AWILCO LNG

THIRD QUARTER REPORT 2011

Highlights Third Quarter

- Awilco LNG ASA (the *Company*) reported freight income of MUSD 12.3 (MUSD 1.6 in Q2) and EBITDA of MUSD -0.5 (MUSD -4.9 in Q2)
- Awilco LNG ASA was listed on Oslo Stock Exchange as of 6 September
- WilGas was as of 28 September fixed for a one year charter to Petrobras, commencing 15 October.
- Q3 vessel utilization of 47% vs. 26% in Q2

Key Financial figures

USD million	Q3'11	Q2'11
Freight income	12,3	1,6
Voyage related expenses	-7,5	-1,8
EBITDA	-0,5	-4,9
Net profit/loss	-4,6	-5,2
Total assets	173,7	177,0
Total equity	163,3	167,9
Interest bearing debt	0	0
Book equity ratio	94 %	95 %

Statement of Comprehensive Income 3rd Quarter 2011

The three existing vessels were all successfully taken over by the end of Q2, resulting in three vessels operating in Q3 vs. approximately 1.5 vessels in Q2.

Freight income for Q3 was MUSD 12.3 (MUSD 1.6 Q2) and voyage related expenses were MUSD -7.5 (MUSD -1.8 Q2). The large increase in voyage related expenses derives mostly from bunker consumption related to repositioning of vessels and during idle days. Part of the repositioning costs is reimbursed by charterers, and income is booked on a discharge-to-discharge basis.

Despite increased number of vessels days in Q3, vessel operating expenses declined by approximately MUSD 0.3 to MUSD -3.7 (MUSD -4.0 Q2). The reduction is due to extraordinary expenses related to takeover of the vessels booked in Q2 (MUSD 2.0 in Q2 vs. MUSD 0.3 in Q3), offset by increased number of operating days in Q3. The average daily operating expenses increased by approximately USD 1,000/per day during the quarter. However, the vessels are still running below budgeted operating costs.

Administration costs for the quarter were MUSD 1.7 an increase of MUSD 1.0 from last quarter, of which about MUSD 0.8 relates to non-recurring costs in connection with stock listing and start-up costs. EBITDA for the quarter was MUSD -0.5 compared to MUSD -4.9 last quarter. Depreciation for the quarter was MUSD -1.6. Net finance expenses were MUSD -1.1 and relates mainly to unrealized currency loss. Loss before tax was MUSD -3.4 (MUSD -5.2 in Q2).

Statement of Financial Position

Book value of the vessels was MUSD 109.4, of which MUSD 69.65 relates to existing vessels and MUSD 39.7 to newbuildings. Total current assets were MUSD 64.4 MUSD (MUSD 66.4 Q2), of which MUSD 52.6 was cash (MUSD 59.0 Q2), MUSD 7.8 trade receivables (MUSD 1.4 Q2) and MUSD 2.1 inventories (MUSD 5.2 Q2).

The Company did not have any interest bearing debt as of 30.09. Total current liabilities were MUSD 9.1, at same level as last quarter.

