



BW LPG

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Corporate presentation

January, 2014



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Important Note

- In relation to this presentation, it is important to note the following:
 - BW LPG is a 31 December reporting entity, and we are presently in blackout on business updates
 - Consequently, this presentation is deliberately constrained to market views and re-iteration of information already provided publically
 - Nothing in this presentation is intended to provide an update on corporate performance beyond information available on our website

Who are we?

- BW LPG is the largest owner / operator of VLGCs, with a fleet of 31 VLGCs, 5 LGCs, and 6 VLGCs on order, with an additional 2 VLGC newbuild options
- Largest shareholder and fleet manager is the BW Group, 100% owner pre-IPO
- Acquired the Maersk LPG fleet of 5 owned + 5 TC-in vessels between July and November 2013
- Listed 21st November 2013 on the Oslo Stock Exchange, raising gross proceeds of USD 280 million in new equity
- Concurrently raised USD 700 million 7-year secured facility at USD LIBOR + 190 bps
- Reported TCE earnings of USD 76 million in Q3 2013, delivering EBITDA of USD 42 million
- Contracted 6 newbuildings due 2014 & 2015, with 2 options available for additional newbuildings deliverable 2016



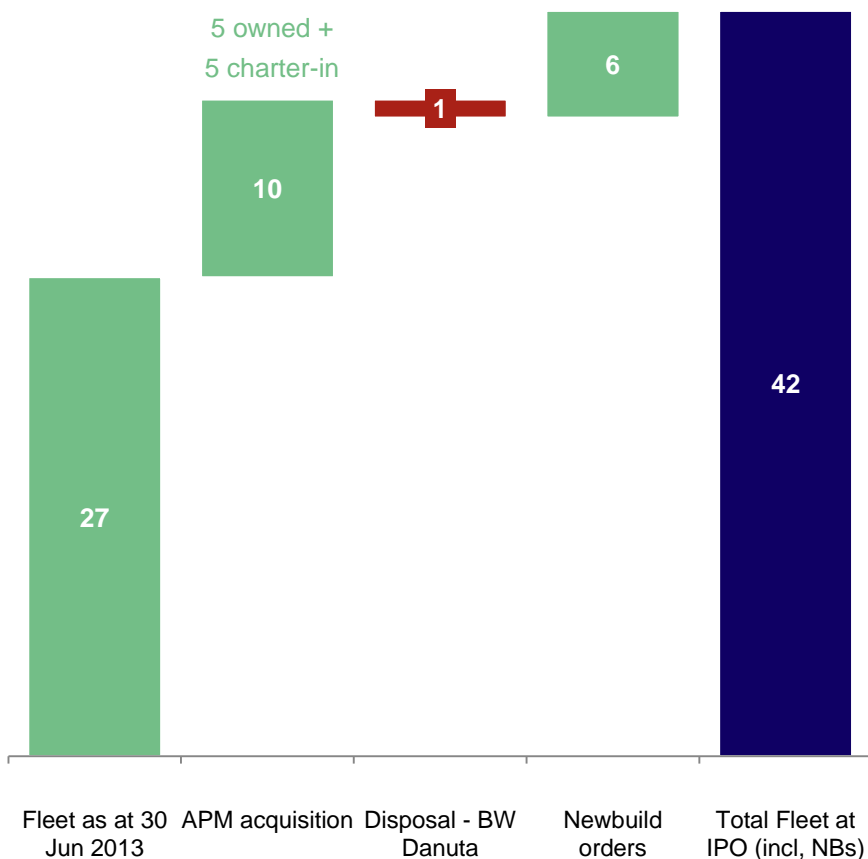
LPG market highlights - 2013

- Strong positive market trends in 2nd half
 - later than typical softening
 - lows well above historic levels
- Strong value generation in the duration of the peak reported at approx. USD1.6m / month
- This peak is not overwhelmingly high – important to apply careful analysis to estimate realistic sustainable peak rates in the segment
- Positive impact of US exports, with terminal capacity coming online on time and a solid pipeline of new projects
- Extensive newbuilding programs order and related business combinations concluded

