



Q1 2020

5 May 2020



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 currently 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 05/05 2020



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

1st quarter highlights

	Q1 2020	Q4 2019
Net freight income	MUSD 12.9	MUSD 16.3
EBITDA	MUSD 9.9	MUSD 13.0
Net profit	MUSD 2.7	MUSD 4.7

- TCE* USD 70,800 pd (USD 88,200 pd in Q4 2019, USD 46,200 pd in Q1 2019)
- Utilisation of 100 % compared to 95 % in Q4 2019
- 10-year refinancing fully executed in January 2020
- No Covid-19 cases have been reported in the Company and both vessels are fully operational

**TCE: net freight income including loss of hire insurance divided by the number of calendar days less off-hire days not covered by loss of hire insurance*

Excellent commercial track record

TCE USD pd	2019 Full year	2020 Q1 Guiding	2020 Q1 Actuals
Awilco LNG	58,900	70,000	70,800
TFDE Owner # 1	41,800	50'-60'	44,000
TFDE Owner # 2	44,400	60,000	?
MEGI Owner	62,400	70,000	?

- ALNG earnings in Q1 2020 MUSD 1.0 - 2.4 per ship higher than reported/guided by competitors
- MEGI premium?

**TCE: net freight income including loss of hire insurance divided by the number of calendar days less off-hire days not covered by loss of hire insurance*
Source: TFDE/MEGI Owner quarterly presentations and reports, Company calculations/estimates

Refinancing completed

- ✓ Sale/leaseback facility fully executed early January 2020 with CCB Financial Leasing
- ✓ Full take out of previous sale/leaseback facilities – net negative cash effect abt MUSD 3.7 after costs
- ✓ Finance cost in 2020 expected reduced by abt MUSD 9.0 at current forward Libor vs previous financing
- ✓ Attractive terms
 - Vessels sold for MUSD 175 less MUSD 43.75 pre-paid charter hire
 - 10-year tenor
 - 14-year straight line amortisation profile
 - Libor + margin 370 bps
 - Purchase obligation MUSD 37.5 after 10 years
 - Rolling purchase options after three years
 - Quarterly hire payments in arrears
- ✓ 2020 hire payments estimated at USD 42,000 pd per vessel on average
- ✓ No employment requirements and standard covenants, none of which earnings based
 - Minimum consolidated cash and cash equivalents MUSD 10.0
 - Positive consolidated working capital
 - Minimum value clause

Agenda 05/05 2020



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

Q1 2020 income statement

USD million	Q1'20	Q4'19	Q1'19	2019
Freight income	14.0	17.2	9.4	37.1
Voyage related expenses	(1.1)	(0.9)	(1.0)	(3.4)
Net freight income	12.9	16.3	8.4	33.7
Other income	-	(0.1)	0.9	11.6
Operating expenses	(2.2)	(1.9)	(3.3)	(16.4)
Administration expenses	(0.8)	(1.2)	(1.0)	(3.7)
EBITDA	9.9	13.0	5.0	25.2
Depreciation	(3.1)	(3.3)	(3.3)	(13.1)
Net finance	(4.1)	(5.0)	(5.1)	(20.4)
Profit/(loss) before tax	2.7	4.7	(3.4)	(8.3)
Tax	-	-	-	-
Profit/(loss)	2.7	4.7	(3.4)	(8.3)



Q1 2020 financial position

USD million	31.3.20	31.12.19	31.3.19
Vessels (right-of-use assets)	347.3	350.0	358.9
Total non-current assets	347.3	350.0	358.9
Trade receivables	1.7	0.1	1.6
Other short term assets	4.8	3.7	6.8
Cash and cash equivalents	21.9	23.5	18.7
Total current assets	28.5	27.3	27.1
Total assets	375.8	377.4	386.0
Total equity	110.0	107.3	112.2
Long-term interest bearing debt	238.3	-	-
Other non-current liabilities	0.4	0.4	0.3
Non-current liabilities	238.6	0.4	0.3
Short-term interest bearing debt	18.8	260.2	265.9
Other current liabilities	8.4	9.5	7.5
Total current liabilities	27.1	269.6	273.4
Total equity and liabilities	375.8	377.4	386.0



