



## SECOND QUARTER 2014 AND FIRST HALF YEAR 2014 RESULTS

### Highlights second quarter

- Awilco LNG ASA (Awilco LNG or the Company) reported freight income of MUS\$ 19.9 (MUS\$ 20.2 in Q1 2014) and an EBITDA of MUS\$ 10.9 (MUS\$ 10.7 in Q1 2014).
- WilEnergy charter extended until end September.
- WilGas commenced scheduled dry-dock in early June, and sailed from the yard in mid-July.
- Vessel utilisation of 94 % (trading vessels, excluding off-hire from scheduled dry-docking), compared to 95 % in Q1 2014.

### Key financial figures

| USD million               | Q2'14 | Q1'14 | Q4'13 | 2013  |
|---------------------------|-------|-------|-------|-------|
| Freight income            | 19.9  | 20.2  | 21.3  | 54.7  |
| Voyage related expenses   | 2.7   | 2.5   | 5.5   | 12.8  |
| EBITDA                    | 10.9  | 10.7  | 8.0   | 16.6  |
| Net profit/(loss)         | 0.2   | 0.0   | (0.3) | 1.2   |
| Total assets              | 505.9 | 510.8 | 513.6 | 513.6 |
| Total equity              | 194.7 | 194.5 | 194.5 | 194.5 |
| Interest bearing debt     | 302.8 | 305.4 | 308.0 | 308.0 |
| Cash and cash equivalents | 23.8  | 22.5  | 18.2  | 18.2  |
| Book equity ratio         | 38 %  | 38 %  | 38 %  | 38 %  |

## FINANCIAL REVIEW

### *Income statement second quarter 2014*

Freight income for the quarter was MUS\$ 19.9, down from MUS\$ 20.2 in the previous quarter. The decrease was due to off-hire in connection with the scheduled dry-docking of WilGas, partly offset by increased earnings on WilForce and WilPride. Fleet utilisation for the quarter ended at 84 % (trading vessels, including dry-docking), compared to 95 % in Q1 2014. Excluding dry-dock, fleet utilisation for the quarter ended at 94 %, compared to 95 % in Q1 2014. Voyage related expenses were MUS\$ 2.7 (MUS\$ 2.5 Q1 2014). The increase in voyage related expenses compared to the previous quarter was due to WilGas positioning to the yard for the scheduled dry-dock.

Operating expenses were MUS\$ 4.8 (MUS\$ 5.6 Q1 2014). The decrease from last quarter was mainly due to natural fluctuations in timing of expenses. Administration expenses for the quarter were MUS\$ 1.5, a marginal increase compared to the previous quarter. EBITDA for the quarter was MUS\$ 10.9 compared to MUS\$ 10.7 in the previous quarter. Depreciation for the quarter was recorded at MUS\$ 4.4, same as in Q1 2014.

Net finance income/(expense) was MUS\$ (6.3), same as in the previous quarter. Interest expenses on the WilForce and WilPride financial leases amounted to MUS\$ 6.3, same as in Q1 2014.

Profit before tax and for the period was MUS\$ 0.2, compared to MUS\$ 0.0 in Q1 2014.

### *Income statement first half year 2014*

For the first half of 2014, freight income was MUS\$ 40.0, compared to MUS\$ 24.2 in the first half of 2013. Voyage related expenses were MUS\$ 5.2 (MUS\$ 4.7), operating expenses MUS\$ 10.4 (MUS\$ 8.8) and administration expenses were MUS\$ 2.7 (MUS\$ 2.6). EBITDA in the first half of 2014 was MUS\$ 21.6, an increase from MUS\$ 8.1 in the first half of 2013. Profit before tax was MUS\$ 0.2 (MUS\$ 3.8). Income tax payable for the period was nil, compared to a gain of MUS\$ 0.1 in the first half of 2013. Net profit for the period was MUS\$ 0.2, compared to MUS\$ 3.9 in the first half of 2013.

