AWILCO LNG

SECOND QUARTER 2013 AND

FIRST HALF YEAR 2013 RESULTS

Highlights second quarter

- Awilco LNG reported freight income of MUSD 9.6 (MUSD 14.6 in Q1 2013) and an EBITDA of MUSD 2.3 (MUSD 5.9 in Q1 2013).
- Vessel utilisation of 54 % (trading vessels), compared to 62 % in Q1 2013.

Subsequent events

- Newbuilding program fully financed as firm financing agreement secured for newbuilding no. 1 through a sale-leaseback structure with Teekay LNG Partners L.P. The first newbuilding is scheduled for delivery mid-September 2013. Secured option for financing of newbuilding no. 2 with Teekay on similar terms.

Key financial figures

USD million	Q2'13	Q1'13	Q4'12	2012
Freight income	9.6	14.6	13.8	56.6
Voyage related expenses	2.1	2.6	0.4	4.3
EBITDA	2.3	5.9	8.0	29.3
Net profit/(loss)	(0.1)	4.0	6.3	21.7
Total assets	205.1	205.8	203.0	203.0
Total equity	197.2	197.3	193.3	193.3
Interest bearing debt	2.1	0.0	1.6	1.6
Book equity ratio	96 %	96 %	95 %	95 %

FINANCIAL REVIEW

Income statement 2nd quarter 2013

Freight income for the quarter was MUSD 9.6, compared to MUSD 14.6 in the previous quarter. The decrease was due to lower utilisation and charter rates for WilEnergy. Fleet utilisation for the quarter ended at 54 % (trading vessels), compared to 62 % in Q1 2013. Voyage related expenses were MUSD 2.1 (MUSD 2.6 Q1 2013), of which MUSD 0.5 was related to the charterer's consumption of bunkers during WilEnergy's single voyage in April (MUSD 0.7 in Q1 2013), and MUSD 0.2 was related to positioning of WilPower for lay-up.

Operating expenses were MUSD 3.9 (MUSD 4.9 Q1 2013). The decrease from last quarter was mainly due to lay-up of WilPower, in addition to MUSD 0.7 of maintenance and repairs on WilEnergy expensed in the previous quarter. Administration expenses for the quarter were MUSD 1.4, compared to MUSD 1.2 in the previous quarter. The increase in administration expenses was mainly a result of two new employees in the quarter.

EBITDA for the quarter was MUSD 2.3, compared to MUSD 5.9 in the previous quarter. The decrease was mainly due to lower utilisation and charter rates, offset by reduced operating expenses. Depreciation for the quarter was MUSD 2.0, same as in the previous quarter.

Net finance income/(expense) was MUSD -0.4, compared to MUSD -0.1 in the previous quarter. During the quarter, the senior newbuilding bank debt facility was cancelled, and a fee related to the facility was expensed during the quarter, along with fees related to renewal of the MUSD 15 short term credit facility.

Profit before tax for the quarter was MUSD -0.1, compared to MUSD 3.8 in Q1 2013. Income tax expense for the period amounted MUSD -0.1, compared to a gain of MUSD 0.2 in the previous quarter. Loss for the period was MUSD -0.1, compared to a profit of MUSD 4.0 in Q1 2013.

Income statement 1st half year 2013

For the first half of 2013, freight income was MUSD 24.2, compared to MUSD 30.2 in the first half of 2012. Voyage related expenses were MUSD 4.7 (MUSD 3.5), operating expenses MUSD 8.8 (MUSD 9.6) and administration expenses were MUSD 2.6 (MUSD 2.2). EBITDA in the first half of 2013 was MUSD 8.1, a decrease from MUSD 14.9 in the first half of 2012. Profit before tax was MUSD 3.8 (MUSD 9.8). Income tax payable for the period was MUSD 0.1, same as in first half 2012. Net profit for the period was MUSD 3.9, compared to MUSD 9.7 in the first half of 2012.