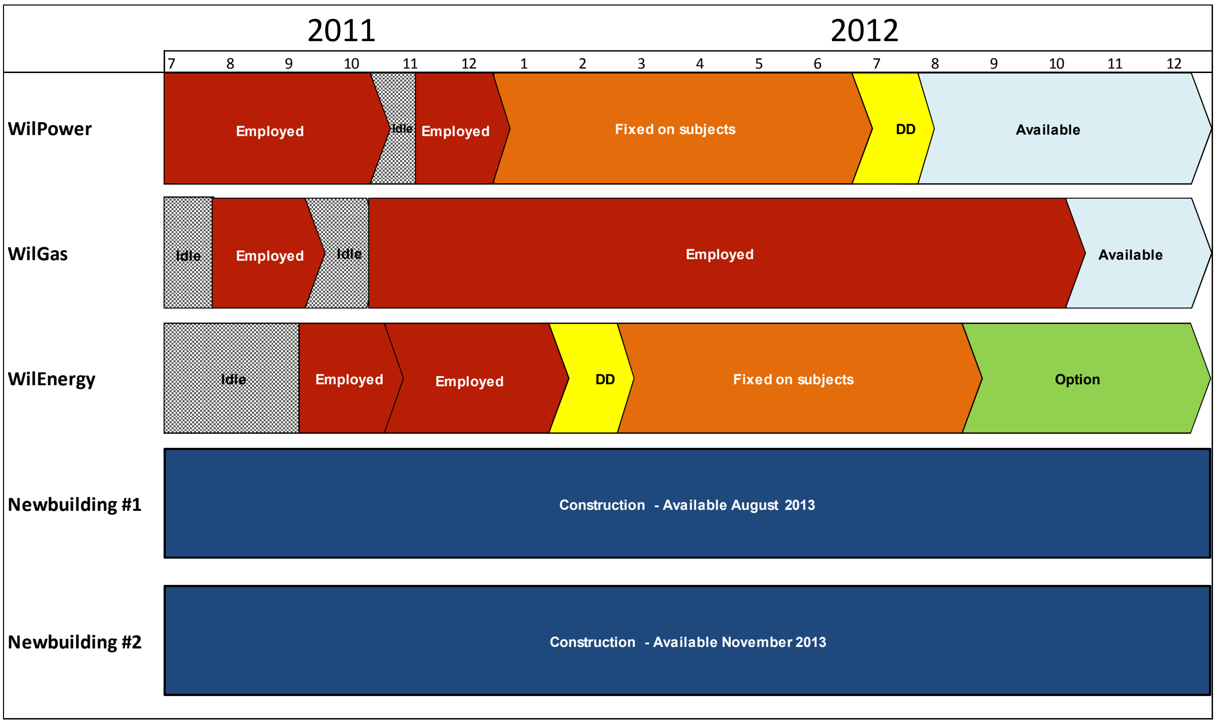
Vessel contract status

Existing vessels
During the quarter, both WilGas and WilEnergy loaded the important first cargoes. WilGas was thereafter fixed on a one year charter starting mid-October, and WilEnergy has subsequently been fixed for a two month contract. WilPower was redelivered after a five month charter at the end of October, and is currently trading in the spot market. The market has continued to firm during the 3rd quarter and activity is high, this combined with the vessels now proven track record under our ownership has enabled us to fix both the WilPower and the WilEnergy on subjects, for contract duration of minimum 6 months each at substantially increased rates.

Newbuildings
Awilco LNG has entered into firm newbuilding contracts for two 155.900 cbm LNG carriers with DSME, with expected delivery in August and November 2013. The construction cost is approximately MUSD 200 per vessel, subject to final specifications. The financing of the first three installments will be by equity, while last installment is likely to be a combination of equity and debt. The Company has not secured financing nor contracts for the two vessels as per today.

The Company had an option for additional two newbuilding LNG vessels, which was not declared at the time of expiry at the end of Q3.

Contract overview



Organization

The Company had three employees during the 3rd quarter. The Company has entered into a management-on-hire agreement with Awilco AS related to the CEO, Jon Skule Storheill, an administrative management agreement with Awilhelmsen Management AS, and a supervisory technical management agreement with Wilhelmsen Marine Services AS. The technical management of the three existing vessels is handled through an agreement with V.Ships LNG in the UK.

Market conditions

Awilco LNG ASA was established in February 2011. The principal activity of Awilco LNG ASA and it's subsidiaries is the investment in and operation of LNG transportation vessels. The three second-hand vessels were delivered to the company during 1st half 2011, and the two newbuilding vessels will be delivered during 2nd half 2013.

The short term focus of the company is to secure employment for the existing three vessels.

Market conditions
The general positive trend in the market for both modern and older LNG vessels continued during 3rd quarter, following a seasonal quiet summer period. The average day rates have risen from USD 41,000 per day in 2010 to above USD 100,000 per day in the 3rd quarter 2011 for modern vessels. Rates for our 2nd generation vessels have also increased substantially this year, from USD 30,000 to about USD 80,000.

The main driver for the improved market is growth in LNG liquefaction capacity coming on stream over the last couple of years, combined with de-bottlenecking of existing production facilities.

In addition to increased LNG production, ton-miles for the trading fleet has increased significantly due to Far East demand growth, as a result of Japans need to replace nuclear power, as well as further growth of import mainly to Korea and China. The result is considerable increase in long haul voyages from the Atlantic Basin to the Far East leading.

