



FIRST QUARTER 2014 RESULTS

Highlights first quarter

- Awilco LNG ASA (Awilco LNG or the Company) reported freight income of MUS\$ 20.2 (MUS\$ 21.3 in Q4 2013) and an EBITDA of MUS\$ 10.7 (MUS\$ 8.0 in Q4 2013).
- WilForce commenced a three plus one year contract on 24 January 2014.
- WilPride successfully completed maiden voyage.
- Vessel utilisation of 95 % (trading vessels), compared to 90 % in Q4 2013.

Subsequent events

- WilEnergy charter extended for up to two months until end September with current charterer.

Key financial figures

USD million	Q1'14	Q4'13	Q3'13	2013
Freight income	20.2	21.3	9.2	54.7
Voyage related expenses	2.5	5.5	2.6	12.8
EBITDA	10.7	8.0	0.4	16.6
Net profit/(loss)	0.0	(0.3)	(2.5)	1.2
Total assets	510.8	513.6	359.2	513.6
Total equity	194.5	194.5	194.8	194.5
Interest bearing debt	305.5	308.0	154.8	308.0
Book equity ratio	38 %	38 %	54 %	38 %

FINANCIAL REVIEW

Income statement first quarter 2014

Freight income for the quarter was MUS\$ 20.2 compared to MUS\$ 21.3 in the previous quarter. The decrease was due to lower rates for WilPride in Q1. Fleet utilisation for the quarter ended at 95 % (trading vessels), compared to 90 % in Q4 2013. Utilisation is calculated as days on hire including positioning days divided by total trading vessel days. Voyage related expenses were MUS\$ 2.5 (MUS\$ 5.5 Q4 2013). The decrease in voyage related expenses compared to the previous quarter was due to positioning costs incurred in Q4 2013 after delivery of WilForce and WilPride.

Operating expenses were MUS\$ 5.6 (MUS\$ 5.3 Q4 2013). The increase from last quarter was mainly due to the WilPride being in operation for the full quarter. Administration expenses for the quarter were MUS\$ 1.3 compared to MUS\$ 2.5 in the previous quarter; the decrease was mainly related to bonus expenses in Q4 and a decrease in fair value of synthetic employee options.

EBITDA for the quarter was MUS\$ 10.7 compared to MUS\$ 8.0 in the previous quarter. Depreciation for the quarter was recorded at MUS\$ 4.4. The increase in depreciation from MUS\$ 3.9 in Q4 was due to depreciation of WilPride for a full quarter.

Net finance income/(expense) was MUS\$ (6.3), compared to MUS\$ (4.4) in the previous quarter. Interest expenses on the WilForce and WilPride financial leases amounted to MUS\$ 6.3 (MUS\$ 4.4 Q4 2013).

Profit before tax and for the period was MUS\$ 0.0, compared to a loss of MUS\$ 0.3 in Q4 2013.

Statement of financial position

Book value of vessels was MUS\$ 474.2 as at 31 March 2014 (MUS\$ 478.7 31 December 2013). The decrease reflects ordinary depreciation during the quarter.

Total current assets were MUS\$ 36.3 as at 31 March 2014, compared to MUS\$ 34.5 as at 31 December 2013. Cash and cash equivalents were MUS\$ 22.5 at end of Q1 (MUS\$ 18.2 Q4 2013), trade receivables MUS\$ 5.8 (MUS\$ 3.7 Q4 2013), inventory MUS\$ 3.2 (MUS\$ 4.3 Q4 2013) and other short term assets MUS\$ 4.7 (MUS\$ 8.2 Q4 2013). MUS\$ 2.9 of other short term assets reflects prepayment of WilForce and WilPride monthly lease payments (MUS\$ 3.0 Q4 2013).

Total equity as at 31 March was MUS\$ 194.5. The MUS\$ 15.0 short term credit facility was cancelled during the quarter.

Total current liabilities were MUS\$ 21.7 as at 31 March 2014, same as at 31 December 2013. MUS\$ 11.0 of the current liabilities relates to the short term portion of the WilForce and WilPride financial leases (MUS\$ 10.8 as at 31 December 2013).

