AWILCO LNG

FIRST QUARTER 2013 RESULTS

Highlights

- Awilco LNG reported freight income of MUSD 14.6 (MUSD 13.8 in Q4 2012) and an EBITDA of MUSD 5.9 (MUSD 8.0 in Q4 2012).
- WilEnergy was redelivered from the charterer on 19 February and was subsequently contracted for a single voyage until end of March 2013.
- Vessel utilisation of 62 % (67 % in Q4 2012).

Subsequent events

- WilEnergy was contracted for a single voyage trip in April, and after redelivery end of April the vessel has been available.

Key financial figures

USD million	Q1'13	Q4'12	Q3'12	2012
Freight income	14.6	13.8	12.6	56.6
Voyage related expenses	2.6	0.4	0.4	4.3
EBITDA	5.9	8.0	6.4	29.3
Net profit/(loss)	4.0	6.3	5.8	21.7
Total assets	205.8	203.0	206.3	203.0
Total equity	197.3	193.3	187.1	193.3
Interest bearing debt	0.0	1.6	10.2	1.6
Book equity ratio	96 %	95 %	91 %	95 %

FINANCIAL REVIEW

Income statement 1st quarter 2013

Freight income for the quarter was MUSD 14.6, compared to MUSD 13.8 in the previous quarter. The increase was due to the effect of gross presentation of the charterer's consumption of bunkers during WilEnergy's single voyage in March of MUSD 0.7, and positioning and repositioning fees for WilEnergy of MUSD 2.1, offset by reduced utilisation. Fleet utilisation for the quarter ended at 62 %, compared to 67 % in Q4 2012. Voyage related expenses were MUSD 2.6 (MUSD 0.4 Q4 2012), of which MUSD 0.7 related to the charterer's consumption of bunkers during WilEnergy's single voyage in March, and MUSD 0.7 related to positioning and repositioning of WilEnergy.

Operating expenses were MUSD 4.9 (MUSD 4.0 Q4), of which MUSD 0.2 related to idling costs for WilPower. The increase from last quarter was mainly due to MUSD 0.7 in maintenance and repairs on WilEnergy expensed in the quarter. Administration expenses for the quarter were MUSD 1.2, compared to MUSD 1.4 in the previous quarter. The decrease in administration expenses was mainly a result of bonus and pension expenses recognised in the previous quarter, in addition to a decrease in the synthetic employee options liability compared to the previous quarter.

EBITDA for the quarter was MUSD 5.9, compared to MUSD 8.0 in the previous quarter. The decrease was mainly due to lower utilisation and increased operating expenses. Depreciation for the quarter was MUSD 2.0, same as in the previous quarter.

Net finance income/(expense) was MUSD -0.1, compared to MUSD -0.2 in the previous quarter, mainly related to fees and interest expenses incurred on the short term credit facility.

Profit before tax for the quarter was MUSD 3.8, compared to MUSD 5.9 in Q4 2012. Income tax expense for the period amounted to a gain of MUSD 0.2, compared to a gain of MUSD 0.4 in the previous quarter. The income tax gain in the period was mainly due to a reduction in the deferred tax liabilities arising from unrealised foreign exchange effects in the parent company. Profit for the period was MUSD 4.0, compared to MUSD 6.3 in Q4 2012.

Statement of financial position

Book value of vessels and vessels under construction was MUSD 194.9 as at 31 March 2013, representing a decrease of MUSD 0.6 from 31 December 2012. The decrease reflects ordinary depreciation of existing vessels, offset by supervision costs on the newbuildings and minor upgrades of the existing vessels.

Total current assets were MUSD 10.6 as at 31 March 2013, compared to MUSD 7.3 as at 31 December 2012. Cash and cash equivalents were MUSD 2.0 at end of Q1 (MUSD 2.6 Q4), trade receivables MUSD 3.3 (MUSD 2.5 Q4) and inventory MUSD 4.8 (MUSD 1.6 Q4).

Total equity as at 31 March 2013 was MUSD 197.3, an increase of MUSD 4.0 from 31 December 2012. The Group has no interest bearing debt as at 31 March 2013 (MUSD 1.6 Q4), and has MUSD 20.0 available in a short term credit facility at the end of the quarter. The MUSD 20.0 credit facility expired 30 April, and in May Awilco LNG signed a term sheet for a 1 year MUSD 15.0 credit facility which replaces the previous facility. Total current liabilities decreased with MUSD 1.1 from MUSD 9.4 last quarter to MUSD 8.3 as at 31 March 2013, mainly due to repayment of MUSD 1.6 on the credit facility during in the quarter.