Q1 2020 cash flow

USD million	Q1'20	Q4'19	2019
Cash Flows from Operating Activities:			
Profit/(loss) before taxes	2.7	4.7	(8.3)
Income taxes paid	-	-	-
Interest and borrowing costs expensed	4.1	5.1	20.7
Depreciation, amortisation and impairment	3.1	3.3	13.0
Trade receivables, inventory and other short term assets	(2.8)	3.6	5.1
Accounts payable, accrued exp. and deferred revenue	(4.7)	(0.1)	(1.4)
Net cash provided by / (used in) operating activities	2.4	16.6	29.2
Cash Flows from Investing Activities:			
Investment in vessels / sale of vessels	(0.5)	-	(1.0)
Net cash provided by / (used in) investing activities	(0.5)	-	(1.0)
Cash Flows from Financing Activities:			
Proceeds from borrowings	262.5	(2.3)	(7.6)
Repayment of borrowings	(256.3)	(2.3)	(7.6)
Interest and borrowing costs paid	(9.9)	(4.8)	(19.6)
Net cash provided by / (used in) financing activities	(3.7)	(7.1)	(27.2)
Net changes in cash and cash equivalents	(1.6)	9.5	1.0
Cash and cash equivalents at start of period	23.5	14.0	22.5
Cash and cash equivalents at end of period	21.9	23.5	23.5