### *Statement of financial position*

Book value of vessels was MUS\$ 470.9 as at 30 June 2014 (MUS\$ 474.2 31 March 2014). The decrease reflects ordinary depreciation during the quarter, offset by dry-docking prepayments of MUS\$ 1.0 in Q2 2014. The remaining dry-dock expenses will be booked in Q3.

Total current assets were MUS\$ 34.7 as at 30 June 2014, compared to MUS\$ 36.3 as at 31 March 2014. Cash and cash equivalents were MUS\$ 23.8 at end of Q2 (MUS\$ 22.5 Q1 2014), trade receivables MUS\$ 3.9 (MUS\$ 5.8 Q1 2014), inventory MUS\$ 2.9 (MUS\$ 3.2 Q1 2014) and other short term assets MUS\$ 4.2 (MUS\$ 4.7 Q1 2014). MUS\$ 3.0 of other short term assets reflects prepayment of WilForce and WilPride monthly lease payments, same as in Q1 2014.

Total equity as at 30 June 2014 was MUS\$ 194.7.

Total current liabilities were MUS\$ 19.5 as at 30 June 2014, compared to MUS\$ 21.7 as at 31 March 2014. MUS\$ 11.2 of the current liabilities relates to the short term portion of the WilForce and WilPride financial leases (MUS\$ 11.0 as at 31 March 2014).

## **MARKET UPDATE**

As anticipated, the LNG shipping market was volatile in Q2. There were periods with increased activity in the spot market, but these periods were fairly short and did not lead to improving rates. The spot rates for TFDE LNG vessels above 100,000 cbm were reported at USD 63,000 per day at the start of the quarter and ended marginally down to about USD 62,000 per day.

The PNG LNG project (Papua New Guinea) shipped its first cargo on 26 May about 6 months ahead of schedule. Unfortunately, the early PNG start is offset by outage at the Angola LNG plant. The Angolan outage is now reported to last until mid-2015. Despite limited new LNG production, gas prices have softened in the Far East and Europe, while prices in the US have strengthened marginally. As a consequence the spot shipping activity shifted more towards intra-basin voyages.

During the quarter the Cameron LNG project in USA received FERC approval. The approval allows the project to continue with the siting and building of the terminal facilities. The first train is expected to be placed in service in 2017 and additional two trains in 2018.

According to market analysts there is currently about 130 MTPA of new LNG production capacity under construction, and another 150-200 MTPA in various stages of planning.

The newbuilding activity increased during the quarter and 8 newbuildings were ordered. According to shipbrokers the total orderbook for LNG vessels above 100,000 cbm (excl. FSRU) is reported at 119, of which 22 are available for contract. During first half of 2014 16 newbuildings (excl. FSRU) have been delivered and 16 vessels are scheduled for delivery for the remaining of 2014. 30 vessels are scheduled for delivery in 2015 of which 4 available for contract. Some deliveries can be 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 Wilhelmsen 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: is trading in the spot market.

### *2nd generation vessels*

WilGas: is on charter to Brazilian oil major Petrobras until October/November 2014. She completed dry-docking in mid-July 2014.

WilEnergy: is on charter until end September 2014.

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

### Contract overview

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

### 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 2013 Annual report. For a thorough explanation of the risk factors, please refer to the 2013 Annual report pages 34 to 36 and note 20, page 61 to 62.

### OUTLOOK

The short term market for LNG vessels is expected to remain challenging and volatile in the second half of 2014 as several newbuildings are scheduled for delivery with limited new LNG production expected in the same period. The maintenance season for many LNG production facilities was completed in Q2 and with most of these LNG production facilities back on stream in Q3 demand can be expected to improve somewhat. The market for older tonnage is more affected by reduced demand than the modern, more efficient tonnage. 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.

