SECOND QUARTER 2019 AND

FIRST HALF YEAR 2019 RESULTS

Highlights second quarter

- The Awilco LNG Group (Awilco LNG or the Group) reported net freight income of MUSD 2.7 (MUSD 8.4 in Q1 2019) and EBITDA of MUSD (0.2) (MUSD 5.0 in Q1 2019).

- Vessel utilisation of 56 %, down from 90 % in Q1 2019 due to extensive off-hire on the WilForce.

- On 30 May WilForce was involved in a collision off Singapore which caused only hull damage and no harm to life or the environment. Due to the prolonged off-hire period required to repair the vessel the balance of the 9-12 month time charter contract was cancelled. Loss of hire insurance compensates for most of the lost time charter hire. The vessel is currently at yard in Singapore for repairs, expected to be completed in mid-September. Awilco LNG has a substantial claim towards the ship responsible for the collision and expects to collect same in due course.

Subsequent events

- On 9 July WilPride was delivered on an 8 month time charter contract to an oil and gas major. The vessel is expected to contribute an annualised EBITDA of about MUSD 23 during the charter period. With these earnings and the loss of hire insurance for the WilForce until repairs are completed, ~90 % of Q3 2019 days are booked at an expected TCE of about 68,000 per day.

- On 2 August 2019 a term sheet for the refinancing of the Company’s two vessels was agreed and signed with a major leasing company based in Asia, subject to final credit approval, documentation and customary closing conditions.

Key financial figures

USD million	Q2’19	Q1’19	Q4’18	2018
Freight income	3.9	9.4	11.1	40.0
Voyage related expenses	1.1	1.0	0.7	5.1
EBITDA	(0.2)	5.0	7.1	22.4
Net profit/(loss)	(8.6)	(3.4)	(1.2)	(11.4)
Total assets	386.6	386.0	393.6	393.6
Total equity	103.7	112.2	115.6	115.6
Interest bearing debt	264.4	266.2	267.0	267.0
Cash and cash equivalents	16.4	18.7	22.5	22.5
Book equity ratio	27 %	29 %	29 %	29 %

FINANCIAL REVIEW

Income statement second quarter 2019

Freight income for the quarter was MUSD 3.9, down from MUSD 9.4 in Q1 2019 due to WilForce being off hire from mid-April combined with weak spot market rates for the WilPride due to seasonal effects. Fleet utilisation for the quarter ended at 56 %, compared to 90 % in the previous quarter. Voyage related expenses amounted to MUSD 1.1, compared to MUSD 1.0 in Q1 2019.

WilForce completed machinery repairs and certain upgrades at yard end of May. Shortly after leaving the yard she was struck by another vessel. Repairs at yard in Singapore are progressing as planned and are expected completed in mid-September 2019. Cost of repairs and loss of time charter hire are covered by insurance. A net loss of MUSD 0.5 has been recognised in Q2 2019 related to a deductible and certain non-insurable costs, whereas a total of MUSD 1.1 in loss of hire claim has been recognised as other income in Q2 2019. Please see note 4 for further information.

At the time of the collision the vessel was employed on a 9-12-month time charter contract. Due to the prolonged off-hire period required to repair the vessel the balance of the 9-12 month time charter contract was cancelled. Based on an assessment of facts and legal advice Awilco LNG holds the other vessel fully and completely liable for the collision, and the Company expects to recover all costs, expenses and losses from the other party, including insurance deductibles, off-hire and lost time charter hire, in due course. This claim will not be reflected in Awilco LNG's financial statements until the awarded compensation is determined.

Operating expenses were MUSD 2.7 in the quarter compared to MUSD 2.2 in Q1. Total provisions for repair of machinery and collision damage to the WilForce was MUSD 5.6 in Q2, of which MUSD 1.3 towards machinery repairs completed in May and MUSD 4.4 towards collision repairs. Corresponding insurance claims totaling MUSD 6.1 was recognised as other income in Q2 2019 (MUSD 0.9 in Q1 2019), of which MUSD 1.1 towards machinery repairs, MUSD 3.9 towards collision repairs and a loss of hire insurance claim of MUSD 1.1.

Administration expenses were MUSD 0.7 in Q2 compared to MUSD 1.0 in Q1 2019. EBITDA for the quarter was MUSD (0.2) (MUSD 5.0 Q1 2019) and depreciation for the quarter was MUSD 3.3, same as in Q1 2019.