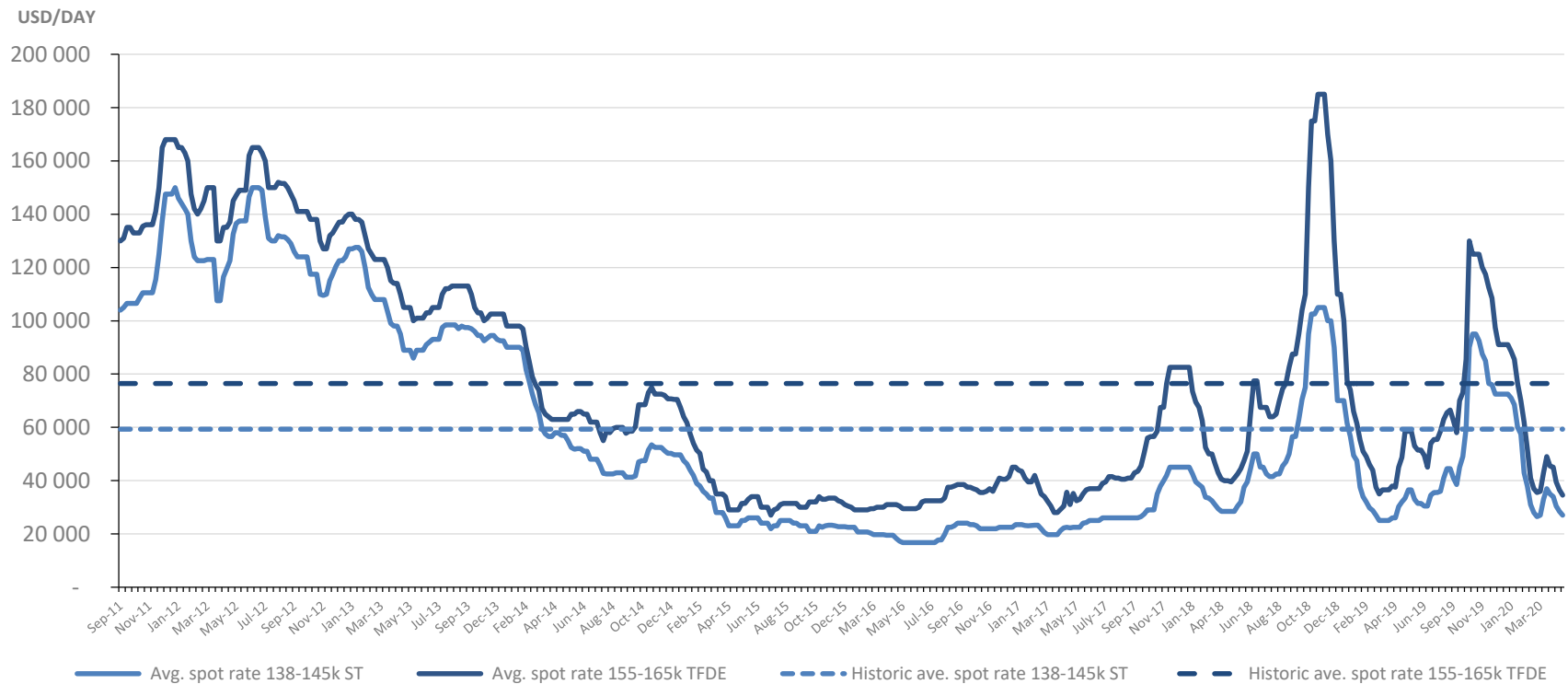


Agenda 05/05 2020



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

Spot rates

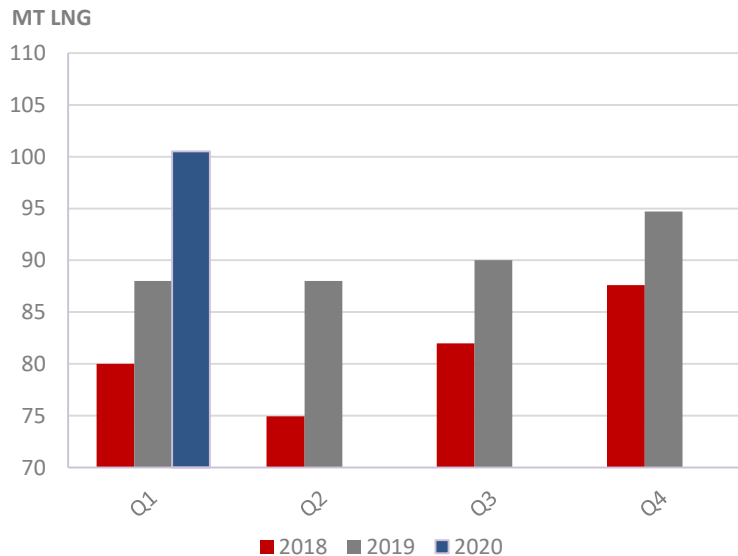


- ~50 % higher spot fixing activity in Q1 2020 vs 2019, increasing from 70 to 100 fixtures
- Average headline assessed rate USD 59,000 pd in Q1 2020 vs USD 56,400 pd in Q1 2019
- Historical average USD 76,500 pd with ~45 % volatility

Source: Fearnley LNG, Company calculations

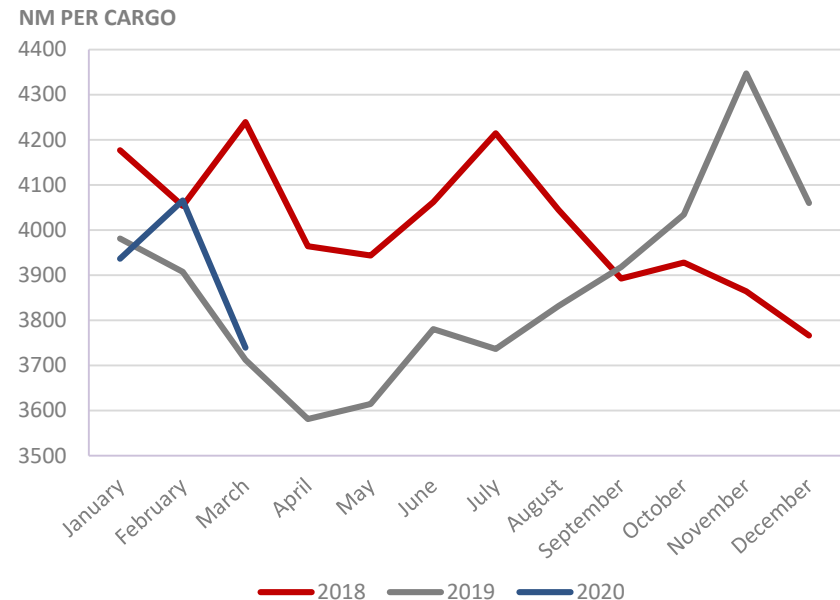
Volumes growing, sailing distances falling

