



THIRD QUARTER 2015 RESULTS

Highlights third quarter

- Awilco LNG ASA (Awilco LNG or the Company) reported freight income of MUS\$ 8.3 (MUS\$ 7.3 in Q2 2015) and EBITDA of MUS\$ 2.8 (MUS\$ 1.7 in Q2 2015).
- WilPower was sold and delivered to new owner on 30 July 2015.
- Vessel utilisation of 68 % compared to 34 % in Q2 2015 (trading vessels).

Key financial figures

USD million	Q3'15	Q2'15	Q1'15	2014
Freight income	8.3	7.3	12.1	78.5
Voyage related expenses	1.1	1.3	1.8	11.2
EBITDA	2.8	1.7	5.5	41.0
Net profit/(loss)	(7.3)	(11.7)	(4.7)	(2.7)
Total assets	461.4	472.4	486.7	497.5
Total equity	168.2	175.4	187.1	191.8
Interest bearing debt	288.8	291.8	294.6	297.4
Cash and cash equivalents	21.4	7.6	17.4	20.8
Book equity ratio	36 %	37 %	38 %	39 %

FINANCIAL REVIEW

Income statement third quarter 2015

Freight income for the quarter was MUS\$ 8.3, up from MUS\$ 7.3 in the previous quarter. The increase was due to improved utilisation of WilPride, from 3 % in Q2 to 56 % this quarter. Fleet utilisation for the quarter ended at 68 % (trading vessels), compared to 34 % in Q2 2015. Voyage related expenses were MUS\$ 1.1 (MUS\$ 1.3 Q2 2015).

Operating expenses were MUS\$ 3.4, same as in Q2 2015. WilGas entered cold lay-up end August, and this will reduce operating expenses to approx. USD 2,000 per day with full effect in Q4 2015. Administration expenses for the quarter were MUS\$ 0.9, down from MUS\$ 1.0 in Q2 2015. EBITDA for the quarter was MUS\$ 2.8 (MUS\$ 1.7 Q2 2015). Depreciation for the quarter was recorded at MUS\$ 4.0, compared to MUS\$ 4.2 in Q2 2015.

Net financial items were MUS\$ (6.1) compared to MUS\$ (6.0) in Q2 2015. Interest expenses on the WilForce and WilPride financial leases amounted to MUS\$ 6.1, same as in Q2 2015.

Loss for the period was MUS\$ 7.3, compared to a loss of MUS\$ 11.7 in Q2 2015.

Statement of financial position

Book value of vessels was MUS\$ 434.6 as at 30 September 2015 (MUS\$ 438.6 30 June 2015). The decrease reflects ordinary depreciation during the quarter. The vessel WilPower was agreed sold and presented as held for sale in Q2 2015, and was subsequently delivered to its new owners on 30 July 2015 together with settlement of the sales proceeds.

Total current assets were MUS\$ 26.7 as at 30 September 2015 (MUS\$ 15.8 as at 30 June 2015), of which cash and cash equivalents were MUS\$ 21.4 (MUS\$ 7.6 Q2 2015). Additionally there was a reduction of prepayments of MUS\$ 3.0 compared to last quarter.

Total equity as at 30 September 2015 was MUS\$ 168.2.

Total current liabilities were MUS\$ 16.9 as at 30 September 2015, compared to MUS\$ 17.4 as at 30 June 2015. MUS\$ 12.5 of the current liabilities relates to the short term portion of the WilForce and WilPride financial leases (MUS\$ 12.2 as at 30 June 2015).

MARKET UPDATE

The Far East gas price was relatively stable in the quarter, starting at just above USD 7/MMBTU and ending at about USD 6.50/MMBTU on the back of signs of increased LNG production. The marginal reduction in the Far East gas price further narrowed the arbitrage opportunities between West and East.

LNG import to Asia has remained weak in Q3. Chinese LNG imports continued the weakening trend and are down by about 4 % over the first 9 months, mainly as a result of increased pipeline gas import. Following mild weather and restart of nuclear power plants, Japanese and South Korean LNG imports have been reduced by 3.3% and 7.4% respectively.

As a result of continued low LNG import to Asia, limited arbitrage opportunities and continued oversupply of available vessels, the LNG shipping activity and rates remained weak during the quarter. Rates for TFDE LNG carriers stayed at USD 30,000 per day level throughout the period with low utilization.

The supply from Yemen's Balhaf LNG terminal is still down, as well as production from Angola and Egypt. On a positive note, the Australian Gladstone LNG commenced production from its first train as

scheduled in Q3, and first cargo was shipped in mid-October. The second train is expected to start production by the end of the year. The next start-up is the Australia Pacific LNG plant, which is reported to be on schedule for production start from first train in Q4 this year, followed by its second train scheduled to commence 6 months later. Nameplate production capacity from Gladstone and Australia Pacific is 7.8 MTPA and 9 MTPA respectively when fully operational. Australia has four additional liquefaction plants under construction, which will bring its exports from the current 33 MTPA to 83 MTPA by 2017. Australia is thus expected to surpass Qatar as the world's largest LNG exporter over the next two years.