Net financial items were MUSD (5.1) same as in Q1 2019. Interest expenses on the WilForce and WilPride financial leases amounted to MUSD 5.2, also same as in Q1 2019.

Loss for the period was MUSD 8.6 compared to MUSD 3.4 in Q1 2019.

Income statement first half year 2019

For the first half of 2019 freight income was MUSD 13.2 compared to MUSD 20.2 same period last year. Voyage related expenses were MUSD 2.1 (MUSD 3.2), operating expenses MUSD 4.8 (MUSD 3.9), other income related to insurance claims on the WilForce MUSD 7.0 (NIL), provisions for repairs of WilForce MUSD 6.7 (NIL) and administration expenses were MUSD 1.7 (MUSD 1.7). EBITDA in the first half of 2019 was MUSD 4.8 compared to MUSD 11.5 in the first half of 2018. Net loss for the period was MUSD 11.9, compared to MUSD 5.5 in the first half of 2018.

Statement of financial position

Book value of vessels was MUSD 356.5 as at 30 June 2019 (MUSD 358.9 Q1 2019).

Total current assets were MUSD 30.0 as at 30 June 2019 (MUSD 27.1 Q1 2019), including insurance claims of MUSD 6.7 relating to repairs and loss of hire on the WilForce (MUSD 4.9) and cash and cash equivalents MUSD 16.4 (MUSD 18.7 Q1 2019).

Total equity as at 30 June 2019 was MUSD 103.7 (MUSD 112.2 Q1 2019).

Total current liabilities were MUSD 282.5 as at 30 June 2019 (MUSD 273.4 Q1 2019), of which MUSD 264.1 related to the WilForce and WilPride financial lease liabilities (MUSD 265.9 Q1 2019) and MUSD 8.9 provisions for repair of WilForce (MUSD 5.1 Q1 2019). Total deferred bareboat hire towards the financial leases was MUSD 24.6 as at 30 June 2019 (MUSD 22.7 Q1 2019), which is included in the total financial lease liabilities.

The repurchase obligations for WilForce and WilPride mature 31.12.2019 plus 60 days extension option in the Group's favour. On 2 August 2019 a term sheet for the refinancing of the Company's two vessels was agreed and signed with a major leasing company based in Asia. The refinancing is structured as a sale/leaseback similar to the current financing of both vessels and enables a full take out of the current sale/leaseback facilities as disclosed in note 5. The facility is scheduled to close in Q4 2019 subject to final credit approval, documentation and customary closing conditions.

MARKET UPDATE

According to Fearnleys LNG the continued growth in LNG production led to an 18 % increase in global LNG trade in Q2 y-o-y and close to 14 % in the first six months of the year vs last year.

Global gas prices continued their downward trajectory and convergence in the quarter due to high growth in supply with demand struggling to keep up, which although not supportive of inter basin arbitrage trade is positive in the longer term for the uptake of gas in the global energy mix as a clean and competitive source of energy. FE gas prices started the quarter at USD 5.1/MMBTU and ended at USD 4.5/MMBTU, whereas UK NBP started Q2 at USD 5.1/MMBTU and closed at USD 3.5/MMBTU. Henry Hub opened at USD 2.8/MMBTU and closed at USD 2.3/MMBTU.

Due to a relatively mild winter and first half of summer in the Far East, coupled with higher nuclear power generation in Japan and South Korea, most of the new LNG production in the first six months of 2019 was shipped to Europe, negatively impacting average trading distances. Total shipping demand grew about 7 % in the first half of 2019 according to Fearnleys LNG, compared to a fleet growth of 9 %. According to Fearnleys LNG headline spot TFDE day rates started the quarter at USD 36,000 and USD 37,000 per day West and East of Suez respectively, and gradually increased to USD 50,000 and USD 40,000 respectively end Q2.

Imports to South Korea and Japan decreased by 11 % and 8 % y-o-y respectively, whereas imports to India were flat. LNG imports to China increased by about 20 % in H1 2019 y-o-y to 29 MT, which is more than the amount of LNG China imported in the whole of 2016.