GLOBAL LNG TRADE



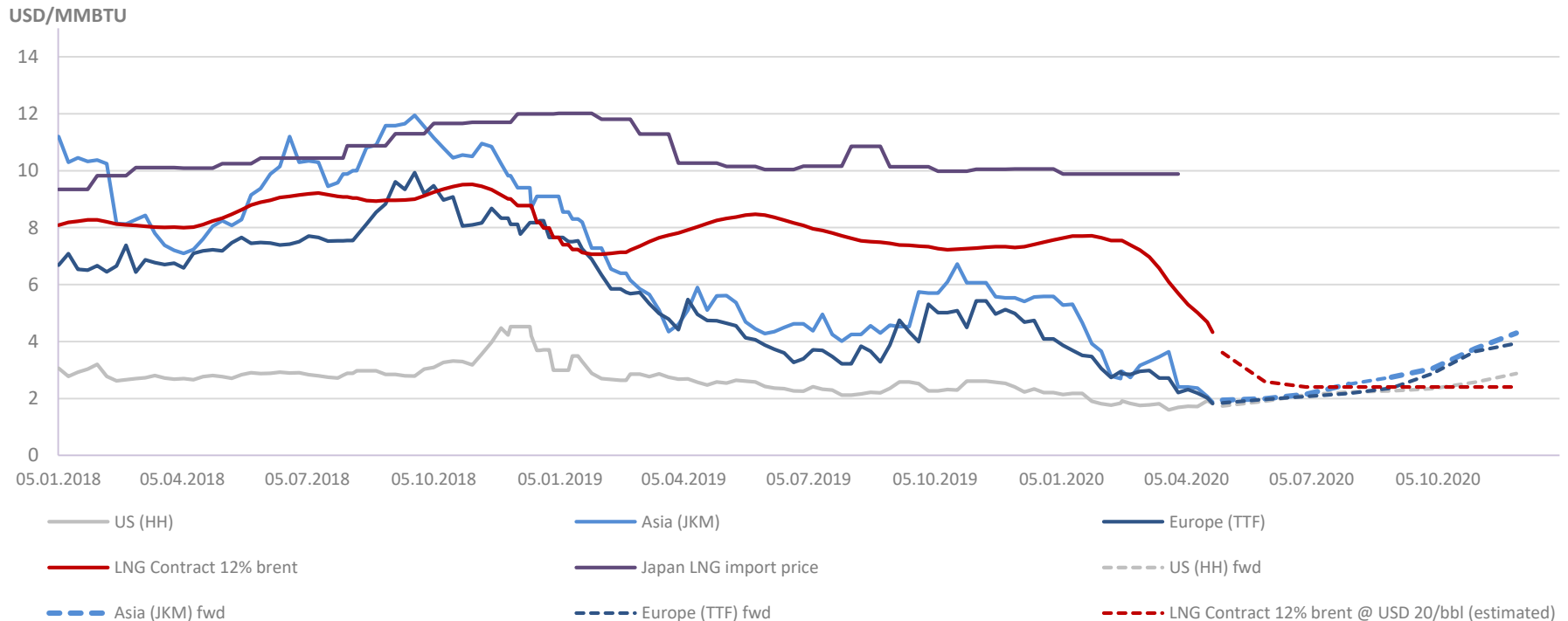
- LNG trade up ~12.5 % vs Q1 2019 (12 MT)
- 10 MTPA of new liquefaction capacity added in Q1 2020 + ramp up of 2019 additions
- LNG trade in Q2 2020 expected impacted by US shut-ins, 20-25 cargoes believed cancelled (of ~60 total monthly US cargoes)

AVERAGE SAILING DISTANCES



- Warm winter and Covid-19 resulting in demand unable to keep up with supply growth
- LNG volumes largely transported intra-basin, negatively impacting sailing distances
- US volumes accounting for 7 MT of the 12 MT supply growth in Q1 2020, of which 5.4 MT headed to Europe

