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Awilco LNG ASA: Amended agreement with Teekay and contemplated private placement

As previously announced, Awilco LNG ASA (“Awilco LNG” or the “Company”) has evaluated various options to strengthen the Company’s balance sheet and improve its financial stability. The Company is pleased to announce a comprehensive refinancing, including an amended and more flexible agreement with its main creditor Teekay LNG Partners L.P. (“Teekay LNG”) and an equity issue to re-establish a robust financial platform for the Company.

Awilco LNG has retained ABG Sundal Collier ASA (the “Manager”) to advise on and effect a private placement of new shares with gross proceeds in the amount of NOK 215 million (approximately USD 25 million) directed towards existing shareholders and potential new Norwegian and international investors (the “Private Placement”). The subscription price will be determined through a book-building process to be conducted by the Manager.

The main shareholders Awilco AS, Uthalden A/S and Astrup Fearnley A/S will participate in the Private Placement and subscribe minimum their pro-rata share of the equity issue (approximately 50% in total) and have furthermore committed to vote in favor of the necessary corporate resolutions to complete the Private Placement at an Extraordinary General Meeting scheduled for on or about 12 June 2017 (the “EGM”), to be called for shortly after completion of the Private Placement. In addition, the Manager has received significant pre-commitments from other existing shareholders.

In connection with the Private Placement, the Company has secured a prolonged and more flexible agreement with Teekay LNG for a restructuring of the Company’s bareboat charterparties. The renegotiated agreement with Teekay LNG, together with the contemplated Private Placement, is a key milestone to re-establishing a solid financial platform and securing a robust business plan for the Company.

The new agreement with Teekay LNG include an extension of the current bareboat charters for the Company’s two vessels (WilForce and WilPride) to 31 December 2019, and flexibility through options for early termination of the charterparties to enable the Company to refinance the vessels at any time before maturity of the charterparties. Furthermore, the amended agreement also include a front loaded reduction in the bareboat rate payable to Teekay through the deferral of up to USD 29m in charter hire to Teekay LNG. The deferred amounts will become payable at maturity of the contracts. The amendments to the contracts with Teekay LNG are subject to, inter alia, completion of the Private Placement in the minimum amount of USD 25 million.

The net proceeds from the Private Placement will be used to strengthen the Company's balance sheet and liquidity position, and secure final agreement with Teekay LNG.

The application period for the Private Placement will commence today, 18 May 2017 at 16:30 CET and close tomorrow, 19 May 2017 at 08:00 CET. The Company may at its own discretion extend or shorten the application period at any time and for any reason. The minimum order in the Private Placement has been set to the number of shares that equals an aggregate purchase price of the NOK equivalent of EUR 100,000. The Company may, at its sole discretion, allocate an amount below EUR 100,000 to the extent applicable exemptions from the prospectus requirement pursuant to the Norwegian Securities Trading Act and ancillary regulations are available.

The allocation of New Shares in the Private Placement will be made at the discretion of the Company's Board of Directors in consultation with the Manager.

Completion of the Private Placement is subject to (i) approval of by the Board of Directors of the Company of the subscription price and the allocation of the offer shares following the end of the application period, (ii) approval by the EGM of the Company and (iii) the Company entering into final agreement with Teekay LNG in connection with the Company's restructuring of its bareboat charterparties. As a consequence of the Private Placement structure, the shareholders' preferential rights will be deviated from. The waiver of the preferential rights is considered necessary in the interest of time and successful completion of the Private Placement and planned refinancing.

The new shares issued in the Private Placement will not be listed on Oslo Axess before a listing prospectus has been prepared and published by the Company, expected to take place end of June 2017. Pending such listing, the new shares will be delivered on a separate ISIN.

Subject to completion of the Private Placement, the Board of Directors intends to carry out a subsequent offering of new shares (the "Subsequent Offering"). The Subsequent Offering will be directed towards shareholders in the Company as of close of trading today, 18 May 2017, as registered in the VPS on 22 May 2017 (the "Record Date") who were not offered to participate in the Private Placement, and who are not resident in a jurisdiction where such offering would be unlawful, or would (in a jurisdiction other than Norway) require any prospectus filing, registration or similar action ("Eligible Shareholders"). Eligible Shareholders will receive non-transferable subscription rights based on their shareholding as of the Record Date. The subscription rights will give Eligible Shareholders a preferential right to subscribe for and be allocated shares in the Subsequent Offering. The subscription price in the Subsequent Offering will be equal to the subscription price in the Private Placement.

Enclosed is a presentation dated 18 May 2017, which gives more detailed information on the proposed refinancing and the Company. Further, reference is made to the Company's financial report for Q1 2017 published 5 May 2017.

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The distribution of this release may in certain jurisdictions be restricted by law. Persons into whose possession this release comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such

jurisdiction. The Manager are acting for the Company and no one else in connection with the Private Placement and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for providing advice in relation to the Private Placement and/or any other matter referred to in this release.

Forward-looking statements:

This release and any materials distributed in connection with this release may contain certain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they reflect the Company's current expectations and assumptions as to future events and circumstances that may not prove accurate. A number of material factors could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.