A total of 20 MTPA of new LNG production capacity is expected to commence production in 2019, followed by 80 MTPA under construction with startup 2020 to 2024. Final investment decisions (FIDs) on new LNG production plants totaling 50 MTPA has been sanctioned the last 12 months, representing 15 % of total LNG trade in 2018. In Q2 2019 FIDs were concluded on Sabine Pass T6 (4.5 MTPA) and Mozambique LNG (12.9 MTPA) and industry analysts Rystad Energy expects a total of 103 MTPA of greenfield LNG projects to be sanctioned in 2019. According to market analysts over 840 MTPA of new LNG production is in various stages of planning.

20 vessels were delivered in the first six months of 2019 and a further 19 vessels are scheduled for delivery in the remainder of 2019. Year to date 28 vessels have been ordered of which 16 are assumed speculative. According to shipbrokers the current orderbook for LNG vessels above 150,000 cbm (excl. FSRU and FLNG) is 107 vessels, of which about 40 are assumed available for contract. 40 vessels are scheduled for delivery in 2020, 43 in 2021 and 13 in 2022.

ORGANISATION

The principal activity of Awilco LNG ASA and its subsidiaries is to invest in and operate LNG transportation vessels. Technical and commercial management of the fleet is performed from the Group's office in Oslo, Norway. The Group has 8 employees and 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 6 for further details.

VESSEL CONTRACT STATUS

WilPride was delivered 9 July 2019 on an 8 month time charter contract to an oil and gas major and is expected to be redelivered in March 2020.

Repairs of WilForce are expected to be completed in mid-September. The vessel is currently available.

KEY RISKS AND UNCERTAINTIES

Through its global LNG shipping operations, Awilco LNG is 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 2018 Annual report. For a thorough explanation of the risk factors, please refer to the 2018 Annual report pages 15 to 17 and note 20, page 42 to 43.

OUTLOOK

In spite of low gas prices due to ample LNG supply growth and muted demand so far in 2019 spot shipping rates have gradually increased over the last few months and are currently about USD 70,000 per day on average. European gas storage nearing full capacity coupled with a consistent contango across the LNG price curves for contracts delivering over the rest of the year supports sending US LNG to Asia. A handful of vessels have already been employed on storage plays over the next few months.

Consolidation discussions with other ship owners are still ongoing, however due to the current capital market conditions the timing and outcome of these discussions is unclear.

100 MTPA of new LNG production capacity under construction is expected to start up the next five years. Tonnage demand and supply appear balanced the next few years. However, periods of volatility and seasonality should be expected.

The current low gas price is expected to trigger further growth in the share of gas in the global energy mix. Several new LNG production plants are expected to be sanctioned in the near future to meet the growing demand for gas, estimated at double the growth rate of the total global energy demand according to Shell Energy Outlook.

Awilco LNG has one vessel on contract until March 2020 and from mid-September 2019 one vessel available and is well positioned in this firming market.

STATEMENT OF RESPONSIBILITY

We confirm, to the best of our knowledge, that the condensed set of financial statements for the first half year of 2019 have been prepared in accordance with IAS 34 Interim Financial Reporting, and give a true and fair view of Awilco LNG ASA's consolidated assets, liabilities, financial position and income statement, and that the interim report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

Oslo, 28 August 2019

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 2019 (unaudited)	Q1 2019 (unaudited)	Q2 2018 (unaudited)	1.1 - 30.6 2019 (unaudited)	1.1 - 30.6 2018 (unaudited)
Freight income	2	3 853	9 351	6 435	13 203	20 243
Voyage related expenses	6	1 128	995	1 806	2 123	3 158
Net freight income		**2 725**	**8 355**	**4 629**	**11 080**	**17 085**
Other income	4	6 131	870	-	7 001	-
Operating expenses		2 692	2 150	1 982	4 842	3 915
Provisions for repair of vessel damage	4	5 617	1 121	-	6 739	-
Administration expenses	6	714	950	703	1 664	1 710
Earnings before interest, taxes, depr. and amort. (EBITDA)		**(168)**	**5 004**	**1 944**	**4 836**	**11 460**
Depreciation and amortisation		3 269	3 254	3 268	6 522	6 511
Earnings before interest and taxes (EBIT)		**(3 437)**	**1 750**	**(1 325)**	**(1 687)**	**4 949**
Finance income		124	117	239	241	462
Finance expenses		5 248	5 228	5 427	10 476	10 924
Net finance income/(expense)		**(5 125)**	**(5 111)**	**(5 188)**	**(10 236)**	**(10 462)**
Profit/(loss) before taxes		**(8 562)**	**(3 361)**	**(6 513)**	**(11 922)**	**(5 513)**
Income tax expense		-	-	-	-	-
Profit/(loss) for the period		**(8 562)**	**(3 361)**	**(6 513)**	**(11 922)**	**(5 513)**
Earnings per share in USD attributable to ordinary equity holders of Awilco LNG ASA:						
Basic, profit/(loss) for the period		(0.06)	(0.03)	(0.05)	(0.09)	(0.04)
Diluted, profit/(loss) for the period		(0.06)	(0.03)	(0.05)	(0.09)	(0.04)