### STATEMENT OF RESPONSIBILITY

We confirm, to the best of our knowledge, that the condensed set of financial statements for the first half year of 2014 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 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

| <i>In USD thousands, except per share figures</i>                                    |      |                |                |              |                 |               |
|--|------|----------------|----------------|--------------|-----------------|---------------|
|  |      | Q2             | Q1             | Q2           | 1.1 - 30.6      | 1.1 - 30.6    |
|  |      | 2014           | 2014           | 2013         | 2014            | 2013          |
|  | Note | (unaudited)    | (unaudited)    | (unaudited)  | (unaudited)     | (unaudited)   |
| Freight income   | 2    | 19 856         | 20 167         | 9 623        | 40 023          | 24 217        |
| Voyage related expenses  | 5    | 2 701          | 2 521          | 2 132        | 5 222           | 4 747         |
| <b>Net freight income</b>  |      | <b>17 155</b>  | <b>17 646</b>  | <b>7 491</b> | <b>34 801</b>   | <b>19 471</b> |
| Operating expenses   |      | 4 817          | 5 616          | 3 850        | 10 433          | 8 772         |
| Administration expenses  | 5    | 1 455          | 1 286          | 1 365        | 2 741           | 2 564         |
| <b>Earnings before interest, taxes, depr. and amort. (EBITDA)</b>                    |      | <b>10 882</b>  | <b>10 744</b>  | <b>2 276</b> | <b>21 627</b>   | <b>8 135</b>  |
| Depreciation and amortisation  |      | 4 442          | 4 441          | 1 966        | 8 883           | 3 930         |
| <b>Earnings before interest and taxes</b>  |      | <b>6 440</b>   | <b>6 304</b>   | <b>310</b>   | <b>12 744</b>   | <b>4 205</b>  |
| Finance income   |      | 30             | 42             | 67           | 72              | 133           |
| Finance expenses   |      | 6 290          | 6 333          | 445          | 12 623          | 561           |
| <b>Net finance income/(expense)</b>  |      | <b>(6 260)</b> | <b>(6 291)</b> | <b>(378)</b> | <b>(12 551)</b> | <b>(428)</b>  |
| <b>Profit/(loss) before taxes</b>  |      | <b>180</b>     | <b>12</b>      | <b>(68)</b>  | <b>192</b>      | <b>3 776</b>  |
| Income tax expense   |      | -              | -              | (75)         | -               | 97            |
| <b>Profit/(loss) for the period</b>  |      | <b>180</b>     | <b>12</b>      | <b>(143)</b> | <b>192</b>      | <b>3 873</b>  |
| Earnings per share in USD attributable to ordinary equity holders of Awilco LNG ASA: |      |                |                |              |                 |               |
| Basic, profit/(loss) for the period  |      | 0.00           | 0.00           | (0.00)       | 0.00            | 0.06          |
| Diluted, profit/(loss) for the period  |      | 0.00           | 0.00           | (0.00)       | 0.00            | 0.06          |

## Interim Consolidated Statement of Comprehensive Income

|   |            |           |              |            |              |
|---|------------|-----------|--------------|------------|--------------|
| Profit/(loss) for the period                            | 180        | 12        | (143)        | 192        | 3 873        |
| <b>Other comprehensive income:</b>                      |            |           |              |            |              |
| Other comprehensive income items                        | -          | -         | -            | -          | -            |
| <b>Total comprehensive income/(loss) for the period</b> | <b>180</b> | <b>12</b> | <b>(143)</b> | <b>192</b> | <b>3 873</b> |