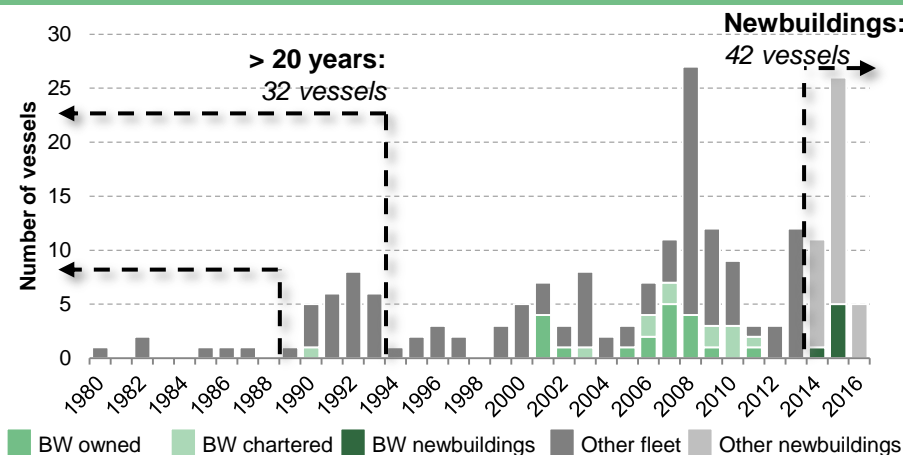


Fleet development

Growing fleet since Q2 2013



VLGC fleet profile¹



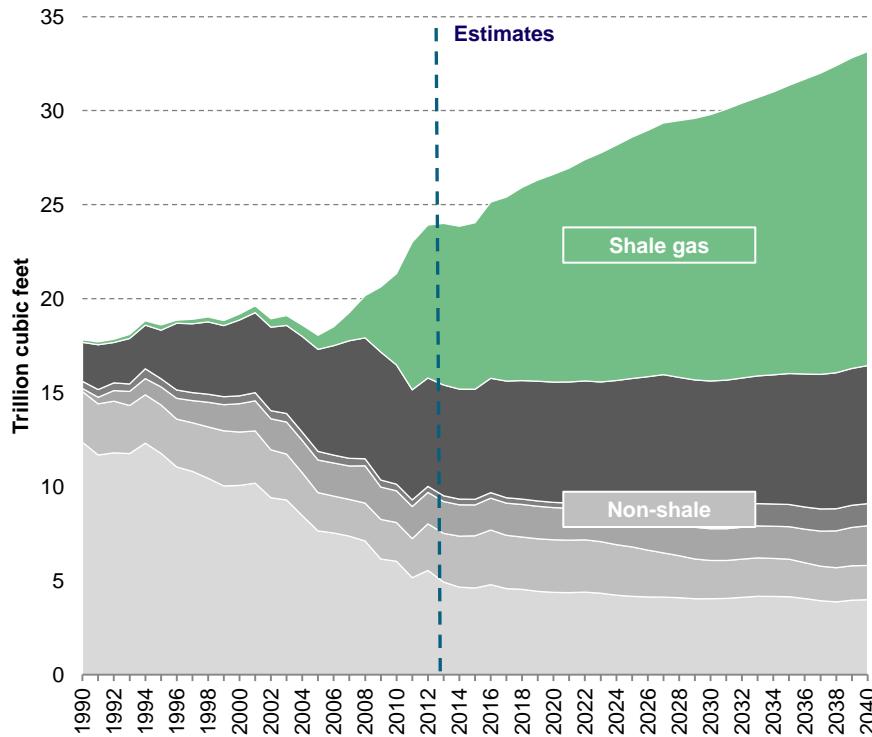
- Current global sailing fleet of 151 vessels
- BW LPG owns and operates a fleet of 36 vessels
- 42 new building VLGCs on order, of which 6 are contracted by BW LPG
- The acquisition of the AP Moller fleet was completed in Q4 2013, with the delivery of 5 owned and 5 chartered vessels
- These vessels will add revenue going forward and full impact of the vessels already delivered will be seen in Q1 2014