Statement of financial position

Book value of vessels and vessels under construction was MUSD 195.7 as at 30 June 2013, representing an increase of MUSD 0.7 from 31 March 2013 and MUSD 0.1 from 31 December 2012. The increase reflects supervision costs on the newbuildings and minor upgrades of the existing vessels, offset by ordinary depreciation of existing vessels.

Total current assets were MUSD 9.0 as at 30 June 2013, compared to MUSD 10.6 as at 31 March 2013 and MUSD 7.3 as at 31 December 2012. Cash and cash equivalents were MUSD 2.9 at end of Q2 (MUSD 2.0 Q1 2013 and MUSD 2.6 31 December 2012), trade receivables MUSD 2.5 (MUSD 3.3 Q1 2013 and MUSD 2.5 31 December 2012) and inventory MUSD 3.0 (MUSD 4.8 Q1 2013 and MUSD 1.6 31 December 2012).

Total equity as at 30 June 2013 was MUSD 197.2. The 1 year MUSD 20.0 credit facility expired in April, and in May Awilco LNG signed a term sheet for a 1 year MUSD 15.0 credit facility which replaced the previous facility. Documentation of the facility was finalised in June. The Group had drawn MUSD 2.1 on the short term credit facility at the end of the quarter (0.0 Q1 2013, MUSD 1.6 31 December 2012), and thus had MUSD 12.9 available.

Total current liabilities decreased with MUSD 0.5 from MUSD 8.3 as at 31 March 2013 to MUSD 7.8 as at 30 June 2013, mainly due to settlement of trade payables offset by drawings on the credit facility.

Subsequent to the reporting date 30 June 2013 the Company entered into a five year sale-leaseback transaction with Teekay LNG Partners L.P. Teekay will purchase newbuilding no. 1 for MUSD 205 less MUSD 50 in pre-paid hire (seller credit). The vessel is subsequently to be bareboat chartered back by Awilco LNG at a fixed rate for five years plus a one-year extension option. At the end of the charter period Awilco LNG has a fixed price purchase obligation. The transaction is a pure financing agreement.

MARKET UPDATE

The outlook for Q2 looked challenging as the market entered the quiet summer months. The supply problems in Nigeria continued, and multiple force majeures have been in effect. The production plant was later faced with a blockade by Nigeria Maritime Administration, which lasted three weeks until end July. On the positive side, Snøhvit produced according to plan after a problematic period. There was limited availability of vessels during the summer months, especially in the Atlantic. Reported spot market rates for modern tonnage fell during the first part of the quarter, but started to increase towards the end of the quarter, and ended only slightly lower than USD 100 000 per day. The positive trend has continued into Q3 as rates have improved to well above USD 100 000 per day for DFDE vessels as of mid-August.

Angola exported its first cargoes during Q2 prior to a scheduled shut down for final checkup. During Q2 South Korea has shut down two further nuclear power reactors and is delaying the scheduled start of operations of another two. Japan has currently only two out of 50 reactors operating.

In August the US DOE approved Southern Union / BG Group’s Lake Charles application for export of 15 MTPA to non-FTA countries. About 43 MTPA of firm licenses for non-FTA export is currently approved. In total there is currently more than 200 MTPA of LNG export potential in various stages of construction, planning and application in the US. LNG exports from US are expected to commence late 2015 or early 2016.

According to shipbrokers the orderbook for 2013 for LNG carriers above 100,000 cbm (ex FSRU) was 21 vessels at the beginning of the year. Year to date 7 vessels have been delivered and a further 9 are expected delivering for the remainder of the year out of which only 4 are available. The total orderbook is reported at 105 vessels for delivery from now until end 2017.

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 WilGas and WilEnergy is handled through an agreement with V.Ships LNG in the UK. Awilco LNG Technical Management AS, Awilco LNG’s in-house technical manager, is fully staffed and operational and will perform technical management of the newbuildings. Awilco LNG purchases certain administrative and sub-management 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.