## Interim Condensed Consolidated Statement of Financial Position

| <i>In USD thousands</i>              |             |                    |                    |                   |                    |
|--------------------------------------|-------------|--------------------|--------------------|-------------------|--------------------|
|                                      | <b>Note</b> | <b>30.6.2014</b>   | <b>31.3.2014</b>   | <b>31.12.2013</b> | <b>30.6.2013</b>   |
|                                      |             | <b>(unaudited)</b> | <b>(unaudited)</b> | <b>(audited)</b>  | <b>(unaudited)</b> |
| <b>ASSETS</b>                        |             |                    |                    |                   |                    |
| <b>Non-current assets</b>            |             |                    |                    |                   |                    |
| Vessels                              |             | 470 888            | 474 186            | 478 705           | 70 506             |
| Vessels under construction           |             | -                  | -                  | -                 | 125 156            |
| Other fixed assets                   |             | 330                | 347                | 361               | 389                |
| <b>Total non-current assets</b>      |             | <b>471 218</b>     | <b>474 534</b>     | <b>479 066</b>    | <b>196 051</b>     |
| <b>Current assets</b>                |             |                    |                    |                   |                    |
| Trade receivables                    |             | 3 889              | 5 827              | 3 715             | 2 457              |
| Inventory                            |             | 2 861              | 3 158              | 4 316             | 2 987              |
| Other short term assets              |             | 4 203              | 4 737              | 8 247             | 705                |
| Cash and cash equivalents            |             | 23 754             | 22 542             | 18 244            | 2 897              |
| <b>Total current assets</b>          |             | <b>34 707</b>      | <b>36 264</b>      | <b>34 522</b>     | <b>9 045</b>       |
| <b>TOTAL ASSETS</b>                  |             | <b>505 925</b>     | <b>510 797</b>     | <b>513 588</b>    | <b>205 096</b>     |
| <b>EQUITY AND LIABILITIES</b>        |             |                    |                    |                   |                    |
| <b>Equity</b>                        |             |                    |                    |                   |                    |
| Share capital                        | 3           | 48 420             | 48 420             | 48 420            | 48 420             |
| Share premium                        |             | 126 463            | 126 463            | 126 463           | 126 463            |
| Retained earnings                    |             | 19 811             | 19 631             | 19 620            | 22 323             |
| <b>Total equity</b>                  |             | <b>194 694</b>     | <b>194 514</b>     | <b>194 502</b>    | <b>197 205</b>     |
| <b>Non-current liabilities</b>       |             |                    |                    |                   |                    |
| Deferred tax liabilities             |             | -                  | -                  | -                 | 8                  |
| Pension liabilities                  |             | 152                | 134                | 105               | 83                 |
| Long-term interest bearing debt      |             | 291 577            | 294 461            | 297 256           | -                  |
| <b>Total non-current liabilities</b> |             | <b>291 729</b>     | <b>294 595</b>     | <b>297 361</b>    | <b>91</b>          |
| <b>Current liabilities</b>           |             |                    |                    |                   |                    |
| Short-term interest bearing debt     |             | 11 219             | 10 988             | 10 765            | 2 092              |
| Trade payables                       |             | 1 008              | 2 366              | 3 507             | 1 210              |
| Income tax payable                   |             | -                  | -                  | 4                 | 68                 |
| Provisions and accruals              | 6           | 7 277              | 8 334              | 7 449             | 4 430              |
| <b>Total current liabilities</b>     |             | <b>19 503</b>      | <b>21 689</b>      | <b>21 725</b>     | <b>7 800</b>       |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |             | <b>505 925</b>     | <b>510 797</b>     | <b>513 588</b>    | <b>205 096</b>     |

## Interim Consolidated Statement of Changes in Equity

### For the period ended 30 June 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                  | -             | -              | 192               | 192            |
| Other comprehensive income for the period     | -             | -              | -                 | -              |
| <i>Total comprehensive income</i>             | -             | -              | 192               | 192            |
| <b>Balance as at 30 June 2014 (unaudited)</b> | <b>48 420</b> | <b>126 463</b> | <b>19 811</b>     | <b>194 694</b> |

### For the period ended 30 June 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                  | -             | -              | 3 873             | 3 873          |
| Other comprehensive income for the period     | -             | -              | -                 | -              |
| <i>Total comprehensive income</i>             | -             | -              | 3 873             | 3 873          |
| <b>Balance as at 30 June 2013 (unaudited)</b> | <b>48 420</b> | <b>126 463</b> | <b>22 323</b>     | <b>197 205</b> |