The outlook for US contribution to LPG export volumes continues to improve

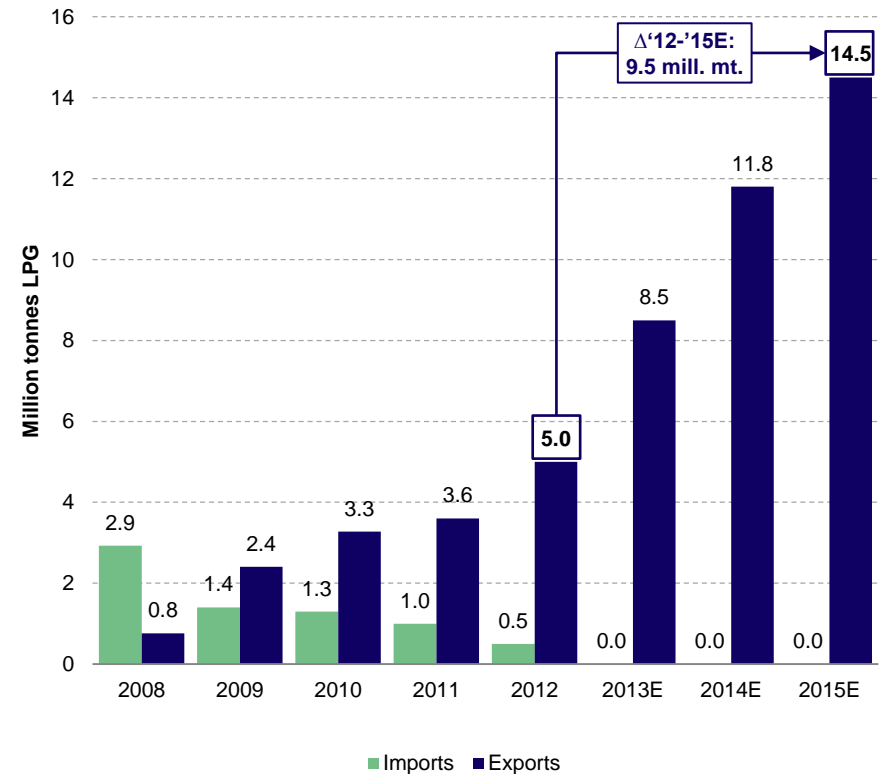
Better US margins on propane (vs. methane) resulting in a shift to NGL-rich fields