MARKET UPDATE

The prospects for the 1st quarter looked promising with high gas price spread between West and Far East at the start of the quarter combined with limited availability of modern LNG tonnage in the Atlantic.

The continued firm spot prices in the Far East and unusually high demand from South America should have led to continued firm activity level during the quarter. However, production problems in Nigeria and Norway as well as continued low LNG exports from Egypt caused reduction in the supply of LNG. Once again the lack of LNG resulted in reduced market activity and weakening rates. As a consequence of the limited cargo availability, there were fewer arbitrage cargoes, and ton-mile declined during the period. Reported spot market rates for modern tonnage declined from USD 130,000 at the beginning of the quarter to USD 100,000 at the end of the quarter.

On 17 April Nigeria lifted its force majeure, and it is estimated that a total of 20 cargoes were lost during the 71 days it was in effect. Additionally production at Melkøya in Norway has resumed, and market activity has increased moderately. Based on latest available information, the market expects production in Angola to start late 2nd quarter or early 3rd. Expected new liquefaction capacity coming on stream in 2013 is estimated to almost 10 MTPA.

There are 19 applications for US exports to countries with non-FTA agreements waiting for approval. Freeport LNG received its export permit on 17 May, and the US approval process is thought to pick up speed soon. In total there is currently more than 200 MTPA of LNG export potential in various stages of planning and application in the US, whereas firm licenses approved is reported at 41 MTPA. LNG exports from US are expected to commence late 2015 or early 2016.

The reported orderbook for LNG carriers above 100,000 cbm (ex FSRU) is currently 101 vessels for delivery from today until end 2017. In 2013 there are 20 vessels scheduled for delivery (1 delivered), of which 11 are already committed.

ORGANISATION

Awilco LNG ASA was established in February 2011. The principal activity of Awilco LNG ASA and its subsidiaries is to invest in and operate LNG transportation vessels. The three 2nd generation vessels were delivered to the company during first half 2011, and two newbuilding vessels are due to be delivered during second half of 2013. The Group handles the commercial operation of the vessels from its main office in Oslo. The Group currently has 10 employees.

Technical management of the three existing vessels is handled through an agreement with V.Ships LNG in the UK. Awilco LNG Technical Management AS, a wholly owned subsidiary of Awilco LNG ASA, was established in 2012. Awilco LNG Technical Management AS is in the final stages of building the organisation, and will perform technical management of the newbuildings. Awilco LNG purchases certain administrative and technical management services from two companies in the Awilhelmsen group, Awilhelmsen Management AS and Wilhelmsen Marine Services AS, see note 5 in the interim condensed consolidated financial statements for further details.

VESSEL AND NEWBUILDING STATUS

Existing vessels

WilGas is on charter to Brazilian oil major Petrobras until November 2014.

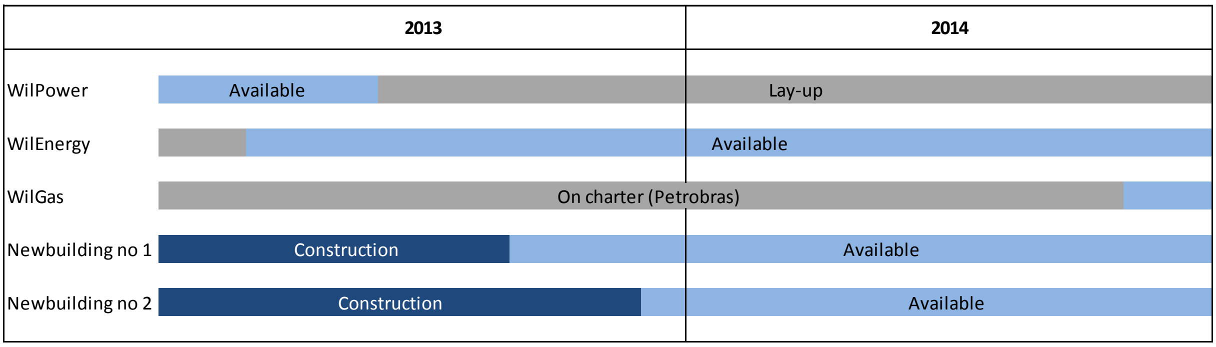
WilEnergy is currently available.