Interim Consolidated Statement of Comprehensive Income

Profit/(loss) for the period	(8 562)	(3 361)	(6 513)	(11 922)	(5 513)
Other comprehensive income:					
Other comprehensive income items	-	-	-	-	-
Total comprehensive income/(loss) for the period	**(8 562)**	**(3 361)**	**(6 513)**	**(11 922)**	**(5 513)**

Interim Condensed Consolidated Statement of Financial Position

In USD thousands	Note	30.6.2019 (unaudited)	31.3.2019 (unaudited)	31.12.2018 (audited)	30.6.2018 (unaudited)
ASSETS					
Non-current assets					
Vessels (right-of-use assets)		356 477	358 893	362 110	360 623
Other fixed assets		12	12	12	12
Total non-current assets		356 490	358 906	362 122	360 635
Current assets					
Trade receivables		776	1 603	2 749	-
Inventory		2 963	1 204	1 377	1 923
Other short term assets		9 885	5 625	4 772	3 168
Cash and cash equivalents		16 438	18 653	22 540	26 476
Total current assets		30 062	27 085	31 438	31 567
TOTAL ASSETS		**386 552**	**385 991**	**393 560**	**392 203**
EQUITY AND LIABILITIES					
Equity					
Share capital	3	49 407	49 407	49 407	49 407
Share premium	3	133 384	133 384	133 384	133 384
Other paid-in capital		18 157	18 157	18 157	18 157
Retained earnings		(97 278)	(88 717)	(85 356)	(79 434)
Total equity		103 670	112 232	115 592	121 515
Non-current liabilities					
Pension liabilities		369	345	322	304
Long-term interest bearing debt		-	-	-	260 745
Other non-current liabilities		-	-	-	2 000
Total non-current liabilities		369	345	322	263 048
Current liabilities					
Short-term interest bearing debt	5	264 074	265 868	266 683	5 124
Trade payables		6 758	236	1 323	1 556
Income tax payable		-	-	-	-
Provisions and accruals	7	11 682	7 310	9 640	959
Total current liabilities		282 513	273 414	277 646	7 639
TOTAL EQUITY AND LIABILITIES		**386 552**	**385 991**	**393 560**	**392 203**

Interim Consolidated Statement of Changes in Equity

For the period ended 30 June 2019

In USD thousands	**Share capital**	**Share premium**	**Other paid-in capital**	**Retained earnings**	**Total equity**
Equity at 1 January 2019	49 407	133 384	18 157	(85 356)	115 592
Profit/(loss) for the period	-	-	-	(11 922)	(11 922)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income	-	-	-	*(11 922)*	*(11 922)*
Balance as at 30 June 2019 (unaudited)	49 407	133 384	18 157	(97 278)	103 670

For the period ended 30 June 2018

In USD thousands	**Share capital**	**Share premium**	**Other paid-in capital**	**Retained earnings**	**Total equity**
Equity at 1 January 2019	49 407	133 384	18 157	(73 921)	127 028
Profit/(loss) for the period	-	-	-	(5 513)	(5 513)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income	-	-	-	*(5 513)*	*(5 513)*
Balance as at 30 June 2018 (unaudited)	49 407	133 384	18 157	(79 434)	121 515

