA of new production capacity started in Q4 2018 and ramping up in Q1

LNG IMPORT CHANGE Q1 Y-O-Y

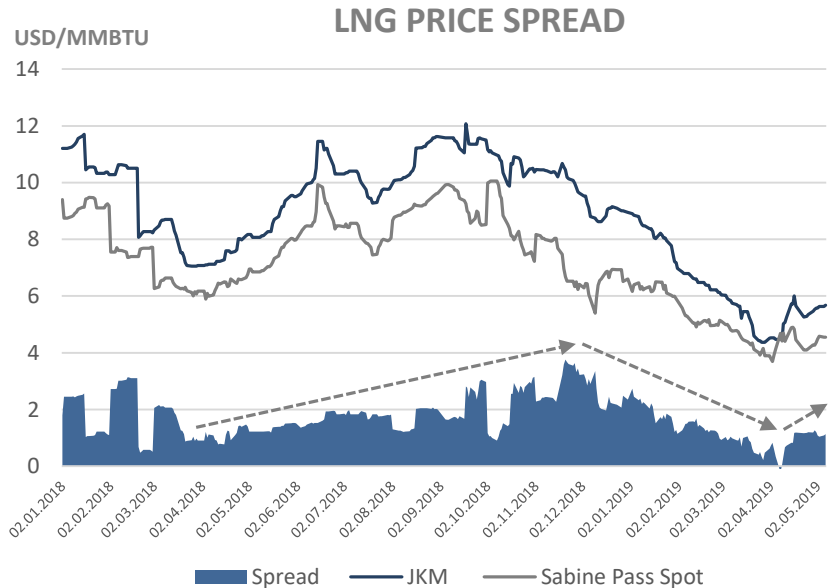


- Mild winter in Far East reducing demand – although still healthy growth in China at 21 % y-o-y
- Europe the “LNG sink”, current prices competitive with pipeline gas and coal

US LNG

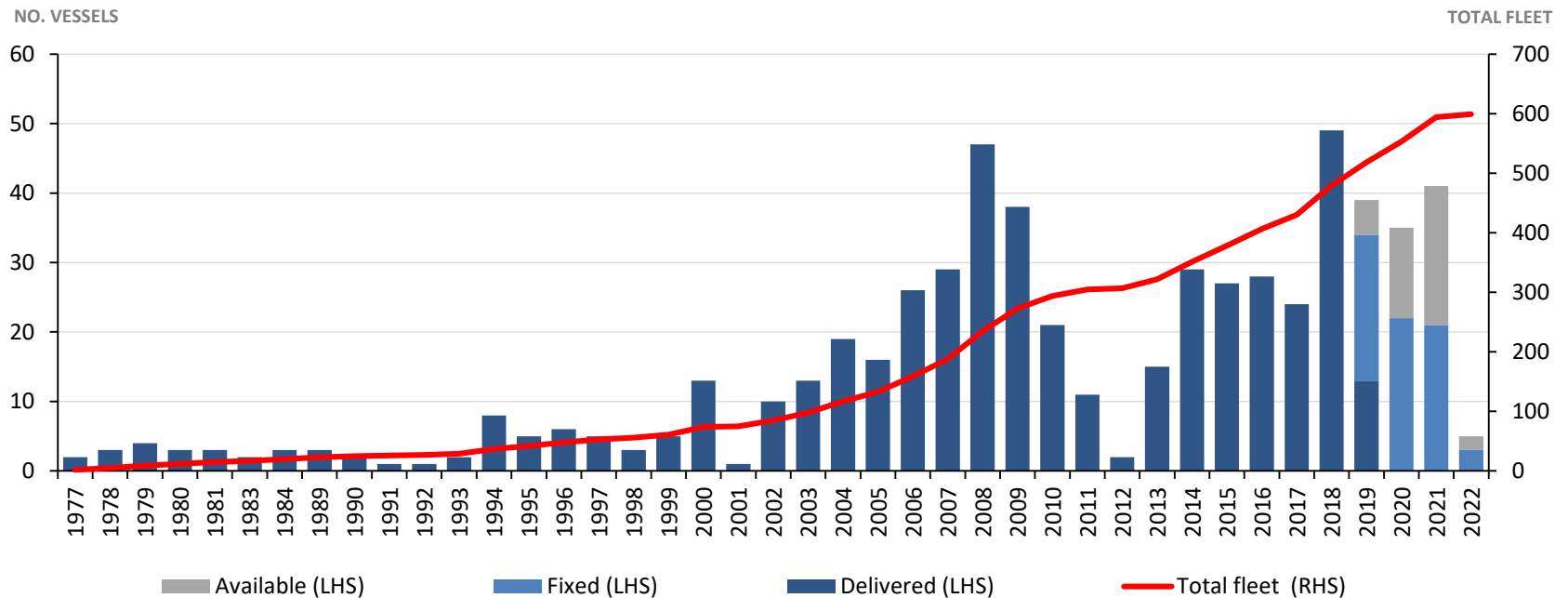


- In spite of China 10 % tariff on US LNG from Aug 2018, about 40 % of cargoes headed to Far East last three quarters*
 - Primarily term volumes
- US to China:
 - 2019: 3 %
 - 2018: 8 %
 - 2017: 16 %