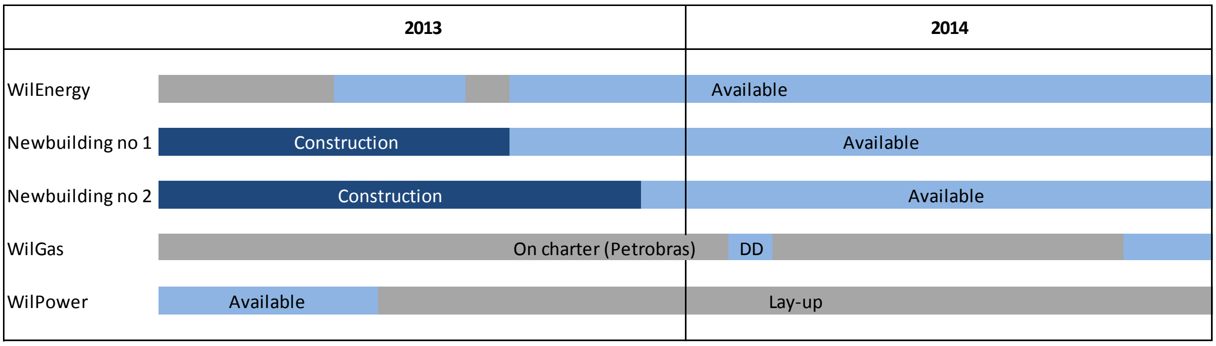
WilEnergy is due for re-delivery end of August after a single voyage.

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 mid-September and November 2013. The construction cost is approximately MUSD 200 per vessel. The first three installments have been paid by equity. Newbuilding no. 1 has been fully financed through a sale-leaseback transaction with Teekay LNG Partners LP. The transaction is a pure financing structure, with a fixed bareboat rate for five years plus a one year option, and purchase obligations at fixed terms at the end of the charter period. Awilco LNG has an option to finance newbuilding no. 2 on similar terms. The two newbuildings are currently uncommitted, and the Company is marketing the vessels for contracts.

Contract overview



KEY RISKS AND UNCERTAINTIES

The Awilco LNG Group is through its global LNG shipping operations 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 2012 Annual report. For a thorough explanation of the risk factors, please refer to the 2012 Annual report pages 34 to 37 and note 20, page 61 to 63.

OUTLOOK

Awilco LNG has secured financing for its first newbuilding and has an option for financing of the second vessel on similar terms. The Group is continuously evaluating commercial opportunities, and anticipates that it will be able to secure employment for the newbuildings from delivery although some uncertainty with regards to timing persists. The short term market for DFDE vessels is expected to remain firm during the next quarter.

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

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

STATEMENT OF RESPONSIBILITY

We confirm, to the best of our knowledge, that the condensed set of financial statements for the first half year of 2013 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, 26 August 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	Q2 2013 (unaudited)	Q1 2013 (unaudited)	Q2 2012 (unaudited)	1.1 - 30.6 2013 (unaudited)	1.1 - 30.6 2012 (unaudited)
Freight income	2	9 623	14 594	12 423	24 217	30 172
Voyage related expenses	5	2 132	2 615	2 369	4 747	3 541
Net freight income		**7 491**	**11 979**	**10 055**	**19 471**	**26 631**
Operating expenses		3 850	4 922	5 822	8 772	9 573
Administration expenses	5	1 365	1 199	1 185	2 564	2 204
Earnings before interest, taxes, depr. and amort. (EBITDA)		**2 276**	**5 859**	**3 047**	**8 135**	**14 854**
Depreciation and amortisation		1 966	1 964	1 609	3 930	3 806
Impairment of vessel parts and equipment		-	-	1 386	-	1 386
Earnings before interest and taxes		**310**	**3 894**	**52**	**4 205**	**9 662**
Finance income		67	66	161	133	595
Finance expenses		445	116	251	561	417
Net finance income/(expense)		**(378)**	**(51)**	**(90)**	**(428)**	**178**
Profit/(loss) before taxes		**(68)**	**3 844**	**(38)**	**3 776**	**9 840**
Income tax expense		(75)	172	(2 116)	97	(140)
Profit/(loss) for the period		**(143)**	**4 016**	**(2 154)**	**3 873**	**9 700**
Earnings per share in USD attributable to ordinary equity holders of Awilco LNG ASA:						
Basic, profit/(loss) for the period		(0.00)	0.06	(0.03)	0.06	0.14
Diluted, profit/(loss) for the period		(0.00)	0.06	(0.03)	0.06	0.14