MARKET UPDATE

The lack of available cargo and fewer reloads from Europe continued to impact the spot market in Q1, which together with four newbuildings delivered in the quarter resulted in increased available tonnage, low activity and softening rates. At the end of the quarter there were a number of reloads available from Europe as well as some available cargoes from producers, which resulted in an increase in activity – albeit for a short period of time. Spot rates for TFDE vessel was reported as USD 98,000 per day at the beginning of Q1 and ended the quarter at about USD 64,000 per day.

At the start of the year, analysts expected an increase of 12 - 16 MTPA of LNG production in 2014 compared to last year. Expected new liquefaction capacity in 2014 is from Skikda (Algeria), PNG (Papa New Guinea), Gassi Touil (Algeria) and Gladstone Curtis (Australia). The first cargoes from

Skikda have been shipped and the first cargoes from PNG are expected at the end of May. PNG is about six months ahead of schedule. Unfortunately, the early production start from PNG is offset by unforeseen outage at the Angola LNG plant. Part owner Chevron has announced that the liquefaction plant has halted operations due to “technical issues” and will remain shut for an unspecified period of time. As a result the idle Angola fleet is available in the spot market while the plant is not operating.

There are currently about 125 MTPA of new liquefaction capacity under construction which is expected to come on stream from 2014 to 2017. Furthermore, another 250 MTPA is in various stages of planning for startup from 2017 to 2020. Historically there has always been uncertainty linked to start-up dates and when new liquefaction plants will reach nameplate production capacity.

According to shipbrokers the total orderbook for LNG vessels above 100,000 cbm (excl. FSRU) is reported at 112 vessels, of which 25 are available for contract. In 2014 32 vessels are scheduled for delivery, of which 13 are available, and in 2015 27 vessels of which 4 available. Some deliveries are expected to be delayed for various reasons.

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 the two TFDE vessels WilForce and WilPride were delivered in Q3 and Q4 2013. The Group handles the commercial and technical operation of the vessels from its main office in Oslo, and currently has 11 employees. Awilco LNG purchases certain administrative and sub-management technical services from two companies in the Awilhelmsen Group, Awilhelmsen Management AS and Wilhelmssen Marine Services AS, see note 5 in the interim condensed consolidated financial statements for further details.

VESSEL CONTRACT STATUS

TFDE vessels

WilForce: commenced a three year charter with a one year option in charterer’s favour to an oil and gas major on 24 January 2014.

WilPride: was re-delivered on 9 February after completing her maiden voyage and is trading in the spot market.

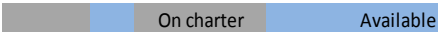
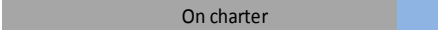



2nd generation vessels

WilGas: is on charter to Brazilian oil major Petrobras until October/November 2014. She is scheduled to undergo dry-docking in May/June 2014.

WilEnergy: is on charter until end September 2014.

WilPower: is in lay-up and marketed for project work.

Contract overview

	2014	2015
WilPride	 On charter Available	Available
WilEnergy	 On charter DD Available	Available
WilGas	 On charter DD On charter Available	Available
WilForce	 On charter	On charter
WilPower	 Lay-up - Marketed for project work	Lay-up - Marketed for project work

OUTLOOK

The short term market for LNG vessels remains challenging in 2014 as 32 newbuildings are scheduled delivered, of which 13 without contracts with limited new demand expected to come on stream. Q2 is a maintenance season for the many LNG production facilities, which may result in reduced LNG production for a period. The earlier than expected production start at the Papa New Guinea production facility is unfortunately offset by the unexpected shut down of the Angola LNG plant. Thus, it is anticipated that the low activity and soft rates in Q1 will continue through Q2 and the summer months. The market for older tonnage is expected to be more affected than the modern more efficient tonnage, and it is expected that the phasing out of older tonnage will increase due to the soft market.

Awilco LNG is continuously evaluating employment opportunities for WilPride, which is currently trading in the spot market, as well as longer term infrastructure projects for its second generation vessels.