WilPower was placed in lay-up in Indonesia in mid-May.

Newbuildings

Awilco LNG has entered into firm newbuilding contracts with Daewoo Shipbuilding and Marine Engineering Co., Ltd. (DSME) for two 155,900 cbm LNG carriers with delivery in August and November 2013. The construction cost is approximately MUSD 200 per vessel. The first three installments have been paid by equity. The two newbuildings are currently uncommitted. On delivery of the newbuildings in August and November 2013, the Group targets 60-70 percent debt financing of the newbuildings. Financing structure will depend on duration and rate level of charter contracts. The Group is in the process of evaluating financing options, as well as marketing the vessels for contracts.

Contract overview



OUTLOOK

Awilco LNG has an unfunded newbuilding commitment of approx. USD 280 million due in the second half of 2013, and the Group's ability to take delivery of the two newbuildings is dependent upon securing financing for this commitment. In May a term sheet was signed for a senior bank facility part financing the remaining construction cost of the two newbuildings. The facility is contingent upon the newbuildings obtaining satisfactory charter contracts. The Group is in discussions for mezzanine financing of the remaining capital need. Awilco LNG anticipates that it will be able to secure contracts for both newbuildings, and the Group is continuously evaluating commercial opportunities. Medium term charter contracts are typically awarded between six months and shortly before commencement, and it is a possibility that charter contracts will be awarded close to delivery of the vessels in August and November 2013.

Awilco LNG expects that the market for the 2nd generation vessels will be challenging until LNG production increases. Both rates and utilisation of the existing vessels are expected to be volatile in 2013. Longer term infrastructure projects represent a potential opportunity for future business for the existing fleet.

Awilco LNG has one 2nd generation vessel available, one 2nd generation vessel in lay-up from Q2 2013, and two newbuildings available in Q3 and Q4 2013.

Oslo, 29 May 2013

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	Q1 2013 (unaudited)	Q4 2012 (unaudited)	Q1 2012 (unaudited)	Year 2012 (audited)
Freight income	2	14 594	13 838	17 748	56 626
Voyage related expenses	5	2 615	407	1 172	4 308
Net freight income		**11 979**	**13 431**	**16 576**	**52 318**
Operating expenses		4 922	3 979	3 751	18 354
Administration expenses	5	1 199	1 423	1 019	4 631
Earnings before interest, taxes, depr. and amort. (EBITDA)		**5 859**	**8 029**	**11 807**	**29 333**
Depreciation and amortisation		1 964	1 963	2 197	7 731
Impairment of vessel parts and equipment		-	-	-	1 386
Earnings before interest and taxes		**3 894**	**6 066**	**9 610**	**20 216**
Finance income		66	26	433	660
Finance expenses		116	192	165	974
Net finance income/(expense)		**(51)**	**(166)**	**268**	**(314)**
Profit/(loss) before taxes		**3 844**	**5 900**	**9 878**	**19 902**
Income tax expense	6	172	355	1 976	1 813
Profit/(loss) for the period		**4 016**	**6 255**	**11 854**	**21 714**
Earnings per share in USD attributable to ordinary equity holders of Awilco LNG ASA:					
Basic, profit/(loss) for the period		0.06	0.09	0.17	0.32
Diluted, profit/(loss) for the period		0.06	0.09	0.17	0.32

Interim Consolidated Statement of Comprehensive Income

Profit/(loss) for the period	4 016	6 255	11 854	21 714
Other comprehensive income:				
Other comprehensive income items	-	-	-	-
Total comprehensive income/(loss) for the period	4 016	6 255	11 854	21 714