In total about 135 MTPA (excluding restart of Angola LNG plant) of new LNG capacity is currently under construction with expected startup by 2019. This represents a potential increase of about 50 % compared to 2014 production levels.

Despite the weak LNG market in 2015, newbuilding activity has persisted on the back of the LNG plants under construction and 20 newbuildings have been ordered so far in 2015. According to shipbrokers the total orderbook as of end Q3 2015 for LNG vessels above 100,000 cbm (excl. FSRU and FLNG) stand at 145 vessels, of which only 15 are available for contract. 19 vessels were delivered during first 9 months 2015 and 9 vessels are scheduled for delivery in Q4 15.

ORGANISATION

The principal activity of Awilco LNG ASA and its subsidiaries is to invest in and operate LNG transportation vessels. The Group handles the commercial and technical operation of the vessels from its main office in Oslo, and currently has 8 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: employed on a three year charter with a one year option in charterer's favour to an oil and gas major, which commenced in January 2014.



WilPride: is trading in the spot/short term market.

2nd generation vessels

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

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

Contract overview

	2015	2016
WilPride		Available
WilForce	On charter	On charter
WilGas	 Available	Lay-up - Marketed for project work
WilEnergy	Lay-up - Marketed for project work	Lay-up - Marketed for project work

OUTLOOK

There is currently still an oversupply of LNG vessels in the market which will have to be absorbed before the market will improve substantially. The market for older tonnage has been even more affected by the increased fleet than the modern, more efficient tonnage. It is expected that the phasing out of older tonnage will increase due to the persistent weak market.

Scheduled new LNG production and expected phasing out of older tonnage is expected to gradually improve utilisation and rates as the new production starts up. WilPride is currently operating in the spot market. Awilco LNG is continuously evaluating mid- and long-term employment opportunities for WilPride, in addition to longer term infrastructure projects and for its second generation vessels.

Oslo, 16 November 2015

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>						
		Q3	Q2	Q3	1.1 - 30.9	1.1 - 30.9
		2015	2015	2014	2015	2014
	Note	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Freight income	2	8 326	7 290	20 782	27 751	60 805
Voyage related expenses	5	1 124	1 264	3 490	4 215	8 712
Net freight income		7 202	6 026	17 292	23 536	52 093
Operating expenses		3 417	3 376	5 030	10 360	15 463
Administration expenses	5	945	953	1 392	3 121	4 134
Earnings before interest, taxes, depr. and amort. (EBITDA)		2 840	1 697	10 870	10 055	32 496
Depreciation and amortisation		4 043	4 202	4 770	12 532	13 653
Impairment of vessel held for sale	4	-	3 189	-	3 189	-
Earnings before interest and taxes		(1 203)	(5 694)	6 100	(5 666)	18 843
Finance income		12	32	11	176	82
Finance expenses		6 069	6 062	6 364	18 190	18 987
Net finance income/(expense)		(6 057)	(6 031)	(6 353)	(18 013)	(18 905)
Profit/(loss) before taxes		(7 260)	(11 725)	(254)	(23 679)	(61)
Income tax expense		2	13	-	(9)	-
Profit/(loss) for the period		(7 258)	(11 712)	(254)	(23 688)	(61)
Earnings per share in USD attributable to ordinary equity holders of Awilco LNG ASA:						
Basic, profit/(loss) for the period		(0.11)	(0.17)	0.00	(0.35)	0.00
Diluted, profit/(loss) for the period		(0.11)	(0.17)	0.00	(0.35)	0.00

Interim Consolidated Statement of Comprehensive Income

Profit/(loss) for the period	(7 258)	(11 712)	(254)	(23 688)	(61)
Other comprehensive income:					
Other comprehensive income items	-	-	-	-	-
Total comprehensive income/(loss) for the period	(7 258)	(11 712)	(254)	(23 688)	(61)

Interim Condensed Consolidated Statement of Financial Position

<i>In USD thousands</i>		30.9.2015	30.6.2015	31.12.2014	30.9.2014
	Note	(unaudited)	(unaudited)	(audited)	(unaudited)
ASSETS					
Non-current assets					
Vessels		434 575	438 610	467 114	471 753
Other fixed assets		132	140	297	314
Total non-current assets		434 707	438 750	467 411	472 067
Current assets					
Trade receivables		2 578	2 467	2 520	2 976
Inventory		2 312	2 032	2 794	3 939
Other short term assets		405	3 764	3 960	3 887
Cash and cash equivalents		21 358	7 579	20 819	21 491
Total current assets		26 653	15 841	30 094	32 293
Vessel held for sale	4	-	17 772	-	-
TOTAL ASSETS		461 360	472 363	497 505	504 360
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		(6 732)	526	16 956	19 558
Total equity		168 150	175 408	191 838	194 440
Non-current liabilities					
Pension liabilities		203	198	165	168
Long-term interest bearing debt		276 111	279 349	285 556	288 598
Total non-current liabilities		276 314	279 547	285 721	288 766
Current liabilities					
Short-term interest bearing debt		12 487	12 228	11 699	11 457
Trade payables		582	582	467	2 221
Income tax payable		56	62	54	-
Provisions and accruals	6	3 771	4 535	7 725	7 478
Total current liabilities		16 896	17 408	19 945	21 155
TOTAL EQUITY AND LIABILITIES		461 360	472 363	497 505	504 360