Oslo, 27 May 2014

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

		Q1 2014	Q4 2013	Q1 2013	2013
	Note	(unaudited)	(unaudited)	(unaudited)	(audited)
Freight income	2	20 167	21 334	14 594	54 702
Voyage related expenses	5	2 521	5 497	2 615	12 829
Net freight income		17 646	15 837	11 979	41 873
Operating expenses		5 616	5 288	4 922	18 524
Administration expenses	5	1 286	2 519	1 199	6 799
Earnings before interest, taxes, depr. and amort. (EBITDA)		10 744	8 029	5 859	16 550
Depreciation and amortisation		4 441	3 868	1 964	10 020
Earnings before interest and taxes		6 304	4 161	3 894	6 530
Finance income		42	18	66	167
Finance expenses		6 333	4 443	116	5 638
Net finance income/(expense)		(6 291)	(4 425)	(51)	(5 471)
Profit/(loss) before taxes		12	(264)	3 844	1 059
Income tax expense		-	12	172	112
Profit/(loss) for the period		12	(252)	4 016	1 171
Earnings per share in USD attributable to ordinary equity holders of Awilco LNG ASA:					
Basic, profit/(loss) for the period		0.00	(0.00)	0.06	0.02
Diluted, profit/(loss) for the period		0.00	(0.00)	0.06	0.02

Interim Consolidated Statement of Comprehensive Income

Profit/(loss) for the period	12	(252)	4 016	1 171
Other comprehensive income:				
Other comprehensive income items	-	-	-	-
Total comprehensive income/(loss) for the period	12	(252)	4 016	1 171

Interim Condensed Consolidated Statement of Financial Position

<i>In USD thousands</i>		31.3.2014	31.12.2013	31.3.2013
	Note	(unaudited)	(audited)	(unaudited)
ASSETS				
Non-current assets				
Vessels		474 186	478 705	72 102
Vessels under construction		-	-	122 840
Other fixed assets		347	361	261
Total non-current assets		474 534	479 066	195 203
Current assets				
Trade receivables		5 827	3 715	3 312
Inventory		3 158	4 316	4 768
Other short term assets		4 737	8 247	489
Cash and cash equivalents		22 542	18 244	1 991
Total current assets		36 264	34 522	10 560
TOTAL ASSETS		510 797	513 588	205 762
EQUITY AND LIABILITIES				
Equity				
Share capital	3	48 420	48 420	48 420
Share premium		126 463	126 463	126 463
Retained earnings		19 631	19 620	22 464
Total equity		194 514	194 502	197 346
Non-current liabilities				
Deferred tax liabilities		-	-	8
Pension liabilities		134	105	128
Long-term interest bearing debt		294 461	297 256	-
Total non-current liabilities		294 595	297 361	136
Current liabilities				
Short-term interest bearing debt		10 988	10 765	-
Trade payables		2 366	3 507	3 194
Income tax payable		-	4	-
Provisions and accruals	6	8 334	7 449	5 085
Total current liabilities		21 689	21 725	8 280
TOTAL EQUITY AND LIABILITIES		510 797	513 588	205 762

Interim Consolidated Statement of Changes in Equity

For the period ended 31 March 2014

<i>In USD thousands</i>	Share capital	Share premium	Retained earnings	Total equity
Equity at 1 January 2014	48 420	126 463	19 620	194 502
Profit/(loss) for the period	-	-	12	12
Other comprehensive income for the period	-	-	-	-
<i>Total comprehensive income</i>	-	-	12	12
Balance as at 31 March 2014 (unaudited)	48 420	126 463	19 631	194 514

For the period ended 31 March 2013

<i>In USD thousands</i>	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	-	-	-	-
<i>Total comprehensive income</i>	-	-	4 016	4 016
Balance as at 31 March 2013 (unaudited)	48 420	126 463	22 464	197 346