As a result of the growth in LNG liquefaction capacity combined with greater transportation distance, shipping demand for the standard LNG vessels is assumed to increase by about 9.9% in 2011, and is expected to grow by further 8% in 2012.

The current order book stand at approximately 20% (including FSRU orders) of the world-wide fleet, of which only about 1% supply growth is expected during 2012. Additionally, the current shipyard capacity is limited until end 2014. As a consequence of limited new deliveries during 2012 and continued increase in shipping demand, the anticipated firm market is expected to continue throughout 2012.

We believe the increased shipping demand and limited new building deliveries in an already tight tonnage situation is likely to lead to increased rates going forward.

Oslo, 22 November, 2011

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 Consolidated Income Statement

In USD thousands, except per share numbers	Note	Q3 2011	Q2 2011	YTD Q3 2011
Freight income		12 286	1 607	13 893
Voyage related expenses		7 491	1 792	9 283
Net freight income		4 795	(185)	4 610
Operating expenses	5	3 705	4 022	8 659
Administration expenses		1 665	668	2 725
Earnings before interest, taxes, depr. and amort. (EBITDA)		**(576)**	**(4 875)**	**(6 774)**
Depreciation and amortization		1 667	547	2 248
Earnings before interest and taxes		**(2 243)**	**(5 423)**	**(9 022)**
Finance income		153	286	779
Finance expenses		(1 290)	(44)	(1 349)
Net finance income (expense)		**(1 137)**	**242**	**(571)**
Profit/ (loss) before taxes		**(3 380)**	**(5 181)**	**(9 592)**
Income taxes	6	(1 251)	(97)	(1 360)
Profit/(loss) for the period		**(4 631)**	**(5 278)**	**(10 952)**
Basic net income per share, in USD		(0,07)	(0,10)	(0,21)
Diluted net income per share, in USD		(0,07)	(0,10)	(0,21)

Statement of Comprehensive Income

Profit/(loss) for the period	(4 631)	(5 278)	(10 952)
Other comprehensive income:			
Other comprehensive income items	-	-	-
Total comprehensive income for the period	(4 631)	(5 278)	(10 952)

Interim Consolidated Balance Sheet

In USD thousands	Note	30.09.2011	30.06.2011	02.02.2011
ASSETS				
Vessels and assets under construction	4	109 401	110 541	-
Other fixed assets		40	-	-
Total non current assets		109 442	110 541	-
Current assets				
Trade receivables		7 679	1 387	-
Inventory		2 065	5 223	-
Other short term assets		1 930	777	-
Cash and cash equivalents		52 597	59 037	3 681
Total current assets		64 271	66 424	3 681
Total assets		**173 713**	**176 965**	**3 681**

		30.09.2011	30.06.2011	02.02.2011
EQUITY AND LIABILITIES				
EQUITY				
Share capital	3	48 420	48 420	3 506
Share premium	3	125 808	125 808	167
Retained earnings		(10 952)	(6 321)	-
Total equity		163 276	167 907	3 673
Deferred tax liability	6	1 159	-	-
Total non-current liabilities		1 159	-	-
Current liabilities				
Trade payables		4 877	6 157	-
Other current liabilities		4 401	2 901	8
Total current liabilities		9 279	9 058	8
Total equity and liabilities		**173 713**	**176 965**	**3 681**

Interim Consolidated Cash Flow Statement

In USD thousands	Note	Q3 2011	Q2 2011	YTD Q3 2011
Cash Flows from Operating Activities:				
Profit/(loss) before taxes		(3 380)	(5 181)	(9 592)
Items included in profit/(loss) not affecting cash flows:				
Depreciation and amortization		1 667	547	2 248
Changes in operating assets and liabilities:				
Trade receivables, inventory and other short term assets		(2 358)	(6 028)	(9 744)
Accounts payable, accrued expenses and deferred revenue		(1 802)	8 353	7 139
Net cash provided by operating activities		**(5 873)**	**(2 308)**	**(9 950)**
Cash flows from Investing Activities:				
Investment in vessels	4	(527)	(89 571)	(111 648)
Investment in other fixed assets		(41)	-	(41)
Decrease/(increase) in vessel acquisition deposits		-	2 055	-
Net cash used in investing activities		**(568)**	**(87 516)**	**(111 689)**
Cash flows from Financing Activities				
Issuance of shares, net of transaction costs	3	-	109 042	131 601
Issuance of loan		-	13 954	38 954
Net cash provided by/ (used in) financing activities		**-**	**122 996**	**170 555**
Net changes in cash and cash equivalents		(6 440)	33 171	48 916
Cash and cash equivalents at start of period		59 037	25 866	3 681
Cash and cash equivalents at the end of the period		**52 597**	**59 037**	**52 597**
Interest paid		44	-	44