Interim Condensed Consolidated Statement of Financial Position

In USD thousands	Note	31.03.2013 (unaudited)	31.12.2012 (audited)	31.03.2012 (unaudited)
ASSETS				
Non-current assets				
Deferred tax assets	6	-	-	24
Vessels		72 102	73 631	71 287
Vessels under construction	4	122 840	121 886	99 249
Other fixed assets		261	262	98
Total non-current assets		195 203	195 779	170 658
Current assets				
Trade receivables		3 312	2 480	2 807
Inventory		4 768	1 623	382
Other short term assets		489	593	396
Cash and cash equivalents		1 991	2 569	19 979
Total current assets		10 560	7 265	23 565
TOTAL ASSETS		**205 762**	**203 044**	**194 223**
EQUITY AND LIABILITIES				
Equity				
Share capital	3	48 420	48 420	48 420
Share premium		126 463	126 463	126 463
Retained earnings		22 464	18 448	8 590
Total equity		197 346	193 330	183 472
Non-current liabilities				
Deferred tax liabilities	6	8	189	-
Pension liabilities		128	120	15
Total non-current liabilities		136	309	15
Current liabilities				
Short-term interest bearing debt		-	1 633	-
Trade payables		3 194	713	5 776
Income tax payable	6	-	-	130
Provisions and accruals	7	5 085	7 059	4 831
Total current liabilities		8 280	9 404	10 736
TOTAL EQUITY AND LIABILITIES		**205 762**	**203 044**	**194 223**

Interim Consolidated Statement of Changes in Equity

For the period ended 31 March 2013

In USD thousands	Share capital	Share premium	Retained earnings	Total equity
Equity at 1 January 2013	48 420	126 463	18 448	193 330
Profit/(loss) for the period	-	-	4 016	4 016
Other comprehensive income for the period	-	-	-	-
Total comprehensive income	-	-	*4 016*	*4 016*
Balance as at 31 March 2013 (unaudited)	48 420	126 463	22 464	197 346

For the period ended 31 March 2012

In USD thousands	Share capital	Share premium	Retained earnings	Total equity
Equity at 1 January 2012	48 420	126 463	(3 264)	171 618
Profit/(loss) for the period	-	-	11 854	11 854
Other comprehensive income for the period	-	-	-	-
Total comprehensive income	-	-	*11 854*	*11 854*
Balance as at 31 March 2012 (unaudited)	48 420	126 463	8 590	183 472

Interim Condensed Consolidated Cash Flow Statement

In USD thousands	Q1 2013 (unaudited)	Q4 2012 (unaudited)	Q1 2012 (unaudited)	Year 2012 (audited)
Cash Flows from Operating Activities:				
Profit/(loss) before taxes	3 844	5 900	9 878	19 902
Taxes paid	-	(119)	-	(119)
Items included in profit/(loss) not affecting cash flows:				
Depreciation and amortisation	1 964	1 963	2 197	7 731
Impairment of vessel parts and equipment	-	-	-	1 386
Changes in operating assets and liabilities:				
Trade receivables, inventory and other short term assets	(3 873)	1 210	1 016	(94)
Trade payables, accrued expenses and deferred revenue	508	(469)	2 102	(819)
i) Net cash provided by / (used in) operating activities	**2 443**	**8 485**	**15 193**	**27 987**
Cash Flows from Investing Activities:				
Investment in vessels	(423)	(504)	(3 622)	(12 858)
Investment in vessels under construction	(954)	(921)	(20 019)	(42 428)
Investment in other fixed assets	(11)	(1)	-	(192)
ii) Net cash provided by / (used in) investing activities	**(1 388)**	**(1 426)**	**(23 641)**	**(55 478)**
Cash Flows from Financing Activities:				
Proceeds from (repayment of) borrowings	(1 633)	(8 567)	-	1 633
iii) Net cash provided by / (used in) financing activities	**(1 633)**	**(8 567)**	**-**	**1 633**
Net change in cash and cash equivalents (i+ii+iii)	(578)	(1 508)	(8 448)	(25 858)
Cash and cash equivalents at start of period	2 569	4 077	28 427	28 427
Cash and cash equivalents at end of period	**1 991**	**2 569**	**19 979**	**2 569**
Interest paid	3	176	-	176
Interest received	2	4	37	60

Notes to the Interim Condensed Consolidated Financial Statements

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

Corporate information
Awilco LNG ASA (the Company) is a public limited liability company incorporated and domiciled in Norway. The Company was incorporated 2 February 2011, and its registered office is Beddingen 8, 0250 Oslo, Norway.

The interim consolidated financial statements (the Statements) of the Company comprise the 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 three second generation LNG carriers, and has two LNG carrier newbuildings currently on order at the Daewoo yard.

The Statements have not been subject to audit or review.

Basis for preparation
The Statements for the three months ended 31 March 2013 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 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 2012, 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 2012, except for the adoption of new standards, amendments and interpretations effective and adopted as of 1 January 2013. None of these had a material impact on the Group’s financial statements.