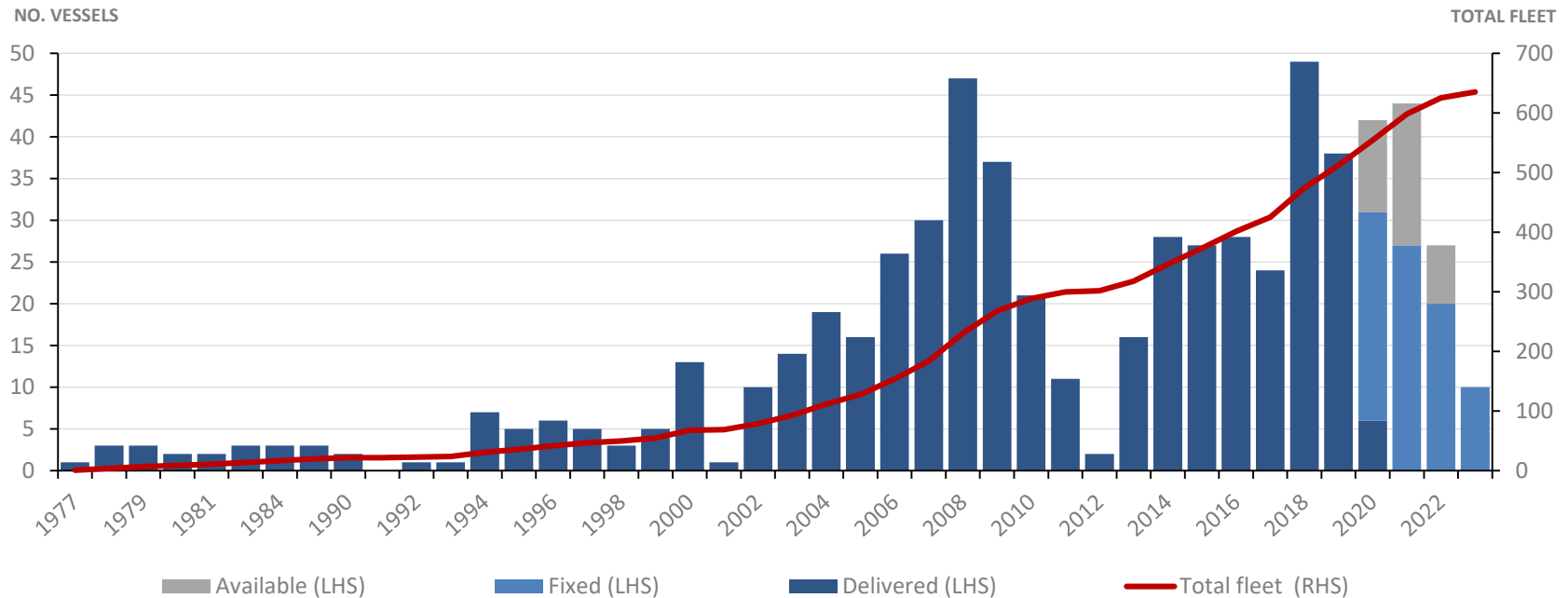
Gas (finally!) cheaper than coal



- All-time low gas prices
 - Asia prices currently below Europe and at parity with US – extraordinary and not sustainable
- ~80 % of imports to Far East oil-indexed – key consumers finally benefitting from low prices
- Widespread fuel switching in US, Europe, China, India and others
- Coal to gas fuel switch potential in South Korea and Japan alone of 50 MTPA (!) economical at today's oil prices