US is expected to become one of the world's leading LPG exporters

Strong US natural gas production growth



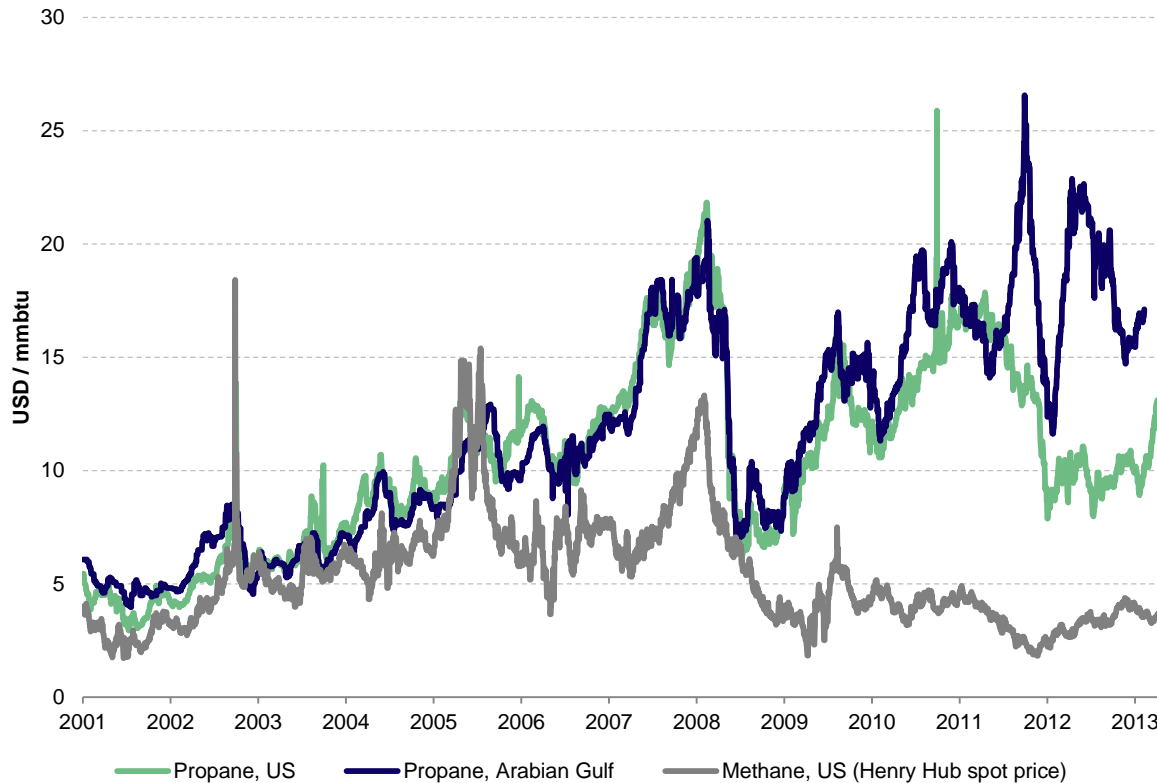
US LPG imports/exports



Low US LPG marginal cost of production creates sustainable export market

US exports driven by increasing volumes of LPG at competitive global prices

US vs Arabian Gulf propane prices



Comments

- Natural gas price (methane) has decreased with shale gas production
- Producers have incentive to develop fields with higher LPG content (propane and butane)
- US LPG prices have delinked from AG prices, creating an arbitrage opportunity
- This results in a lower delivered LPG price to Asia, even after terminal and transportation costs

Asia seems to be the likely home for a high proportion of US exports, despite distance