Interim Consolidated Statement of Comprehensive Income

Profit/(loss) for the period	(143)	4 016	(2 154)	3 873	9 700
Other comprehensive income:					
Other comprehensive income items	-	-	-	-	-
Total comprehensive income/(loss) for the period	(143)	4 016	(2 154)	3 873	9 700

Interim Condensed Consolidated Statement of Financial Position

In USD thousands	Note	30.06.2013 (unaudited)	31.03.2013 (unaudited)	31.12.2012 (audited)	30.06.2012 (unaudited)
ASSETS					
Non-current assets					
Vessels		70 506	72 102	73 631	76 808
Vessels under construction	4	125 156	122 840	121 886	119 928
Other fixed assets		389	261	262	95
Total non-current assets		196 051	195 203	195 779	196 831
Current assets					
Trade receivables		2 457	3 312	2 480	1 166
Inventory		2 987	4 768	1 623	1 666
Other short term assets		705	489	593	2 136
Cash and cash equivalents		2 897	1 991	2 569	3 574
Total current assets		9 045	10 560	7 265	8 541
TOTAL ASSETS		**205 096**	**205 762**	**203 044**	**205 372**
EQUITY AND LIABILITIES					
Equity					
Share capital	3	48 420	48 420	48 420	48 420
Share premium		126 463	126 463	126 463	126 463
Retained earnings		22 323	22 464	18 448	6 436
Total equity		197 205	197 346	193 330	181 318
Non-current liabilities					
Deferred tax liabilities		8	8	189	1 617
Pension liabilities		83	128	120	14
Total non-current liabilities		91	136	309	1 631
Current liabilities					
Short-term interest bearing debt		2 092	-	1 633	10 400
Trade payables		1 210	3 194	713	6 767
Income tax payable		68	-	-	504
Provisions and accruals	6	4 430	5 085	7 059	4 753
Total current liabilities		7 800	8 280	9 404	22 423
TOTAL EQUITY AND LIABILITIES		**205 096**	**205 762**	**203 044**	**205 372**

Interim Consolidated Statement of Changes in Equity

For the period ended 30 June 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	-	-	3 873	3 873
Other comprehensive income for the period	-	-	-	-
Total comprehensive income	-	-	*3 873*	*3 873*
Balance as at 30 June 2013 (unaudited)	48 420	126 463	22 323	197 205

For the period ended 30 June 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	-	-	9 700	9 700
Other comprehensive income for the period	-	-	-	-
Total comprehensive income	-	-	*9 700*	*9 700*
Balance as at 30 June 2012 (unaudited)	48 420	126 463	6 436	181 318

Interim Condensed Consolidated Cash Flow Statement

In USD thousands	Q2 2013 (unaudited)	Q1 2013 (unaudited)	1.1 - 30.6 2013 (unaudited)	1.1 - 30.6 2012 (unaudited)
Cash Flows from Operating Activities:				
Profit/(loss) before taxes	(68)	3 844	3 776	9 840
Taxes paid	-	-	-	-
Items included in profit/(loss) not affecting cash flows:				
Depreciation and amortisation	1 966	1 964	3 930	3 806
Impairment of vessel parts and equipment	-	-	-	1 386
Changes in operating assets and liabilities:				
Trade receivables, inventory and other short term assets	2 421	(3 873)	(1 452)	(366)
Trade payables, provisions and accruals	(2 690)	508	(2 182)	2 920
i) Net cash provided by / (used in) operating activities	**1 629**	**2 443**	**4 072**	**17 586**
Cash Flows from Investing Activities:				
Investment in vessels	(356)	(423)	(779)	(12 138)
Investment in vessels under construction	(2 316)	(954)	(3 270)	(40 698)
Investment in other fixed assets	(142)	(11)	(153)	(3)
ii) Net cash provided by / (used in) investing activities	**(2 814)**	**(1 388)**	**(4 202)**	**(52 839)**
Cash Flows from Financing Activities:				
Proceeds from (repayment of) borrowings	2 092	(1 633)	459	10 400
iii) Net cash provided by / (used in) financing activities	**2 092**	**(1 633)**	**459**	**10 400**
Net change in cash and cash equivalents (i+ii+iii)	906	(578)	328	(24 853)
Cash and cash equivalents at start of period	1 991	2 569	2 569	28 427
Cash and cash equivalents at end of period	**2 897**	**1 991**	**2 897**	**3 574**
Interest paid	3	3	6	-
Interest received	1	2	3	52