Interim Consolidated Statement of Change of Equity

In USD thousands	Share capital	Share premium	Retained earnings	Total equity
Equity at incorporation, 2 February 2011	3 506	167		3 673
Profit/ (loss) for the period			(10 952)	(10 952)
Other comprehensive income for the period			-	-
Total comprehensive income	-	-	(10 952)	(10 952)
Share issue	44 914	128 175		173 089
Transaction costs		(2 534)		(2 534)
Balance as at 30 Sept 2011	48 420	125 808	(10 952)	163 276

Notes to the Condensed Consolidated Financial Statements

Note 1 Corporate information and basis for preparation

Corporate information
Awilco LNG ASA (the Company) is a limited liability company incorporated and domiciled in Norway. The Company's registered office is Beddingen 8, 0250 Oslo, Norway.

Awilco LNG ASA was incorporated 2 February 2011, and the consolidated income statement for the group presents the activity from the date of incorporation to 30 September 2011. The principal activity of Awilco LNG ASA and its subsidiaries is the investment in and operation of LNG transportation vessels.

Basis for preparation
These interim financial statements are prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The interim financial statements do not include all of the information and footnotes required by International Financial Reporting Standards (IFRS) for a complete set of financial statements, and these interim financial statements should be read in conjunction with the consolidated financial statements for the period ended 30 June 2011, which is the Group's first financial statement. A detailed description of the accounting policies used is included in the financial statements for the period ended 30 June 2011.

Note 2 - Segment information

Operating segments:
The Group currently owns and operates three vessels. For management purposes, the Group's business is currently not organized into separate operating segments and hence has only one reporting segment, the LNG vessel market.

Note 3 - Share capital, and establishment of share options program

Share capital

In USD thousands, except for shares	**Number of shares**	**Share capital**
Issued per incorporation, 2 February 2011	100 000	3 506
Issued at 18 February	614 284	21 485
Issued at 20 April	30 000	1 113
Issued at 20 April, conversion of loan	82 000	3 043
Total before share split	826 284	29 148
Total after share split (1:50)	41 314 200	29 148
Issued at 13 May	26 474 674	19 272
End balance at 30 September 2011	67 788 874	48 420

The share capital is denominated in NOK, and the nominal value per share as of 30.09.2011 was NOK 4 (in US dollars 0,74). All issued shares are of equal rights.

Share option program
The general meeting has given the Board of directors the authority to implement a synthetic option programme for leading employees of the Company limited to 2% of the total amount of outstanding shares in the Company. As of 30 September the program has not been implemented, and no potential shares, such as share options, has been issued.

Note 4 - Significant events

Financing
Subsequent to the initial capital at incorporation the Group has obtained additional USD 171 million, net of related transaction costs, in additional financing. Parts of this financing was initially loans from the shareholder. The loans were converted to share capital during first half of 2011. The Company does not any shareholder loans at the balance sheet date.

Overdraft Facility
In July 2011, the Group entered into an USD 15 million Overdraft Facility agreement with Nordea Bank Norge. The agreed interest rate is the Nordea Call rate + 2.5%, plus an additional commission which currently is 1% p.a. of the undrawn facility amount. The Facility has not been drawn upon yet.

Investment in Vessels

Vessel acquisitions
The company took delivery of its first three vessels WilPower, WilGas and WilEnergy during 1st half of 2011, and net cash outflow from these acquisition was USD 71,7 million.

New building contracts:
The company has entered into two new build contracts, and as of 3rd quarter a deposit of USD 19,7 million have been paid for each of the contracts. The construction cost, depending on the final specifications, is about USD 400 million (USD 200 million each). The cost of the vessels is payable with USD 80 million in 2011, USD 39 million is payable at steel cutting which is expected in 2012 and USD 280 million is payable upon delivery expected in 2013.