Source: Fearnley LNG, CME, Energy Aspects, Bloomberg, Company calculations

LNG fleet and orderbook

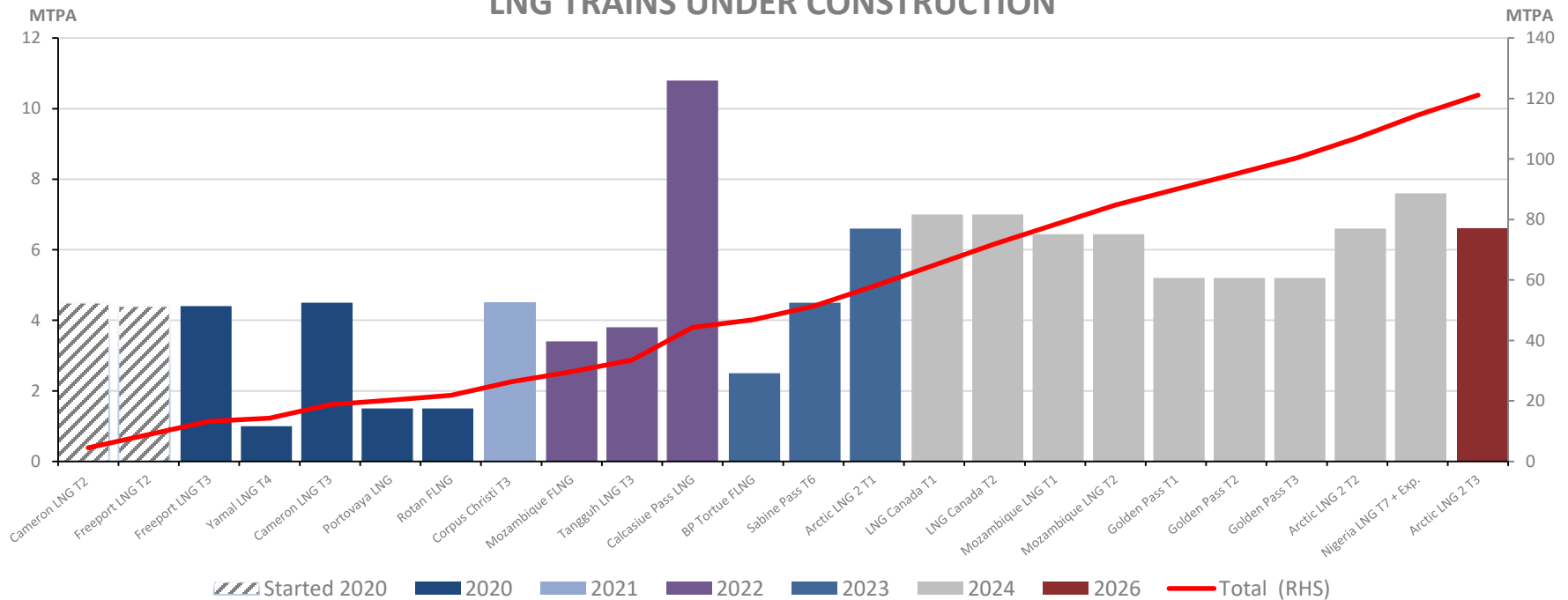


- Total fleet 518 vessels > 125' cbm
- 6 vessels delivered so far in 2020 – slippage expected going forward
- Current orderbook of 117 LNGC or 23 % of existing fleet of which 35 assumed available
 - 3x newbuild orders in 2020 vs 14 same period in 2019
- ~20 % of the fleet is «Commercially challenged» (smaller/less efficient), of these 14 laid up, 3 recycled in 2020 (5 in 2018-2019)

Source: Fearnley LNG

Trainspotting

LNG TRAINS UNDER CONSTRUCTION



- 121 MTPA new capacity starting up 2020 – 2026 of which 53 MTPA in the US (44 %)
 - ~33 % of total trade in 2019 at 361 MT
- So far limited impact of Covid-19 on start up schedule
- A further 800 MTPA of new production capacity are in various stages of planning

Source: Fearnley LNG, IGU, Company presentations

Agenda 05/05 2020



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

Summary

- Massive supply growth not matched by demand in the short term
 - Covid-19 reducing global demand for energy
 - But power production least hit
 - Sticky prices – but not for long

- Mid- and long-term demand for LNG transportation remains strong
 - Covid-19 recovery expected to trigger LNG demand as natural gas finally cheaper than coal, enabling massive fuel switch
 - Look out for contango in H2 2020 due to current unsustainable low spot prices
 - 33 % growth in LNG production vs 23 % fleet growth
 - First US LNG cargo discharged in China in April 2020 – over a year since last time and more to come
 - Demand for gas increasing as it is cheap, abundantly available, environmentally friendly and flexible

- Awilco LNG
 - Excellent commercial track record
 - Lean and cost focused organisation
 - Refinancing completed at attractive terms



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