Interim Consolidated Statement of Changes in Equity

For the period ended 30 September 2015

<i>In USD thousands</i>	Share capital	Share premium	Retained earnings	Total equity
Equity at 1 January 2015	48 420	126 463	16 956	191 838
Profit/(loss) for the period	-	-	(23 688)	(23 688)
Other comprehensive income for the period	-	-	-	-
<i>Total comprehensive income</i>	-	-	(23 688)	(23 688)
Balance as at 30 September 2015 (unaudited)	48 420	126 463	(6 732)	168 150

For the period ended 30 September 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	-	-	(61)	(61)
Other comprehensive income for the period	-	-	-	-
<i>Total comprehensive income</i>	-	-	(61)	(61)
Balance as at 30 September 2014 (unaudited)	48 420	126 463	19 558	194 440

Interim Condensed Consolidated Cash Flow Statement

<i>In USD thousands</i>	Q3 2015 (unaudited)	Q2 2015 (unaudited)	1.1 - 30.9 2015 (unaudited)	1.1 - 30.9 2014 (unaudited)
Cash Flows from Operating Activities:				
Profit/(loss) before taxes	(7 260)	(11 725)	(23 679)	(61)
Income taxes paid	-	-	-	(62)
Interest and borrowing costs expensed	6 055	6 052	18 152	18 888
<i>Items included in profit/(loss) not affecting cash flows:</i>				
Depreciation and amortisation	4 043	4 202	12 532	13 653
Impairment of vessel held for sale	-	3 189	3 189	-
(Gain)/Loss on sale of other fixed assets	-	-	45	-
<i>Changes in operating assets and liabilities:</i>				
Trade receivables, inventory and other short term assets	(77)	34	110	5 476
Trade payables, provisions and accruals	(752)	390	(3 898)	(634)
i) Net cash provided by / (used in) operating activities	2 009	2 142	6 451	37 260
Cash Flows from Investing Activities:				
Investment in vessels / sale of vessels	17 764	-	17 764	(6 651)
Investment in vessels under construction	-	-	-	(505)
Investment in other fixed assets	-	-	-	(2)
Proceeds from sale of other fixed assets	-	-	89	-
ii) Net cash provided by / (used in) investing activities	17 764	-	17 853	(7 158)
Cash Flows from Financing Activities:				
Repayment of borrowings	(1 982)	(3 882)	(7 701)	(8 023)
Interest and borrowing costs paid	(4 013)	(8 100)	(16 065)	(18 832)
iii) Net cash provided by / (used in) financing activities	(5 995)	(11 982)	(23 766)	(26 854)
Net change in cash and cash equivalents (i+ii+iii)	13 779	(9 840)	538	3 248
Cash and cash equivalents at start of period	7 579	17 419	20 819	18 244
Cash and cash equivalents at end of period	21 358	7 579	21 358	21 491

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 four LNG carriers.

Basis for preparation

The Statements for the three months ended 30 September 2015 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 2014, 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 2014.

Additionally the Group has applied the following policy regarding non-current assets held for sale:

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through sale rather than continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell and presented separately as assets held for sale and liabilities held for sale in the statement of financial position.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan to sell will be withdrawn. In addition, the management is committed to the plan, and it is expected that the sale will be completed within a year. Once classified as held for sale assets are not depreciated or amortised.

Note 2 - Segment information

Operating segments

The Group currently owns and operates four LNG vessels, after disposing of WilPower in July 2015. 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 Q3 2015, same as in Q2 2015.

Information about major customers

The Group had one customer contributing with more than 10 per cent of the Group's freight income in Q3 2015.

Note 3 - Share capital

The number of issued shares was 67,788,874 at 30 September 2015. There were no changes in shares issued in Q3 2015. 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

Sale of vessel WilPower

On 30 July 2015 WilPower was delivered to its buyer and the sales proceeds were settled.

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 quarterly 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 4.3 in yearly management fee (approx. MUSD 0.5-0.6) 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

<i>In USD thousands</i>	Q3	Q2	1.1 - 30.9	1.1 - 30.9
Related party	2015	2015	2015	2014
Wilhelmsen Marine Services AS	145	146	484	622
Awilhelmsen Management AS	129	137	400	538
Astrup Fearnley Group	-	-	-	221

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 September 2015 were MUSD 3.8 (MUSD 4.5 30 June 2015), of which deferred revenue was MUSD 2.4 (MUSD 2.9 30 June 2015).

Note 7 - Events after the balance sheet date

There were no material events after the balance sheet date.