- SB spot vs JKM spread widening last month
- Same thing happened exactly one year ago
 - Cheniere fixed abt 15 vessels

LNG fleet and orderbook

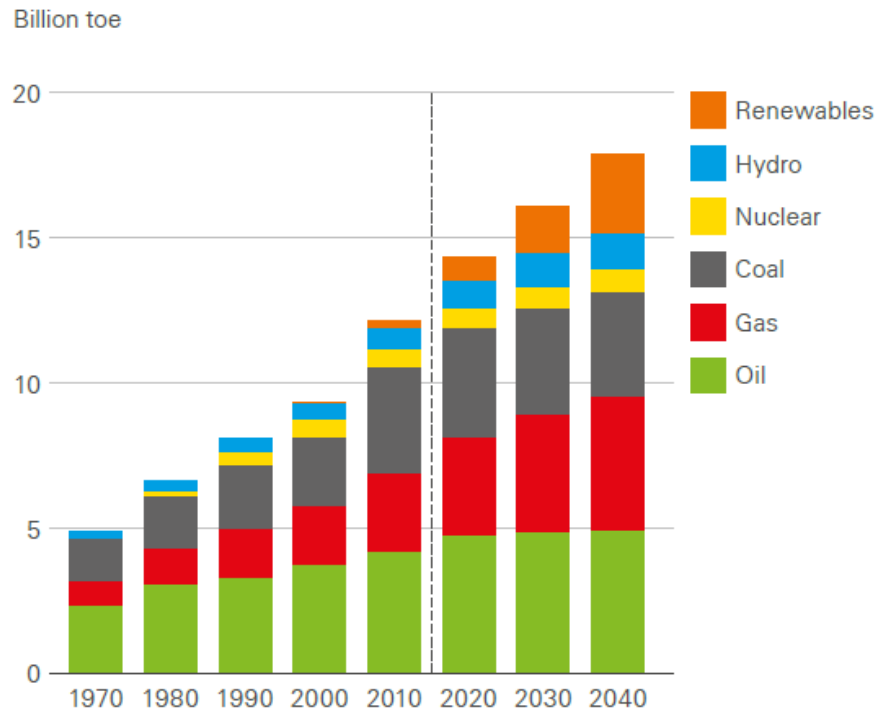


- 13 vessels delivered year to date, 26 further vessels scheduled
- Total fleet 492 vessels > 100' cbm
 - Orderbook is 107 LNGC or 22 %, 15 orders year to date
 - ~20 % of the fleet is «Commercially challenged» (smaller/less efficient), of these 16 laid up, 2 recycled in 2019 (3 in 2018)