Note 2 - Segment information

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

Information about major customers
The Group had three customers each contributing with more than 10 per cent of the Group's freight income in Q1 2013, the contribution from each customer varying between 16 to 49 per cent of total freight income.

Note 3 - Share capital

The number of issued shares was 67,788,874 at 31 March 2013. There were no changes in shares issued in Q1 2013. The share capital is denominated in NOK, and the nominal value per share is NOK 4 (in US dollars 0.74). All issued shares are of equal rights.

Note 4 - Significant events and commitments

Contract status
WilEnergy was redelivered from the charterer on 19 February and was subsequently contracted for a single voyage until end of March 2013.

Commitments
The Group is party to two LNG vessel newbuilding contracts. All pre-delivery installments have been paid. Remaining contract cost of approx. MUSD 280 is payable upon delivery in August and November 2013. A term sheet for a bank debt facility to part finance the remaining construction cost of the two newbuildings was signed in May. The facility is contingent upon the newbuildings obtaining satisfactory charter contracts.

Technical management of WilPower
The agreement with V.Ships UK regarding technical management of WilPower was terminated end of February, and the vessel will be managed by in-house technical manager Awilco LNG Technical Management AS (ALNG TM) starting 1 June 2013.

Note 5 - Related party transactions

Agreements

Related party	Description of service	Note
Wilhelmsen Marine Services AS	Technical Sub-management Services	1
Awilhelmsen Management AS	Administrative Services	2
Astrup Fearnley Group	Ship Brokering Services	3

(1) Wilhelmsen Marine Services AS (WMS) will be appointed sub-manager of the Awilco LNG Group's in-house technical manager, Awilco LNG Technical Management AS (ALNG TM). WMS will assist ALNG TM in providing technical and project management to the Awilco LNG Group. The Group is currently in discussions with WMS to finalise the agreement. Figures for Q1 2013 in the table below are partially based on estimates prepared by management.

In 2012, the Group paid WMS a supervisory technical management fee of USD 75 400 per sailing vessel, and cost + 5 % for supervision of construction of newbuildings.

(2) Awilhelmsen Management AS (AWM) provides administrative management services to the Awilco LNG Group, including accounting, payroll, legal and IT services. The Group is currently in discussions with AWM to finalise the agreement. Figures for Q1 2013 in the table below are based on estimates prepared by management.

(3) 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 competitive basis to the Group.

Purchases from related parties

In USD thousands **Related party**	**Q1 2013**	**Q1 2012**	**Year 2012**
Wilhelmsen Marine Services AS	853	314	3 337
Awilhelmsen Management AS	176	50	201
Astrup Fearnley Group	132	161	582

Purchases from related parties are included as part of Administration expenses in the income statement, except from fees paid to WMS for supervision of newbuildings, which are capitalised as cost price on the Vessels under construction, and commisions paid to the Astrup Fearnley Group, which are included in Voyage related expenses.

Note 6 - Tax

The Company's subsidiaries in which the vessels are held are subject to Norwegian tonnage tax. The Company is subject to ordinary corporate tax, and income tax expense and deferred tax liabilities recognised as at 31 March 2013 mainly relates to tax positions of the Company. The income tax gain of KUSD 172 in Q1 2013 was mainly due to a reduction in deferred tax liabilities arising from unrealised foreign exchange effects in the Company. Current income tax payable was MUSD 0.0 in Q1 2013.

Note 7 - Provisions and accruals

Provisions and accruals as at 31 March 2013 was MUSD 5.1 (MUSD 7.1 31 December 2012), of which deferred revenue was MUSD 2.4 (MUSD 4.9 31 December 2012).

Note 8 - Events after the balance sheet date

WilEnergy was contracted for a single voyage trip in April, and after redelivery end of April the vessel has been available.

WilPower was placed in lay-up in Indonesia in mid-May.

A term sheet for a bank debt facility to part finance the remaining construction cost of the two newbuildings was signed in May. The facility is contingent upon the newbuildings obtaining satisfactory charter contracts. The documentation is expected to be finalised in June. Awilco LNG is currently in discussions for mezzanine financing of the remaining newbuilding funding requirement.

A term sheet for a 1 year MUSD 15 credit facility was signed in May, replacing the MUSD 20 credit facility which expired 30 April. The documentation is expected to be finalised in June.