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 and first half year ended 30 June 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 two customers each contributing with more than 10 per cent of the Group's freight income in Q2 2013, the contribution from each customer varying between 25 and 75 per cent of total freight income. In the first half of 2013, four customers contributed with more than 10 per cent of the Group's freight income, varying between 10 and 59 per cent of the total.

Note 3 - Share capital

The number of issued shares was 67,788,874 at 30 June 2013. There were no changes in shares issued in the first half of 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 a one year time charter contract on 19 February and was subsequently contracted for two single voyages in March and April 2013. The vessel was idle in May and June.

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

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

Note 4 - Significant events and commitments cont.

Finance
The senior newbuilding bank debt facility announced in the 1st quarter 2013 report was cancelled in late June.

A term sheet for a 1 year MUSD 15 credit facility was signed in May, replacing the 1 year MUSD 20 credit facility which expired in April. Documentation of the facility was finalised in June.

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 mid-September and Q4 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) With effect from 1 January 2013, the Group's in-house technical manager, ALNG TM, entered into a sub-management agreement with Wilhelmsen Marine Services AS (WMS), whereby WMS will assist 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 will pay WMS a management fee based on WMS' costs plus a margin of 7 %, cost being time accrued for the sub-manager's employees involved. The management fee is subject to consumer price index regulation. The agreement can be terminated by both parties with three months notice. WMS is 100 % owned by Awilco AS.

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) The administrative management agreement with Awilhelmsen Management AS (AWM) was renegotiated with effect from 1 January 2013. AWM will provide Awilco LNG with administrative and general services including accounting and payroll, legal, secretary function and IT. The Awilco LNG Group pays AWM MNOK 3.9 in yearly management fee (approx. MUSD 0.6) based on AWM's costs plus a margin of 5 %. The fee is subject to annual evaluation, and will be regulated according to the consumer price index. 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.

In 2012, the Group paid AWM a fee of USD 201 000 for administrative services.

(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	**Q2**	**Q2**	**1.1 - 30.6**	**1.1 - 30.6**
Related party	**2013**	**2012**	**2013**	**2012**
Wilhelmsen Marine Services AS	961	1 111	1 814	1 425
Awilhelmsen Management AS	166	50	342	100
Astrup Fearnley Group	109	102	241	263

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 in 2012, which was capitalised as cost price on the Vessels under construction, and commissions paid to the Astrup Fearnley Group, which are included in Voyage related expenses.

Note 6 - Provisions and accruals

Provisions and accruals as at 30 June 2013 was MUSD 4.4 (MUSD 5.1 31 March 2013), of which deferred revenue was MUSD 2.5 (MUSD 2.4 31 March 2013).

Note 7 - Events after the balance sheet date

Newbuilding no. 1 has been fully financed through a sale-leaseback transaction with Teekay LNG Partners L.P. The transaction is a pure financing structure, with a fixed bareboat rate for five years plus a one year option, and purchase obligations at fixed terms at the end of the charter period. Awilco LNG has an option to finance newbuilding no. 2 on similar terms.

WilEnergy was contracted for a single voyage in August, and is due for re-delivery end of August.