Interim Condensed Consolidated Cash Flow Statement

<i>In USD thousands</i>	Q1 2014 (unaudited)	Q4 2013 (unaudited)	Q1 2013 (unaudited)	2013 (audited)
Cash Flows from Operating Activities:				
Profit/(loss) before taxes	12	(264)	3 844	1 059
Income taxes paid	(31)	(56)	-	(56)
Interest and borrowing costs expensed	6 303	4 470	65	5 568
<i>Items included in profit/(loss) not affecting cash flows:</i>				
Depreciation and amortisation	4 441	3 868	1 964	10 020
<i>Changes in operating assets and liabilities:</i>				
Trade receivables, inventory and other short term assets	2 458	(8 061)	(3 873)	(8 538)
Trade payables, provisions and accruals	397	4 700	508	2 649
i) Net cash provided by / (used in) operating activities	13 581	4 657	2 508	10 702
Cash Flows from Investing Activities:				
Investment in vessels	-	(38)	(423)	(1 082)
Investment in vessels under construction	(505)	(144 031)	(954)	(291 562)
Investment in other fixed assets	(2)	(1)	(11)	(158)
ii) Net cash provided by / (used in) investing activities	(507)	(144 069)	(1 388)	(292 802)
Cash Flows from Financing Activities:				
Proceeds from borrowings	-	155 000	-	312 092
Repayment of borrowings	(2 560)	(2 218)	(1 633)	(6 584)
Interest and borrowing costs paid	(6 217)	(5 546)	(65)	(7 732)
iii) Net cash provided by / (used in) financing activities	(8 776)	147 235	(1 698)	297 775
Net change in cash and cash equivalents (i+ii+iii)	4 298	7 823	(578)	15 675
Cash and cash equivalents at start of period	18 244	10 420	2 569	2 569
Cash and cash equivalents at end of period	22 542	18 244	1 991	18 244

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's 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 a fleet of five LNG carriers.

Basis for preparation

The Statements for the period ended 31 March 2014 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 2013, 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 2013, except for the adoption of new standards, amendments and interpretations effective and adopted as of 1 January 2014. IFRS 10 "Consolidated Financial Statements" and IFRS 12 "Disclosures of Interests in Other Entities" have been implemented as of 1 January 2014, as described in the annual consolidated financial statements for 2013. The implementation of the new standards have not had any effect on the Group's financial position or performance.

Note 2 - Segment information

Operating segments

The Group currently owns and operates five 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. Revenue from the Group's country of domicile was nil in Q1 2014.

Information about major customers

The Group had four customers each contributing with more than 10 per cent of the Group's freight income in Q1 2014, the contribution from each customer varying between 16 and 35 per cent of total freight income.

Note 3 - Share capital

The number of issued shares was 67,788,874 at 31 March 2014. There were no changes in shares issued in Q1 2014. 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

WilForce completed its maiden voyage during the quarter and was subsequently committed to an oil and gas major for a three year contract plus a one year option. The contract commenced 24 January 2014 and is expected to contribute with an annualised EBITDA of about MUS\$ 23.5 during the fixed period.

WilPride completed its maiden voyage and was re-delivered to the Company on 9 February.

Note 5 - Related party transactions

Agreements

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

(1) The Group's in-house technical manager, ALNG TM, has entered into a sub-management agreement with WMS, whereby WMS 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 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 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. WMS 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 4.0 in yearly management fee (approx. MUSD 0.7) 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 Company's Board Members is also the General Manager of the Astrup Fearnley Group. The Astrup Fearnley Group delivers ship brokering services on a competitive basis to the Group.

Purchases from related parties

Related party	Q1	Q1	Year
	2014	2013	2013
Wilhelmsen Marine Services AS	181	853	3 849
Awilhelmsen Management AS	182	176	677
Astrup Fearnley Group	98	132	443

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

Note 6 - Provisions and accruals

Provisions and accruals as at 31 March 2013 were MUSD 8.3 (MUSD 7.4 31 December 2013), of which deferred revenue was MUSD 5.8 (MUSD 3.5 31 December 2013).

Note 7 - Events after the balance sheet date

WilEnergy charter extended for two months by Charterer.