Listing at Oslo Axess
For the purpose of obtaining access to a capital market that has in-debt knowledge of the oil service and shipping sector, the Company's shares has bee listed on Oslo Axess starting from 6. September 2011.

Other significant agreements
During the first half of 2011, the Company has entered into several significant agreements regarding the operation of the Company. Several of these agreements are with related parties and are thus described in note 5 Related parties.

Commitments
New build contracts and Corporate Guarantee:
As of 30 September 2011, the Group has entered into agreements for two new build LNG vessels from Daewoo yard. Corporate guarantees have been issued to Daewoo yard, in order to guarantee that the subsidiaries obligations towards Daewoo yard will be met.

Note 5 - Related parties

To provide the company with access to important knowledge and services, the Group has entered into agreements with related parties:

a) Agreements:

Related party	Description of service
Wilhelmsen Marine Services AS (1)	Supervisory Technical Management Agreement
Awilco AS (2)	Chief Executive Officer (CEO)
Awilhelmsen Management AS (3)	General Manager services

(1) The Group shall pay to Wilhelmsen Marine Services AS (WMS) a management fee of USD 75 000 per year per vessel. The fee is subject to consumer price index regulation. The agreement can be terminated by both parties by three months notice. WMS is 100% owned by Awilco AS.

(2) The CEO in Awilco LNG is hired from Awilco AS. The estimated yearly cost under this agreement will be approximately NOK 1.8 million, but will be dependent upon any variable salary costs.

(3) The Group shall pay to Awilhelmsen Management AS (AWM) a fee of USD 200 000 per year. This fee covers functions such as accounting and general administration support. The agreement can be terminated by both parties by six months notice. AWM is 100% owned by Awilhelmsen AS, which own 100% of Awilco AS.

In addition, one of the Company's Board Members is also the General Manager of the Astrup Fearnley Group. The Astrup Fearnley Group deliveres shipbrokering services on a competetiv basis to Awilco LNG.

b) Purchases from related parties

In USD thousands

Related party	2 Feb - 30 Sept 2011
Wilhelmsen Marine Services AS	197
Awilco AS	702
Awilhelmsen Management AS	553

Expenses from related parties are included as part of the general and administrative expenses in the income statement.

c) Balances with related parties

In USD thousands

Related party	30. Sept 2011
Wilhelmsen Marine Services AS	112
Awilco AS	392
Awilhelmsen Management AS	-

Note 6 Tax

The Groups subsidiaries, in which the vessels are held, will be subject to tonnage tax.

Companies subject to tonnage tax regimes are exempt from ordinary tax on their shipping income. In lieu ordinary taxation, tonnage taxed companies are taxed on a notional basis based on the net tonnage of the companies' vessels. Income not derived from the operation of the vessels in international waters, such as finance income, is usually taxed according to the ordinary taxation rules applicable to the resident country of each respective company.

Note 7 Subsidiaries

The consolidated financial statements include the financial statements of Awilco LNG ASA and its subsidiaries listed in the table below:

Name of Subsidiary	Vessel/ Contract	Country of incorporatio	Date of incorporatio	Ownership and voting
Awilco LNG 1 AS	WilGas	Norway	2 Feb 2011	100 %
Awilco LNG 2 AS	WilPower	Norway	2 Feb 2011	100 %
Awilco LNG 3 AS	WilEnergy	Norway	2 Feb 2011	100 %
Awilco LNG 4 AS	New building	Norway	6 May 2011	100 %
Awilco LNG 5 AS	New building	Norway	6 May 2011	100 %
Awilco LNG 6 AS		Norway	12 May 2011	100 %
Awilco LNG 7 AS		Norway	12 May 2011	100 %

All subsidiaries are included in the consolidated financial statement from their respective dates of incorporation.

Note 8 - Events after the balance sheet date

New charter contracts:
WilEnergy is fixed on subjects for a 180 days contract, dry dock is expected to be completed prior to delivery of the vessel.

The original WilPower option was not declared. The vessel has been fixed on subjects for a 200 days contract, with planned delivery after expiry of current contract.