## Interim Condensed Consolidated Cash Flow Statement

| <i>In USD thousands</i>   | Q2<br>2014<br>(unaudited) | Q1<br>2014<br>(unaudited) | 1.1 - 30.6<br>2014<br>(unaudited) | 1.1 - 30.6<br>2013<br>(unaudited) |
|---|---------------------------|---------------------------|-----------------------------------|-----------------------------------|
| <b>Cash Flows from Operating Activities:</b>                      |                           |                           |                                   |                                   |
| Profit/(loss) before taxes  | 180                       | 12                        | 192                               | 3 776                             |
| Income taxes paid   | (31)                      | (31)                      | (62)                              | -                                 |
| Interest and borrowing costs expensed                             | 6 290                     | 6 303                     | 12 594                            | 561                               |
| <i>Items included in profit/(loss) not affecting cash flows:</i>  |                           |                           |                                   |                                   |
| Depreciation and amortisation                                     | 4 442                     | 4 441                     | 8 883                             | 3 930                             |
| <i>Changes in operating assets and liabilities:</i>               |                           |                           |                                   |                                   |
| Trade receivables, inventory and other short term assets          | 2 965                     | 2 458                     | 5 424                             | (1 452)                           |
| Trade payables, provisions and accruals                           | (2 559)                   | 397                       | (2 161)                           | (2 182)                           |
| <b>i) Net cash provided by / (used in) operating activities</b>   | <b>11 288</b>             | <b>13 581</b>             | <b>24 870</b>                     | <b>4 632</b>                      |
| <b>Cash Flows from Investing Activities:</b>                      |                           |                           |                                   |                                   |
| Investment in vessels   | (1 033)                   | -                         | (1 033)                           | (779)                             |
| Investment in vessels under construction                          | -                         | (505)                     | (505)                             | (3 270)                           |
| Investment in other fixed assets                                  | -                         | (2)                       | (2)                               | (153)                             |
| <b>ii) Net cash provided by / (used in) investing activities</b>  | <b>(1 033)</b>            | <b>(507)</b>              | <b>(1 540)</b>                    | <b>(4 202)</b>                    |
| <b>Cash Flows from Financing Activities:</b>                      |                           |                           |                                   |                                   |
| Proceeds from borrowings  | -                         | -                         | -                                 | 2 092                             |
| Repayment of borrowings   | (2 702)                   | (2 560)                   | (5 262)                           | (1 633)                           |
| Interest and borrowing costs paid                                 | (6 340)                   | (6 217)                   | (12 557)                          | (561)                             |
| <b>iii) Net cash provided by / (used in) financing activities</b> | <b>(9 043)</b>            | <b>(8 776)</b>            | <b>(17 820)</b>                   | <b>(102)</b>                      |
| <b>Net change in cash and cash equivalents (i+ii+iii)</b>         | <b>1 212</b>              | <b>4 298</b>              | <b>5 511</b>                      | <b>328</b>                        |
| Cash and cash equivalents at start of period                      | 22 542                    | 18 244                    | 18 244                            | 2 569                             |
| <b>Cash and cash equivalents at end of period</b>                 | <b>23 754</b>             | <b>22 542</b>             | <b>23 754</b>                     | <b>2 897</b>                      |



## **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 three months and first half year ended 30 June 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 Q2 2014, same as 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 Q2 2014, the contribution from each customer varying between 12 and 45 per cent of total freight income. In the first half of 2014, three customers contributed with more than 10 per cent of the Group's freight income, varying between 16 and 35 per cent of the total.

### **Note 3 - Share capital**

The number of issued shares was 67,788,874 at 30 June 2014. There were no changes in shares issued in Q2 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 in Q1 2014 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.

WilEnergy charter extended until end September.

#### **WilGas dry-docking**

WilGas commenced scheduled dry-docking in early June 2014.

## 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                 | Q2   | Q2   | 1.1 - 30.6 | 1.1 - 30.6 |
|-------------------------------|------|------|------------|------------|
|                               | 2014 | 2013 | 2014       | 2013       |
| Wilhelmsen Marine Services AS | 235  | 961  | 417        | 1 814      |
| Awilhelmsen Management AS     | 183  | 166  | 365        | 342        |
| Astrup Fearnley Group         | 60   | 109  | 158        | 241        |

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 30 June 2014 were MUSD 7.3 (MUSD 8.3 31 March 2014), of which deferred revenue was MUSD 3.5 (MUSD 5.8 31 March 2014).

## Note 7 - Events after the balance sheet date

WilGas completed scheduled dry-docking in mid-July.