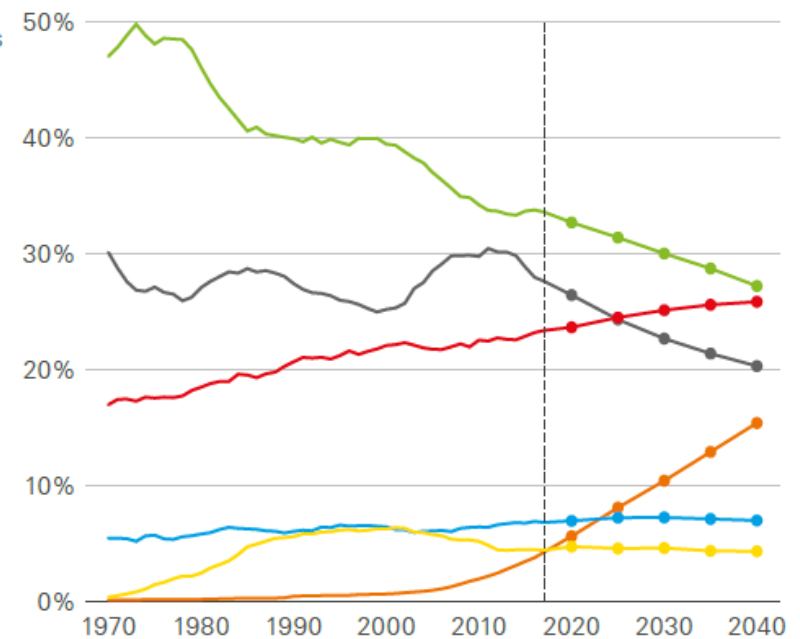
Source: Fearnley LNG

Gas is clean and flexible

ENERGY CONSUMPTION



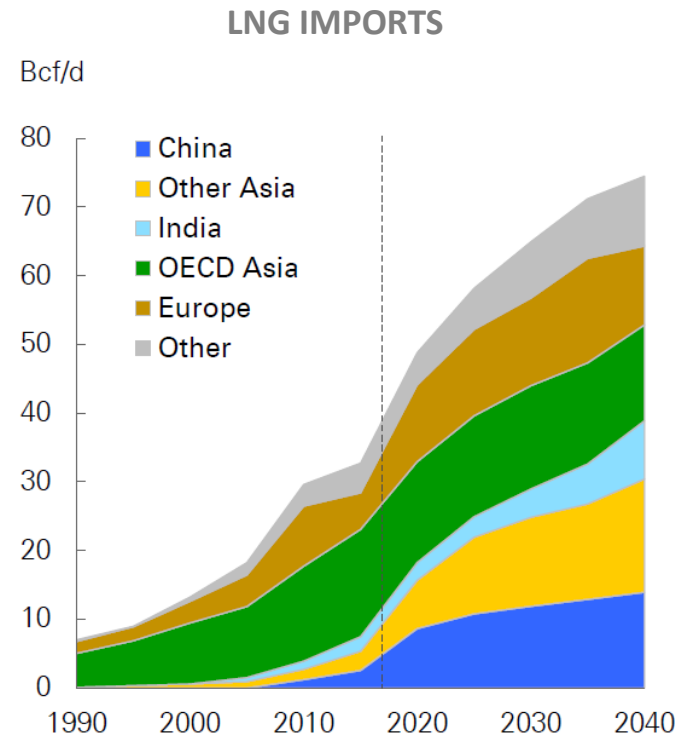
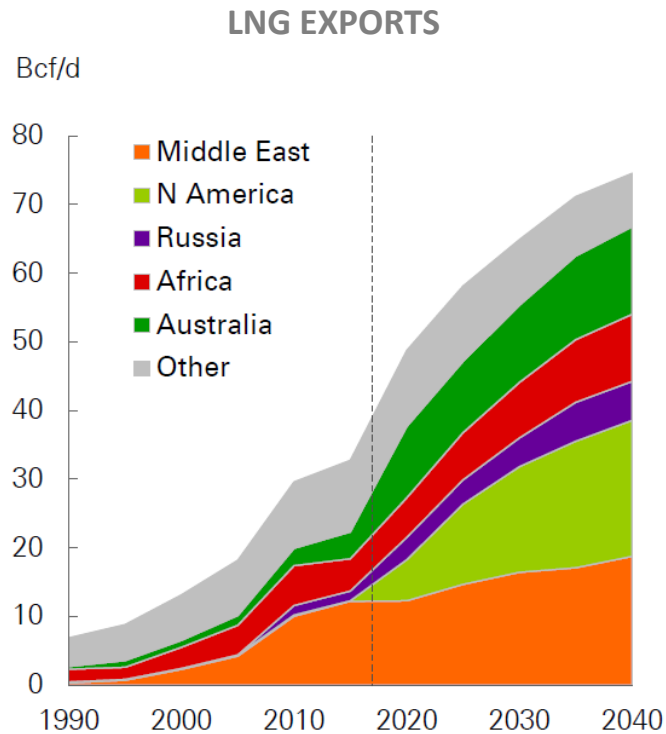
ENERGY CONSUMPTION



- Gas provides flexibility in an energy mix with intermittent renewables
- Gas demand grows at double the rate of total global energy demand
- Natural gas overtakes coal in 2030 and at par with oil in 2040

Source: Energy outlooks from BP, Shell and IEA

LNG supply and demand 2040



- Global LNG supplies expand rapidly, led by US
- Demand growth centres around China and Asia in general
- LNG trade more than doubles towards 2040

Source: Energy outlooks from BP and IEA

Agenda 10/05 2019



1. Highlights
2. Financials Q1
3. Market update
4. Summary

Summary

- Despite weak start to 2019 fundamentals are expected to improve
 - 9 % annual growth in LNG production
 - 7 % annual fleet growth (excluding phase out)
 - US supply and Asian demand to improve ton-miles

- Mid- and long-term demand for LNG transportation remains strong
 - Gas is cheap, abundantly available, environmentally friendly and flexible
 - Growing gas demand will trigger further FIDs in 2019 and beyond
 - ~20 % of the sailing fleet is smaller and inefficient
 - LNG as a marine fuel reduces GHG emissions and local pollutants

- Awilco LNG
 - Pure play integrated LNG transportation company with excellent commercial and operational track record in a segment with high barriers to entry
 - Consolidation high on the agenda
 - Actively pursuing refinancing

- Awilco LNG is well positioned for the improving market



Q&A

A Fully Integrated Pure Play LNG Transportation Provider





Jon Skule Storheill

CEO

Mobile: +47-9134 4356

E-mail: jss@awilcolng.no

Øyvind Ryssdal

CFO

Mobile: +47-920 14 029

E-mail: or@awilcolng.no