Interim Condensed Consolidated Cash Flow Statement

In USD thousands	**Q2 2019 (unaudited)**	**Q1 2019 (unaudited)**	**1.1 - 30.6 2019 (unaudited)**	**1.1 - 30.6 2018 (unaudited)**
Cash Flows from Operating Activities:				
Profit/(loss) before taxes	(8 562)	(3 361)	(11 922)	(5 513)
Income taxes paid	-	-	-	-
Interest and borrowing costs expensed	5 213	5 215	10 428	10 758
Items included in profit/(loss) not affecting cash flows:				
Depreciation and amortisation	3 269	3 254	6 522	6 511
Changes in operating assets and liabilities:				
Trade receivables, inventory and other short term assets	(2 805)	466	(2 339)	1 585
Trade payables, provisions and accruals	8 529	(3 394)	5 136	(1 090)
i) Net cash provided by / (used in) operating activities	**5 644**	**2 181**	**7 825**	**12 251**
Cash Flows from Investing Activities:				
Investment in vessels / sale of vessels	(853)	(38)	(890)	(3 217)
ii) Net cash provided by / (used in) investing activities	**(853)**	**(38)**	**(890)**	**(3 217)**
Cash Flows from Financing Activities:				
Repayment of borrowings	(2 083)	(1 079)	(3 162)	(1 105)
Interest and borrowing costs paid	(4 924)	(4 951)	(9 875)	(10 432)
iii) Net cash provided by / (used in) financing activities	**(7 007)**	**(6 030)**	**(13 037)**	**(11 537)**
Net change in cash and cash equivalents (i+ii+iii)	(2 216)	(3 887)	(6 103)	(2 503)
Cash and cash equivalents at start of period	18 653	22 540	22 540	28 979
Cash and cash equivalents at end of period	**16 438**	**18 653**	**16 438**	**26 476**

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 and first half year ended 30 June 2019 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 2018, 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 2018, with the exception of IFRS 16 Leases implemented with effect from 1 January 2019.

IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Thus IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (‘short-term leases’), and lease contracts for which the underlying asset is of low value (‘low-value assets’).

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases that it is the lessee, except for short-term leases and leases of low-value assets. The Group has previously under IAS 17 where the Group is the lessee accounted for lease agreements on-balance and recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Thus IFRS 16 did not have an impact for leases where the Group is the lessee.

Set out below are the new accounting policies of the Group upon adoption of IFRS 16:

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Leased assets with repurchase obligations at the end of the lease term are separated into components which are depreciated over the useful life of the component. Right-of-use assets are subject to impairment.

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

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include repurchase obligations or alternatively the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest based on the effective interest method and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of equipment and office lease (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below €5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

Sale-leaseback arrangements
No gain or loss is recognised in the income statement related to sale-leaseback arrangements where the vessel is sold and subsequently leased back on a financial lease with repurchase obligations to the Group.

Note 2 - Segment information

Operating segments
The Group owns and operates two 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 as the vessels trade globally and revenue is not dependent on any specific country. Revenue from the Group's country of domicile, Norway, was NIL in Q2 2019, same as in Q1 2019.

Information about major customers
The Group had three customers contributing with more than 10 per cent of the Group's freight income in Q2 2019, at 10, 45 and 45 % of total revenue respectively, and two in Q1 2019 at 15 and 85 % of total revenue.

Note 3 - Share capital

The number of issued shares was 132,548,611 as at 30 June 2019. There were no changes in shares issued in Q2 2019. 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 in the quarter

WilPride time charter contract
In June 2019 WilPride was committed on an 8-month time charter contract to an oil and gas major. The vessel was delivered to the charterer on 9 July 2019.

The contract is estimated to contribute an annualised EBITDA of about MUSD 23 during the charter period.

Repairs of machinery equipment on the WilForce
In Q3 2018 damage was incurred to certain machinery equipment on the WilForce. The vessel was placed offhire from its 9-12 month time charter contract in mid-April 2019. Repairs commenced at yard end April 2019 and were completed end May 2019.

Total repair costs are estimated to MUSD 6.9 of which MUSD 4.5 was recognised in 2018, MUSD 1.1 was recognised in Q1 2019 and MUSD 1.3 in Q2 2019.

A corresponding estimated insurance claim of MUSD 6.0 has been recognised as other income, of which MUSD 4.0 was reflected in 2018, MUSD 0.9 in Q1 2019 and MUSD 1.1 in Q2 2019. MUSD 3.7 of the insurance claim had been received on account as at 30.6.2019, and the remainder is expected to be settled later in 2019.

The estimated net cost of MUSD 0.9 reflects a deductible and certain other non-claimable costs.

WilForce collision and cancellation of time charter party
On May 30, 2019, WilForce was involved in a collision off Singapore which caused only hull damage and no harm to life or the environment. Repairs at yard in Singapore are progressing as planned and are expected completed in mid-September 2019.

Total repair costs are estimated to MUSD 4.4 which is reflected in Q2 2019 profit/loss. A corresponding estimated insurance claim of MUSD 3.9 has been recognised as other income in the same period. The estimated net repair cost of MUSD 0.5 reflects a deductible and certain other non-claimable costs.

At the time of the collision the vessel was employed on a 9-12 month time charter contract. Due to the prolonged off-hire period required to repair the vessel the balance of the 9-12 month time charter contract was cancelled. The vessel has loss of hire insurance in line with current market rate levels which compensates for most of the lost time charter hire. A total of MUSD 1.1 in loss of hire claim has been recognised as other income in Q2 2019, of which USD 0.6 was received on account as at 30.6.2019.

Based on an assessment of facts and legal advice Awilco LNG holds the other vessel fully and completely liable for the collision, and the Company expects to recover all costs, expenses and losses from the other party, including insurance deductibles, off-hire and lost time charter hire, in due course. This claim will not be reflected in Awilco LNG's financial statements until the awarded compensation is determined.

Note 5 - Financing

Both vessels are financed by sale/leaseback agreements with Teekay LNG Partners L.P., which mature 31 December 2019 + 60 days in Awilco LNG's option and are therefore presented as current liabilities. Awilco LNG has rolling repurchase options throughout the lease period and repurchase obligations at maturity.

The contractual bareboat hire per day is USD 49,100 per vessel. From July 2017 to March 2018, the bareboat hire payable was 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 deferred amounts will become payable at maturity of the leases, 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 58,000 per day, is to be sweeped towards the outstanding deferred charter hire, subject to the Group retaining a minimum cash position after sweeping of approx. MUSD 23.5. Deferred charter hire as of 30 June 2019 was MUSD 24.6 in total for both vessels (MUSD 22.7 as at 31 March 2019).

Note 5 - Financing - cont.

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 the lessor. The fee is payable either following voluntary prepayment of all, or parts, of the deferred amounts or by repurchase of the vessels. The fee has been capitalised as cost price of the vessels and depreciated over the term of the lease.

Until the lessor and the Group agrees to not defer any bareboat hire, the Parent Company is restricted from paying dividends to its shareholders.

Please see note 8 for information on an update on the refinancing process.

Note 6 - 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
Fearnleys AS	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 2.1 in yearly management fee (approx. MUSD 0.2) 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 employed by Astrup Fearnley AS. Fearnleys AS, a subsidiary of Astrup Fearnley AS, delivers ship brokering services on a competitive basis to the Group.

Purchases from related parties

In USD thousands	**Q2**	**Q1**	**1.1 - 30.6**	**1.1 - 30.6**
Related party	**2019**	**2019**	**2019**	**2018**
Awilco Technical Services AS	150	146	296	310
Awilhelmsen Management AS	59	58	118	126
Fearnleys AS	-	13	13	46

Purchases from related parties are included as part of Administration expenses in the income statement, except commissions paid to Fearnleys AS, which are included in Voyage related expenses.

Note 7 - Provisions and accruals

Provisions and accruals as at 30 June 2019 were MUSD 11.7 (MUSD 7.3 as at 31 March 2019), of which provisions for repairs of WilForce MUSD 8.9 (MUSD 5.1 31 March 2019).

Note 8 - Events after the balance sheet date

On 2 August 2019 a term sheet for the refinancing of the Company's two vessels was agreed and signed with a major leasing company based in Asia.

The refinancing is structured as a sale/leaseback similar to the current financing of both vessels and enables a full take out of the sale/leaseback facilities disclosed in note 5.

The facility is scheduled to close in Q4 2019 subject to final credit approval, documentation and customary closing conditions.

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
- TCE (time charter equivalent): net freight income plus loss of hire insurance divided by the number of calendar days incl days covered by loss of hire insurance minus off-hire days

*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 bunkers costs and other repositioning costs. The APM net freight income adjusts for this grossing up, and provides for improved comparability of the Group's performance between periods.