LPG demand: Asia-Pacific is the main importer

LPG demand breakdown

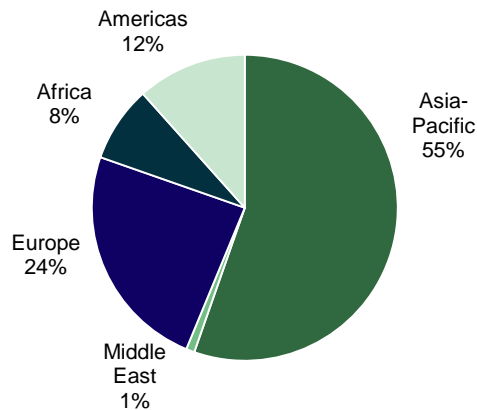


Retail
(63%)
Mostly propane



Industrial
(37%)
Propane & butane

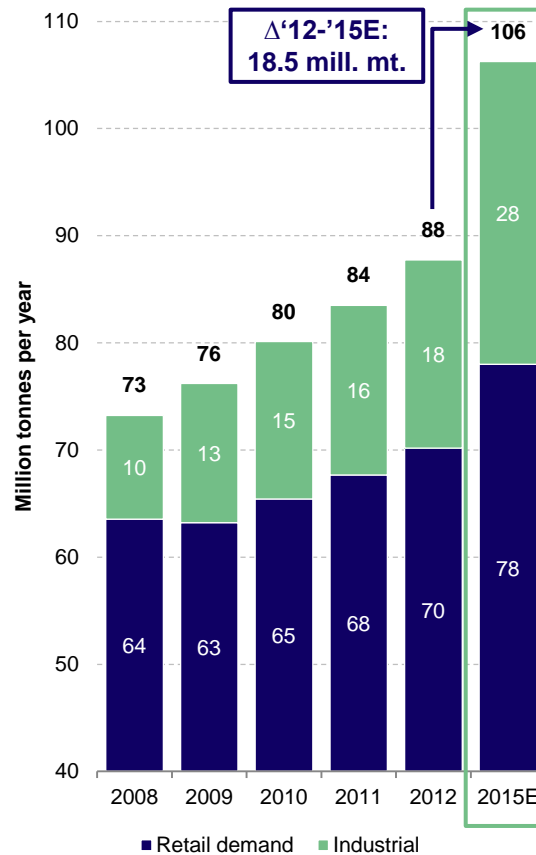
Seaborne LPG imports



2012 imports¹: 67 million tonnes

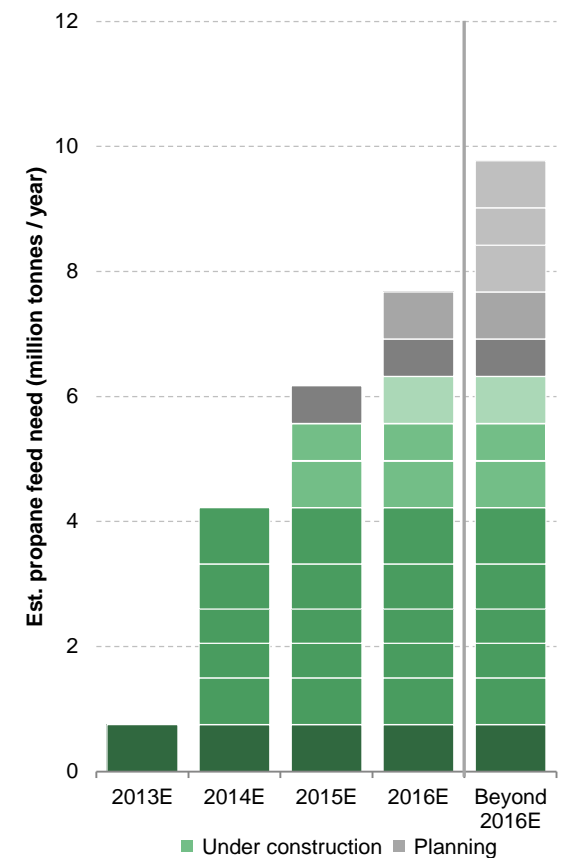
Increase in LPG demand supported by retail and industrial consumption

Asia Pacific LPG consumption



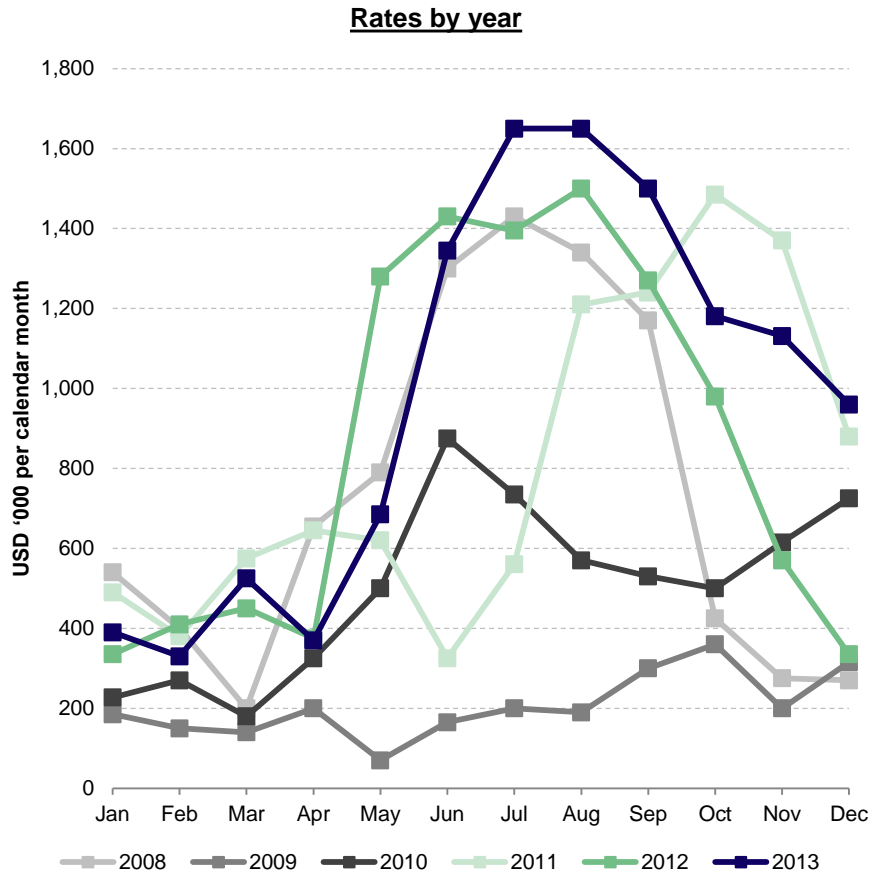
Asian PDH plants contribute to growing base load demand

Chinese PDH project pipeline

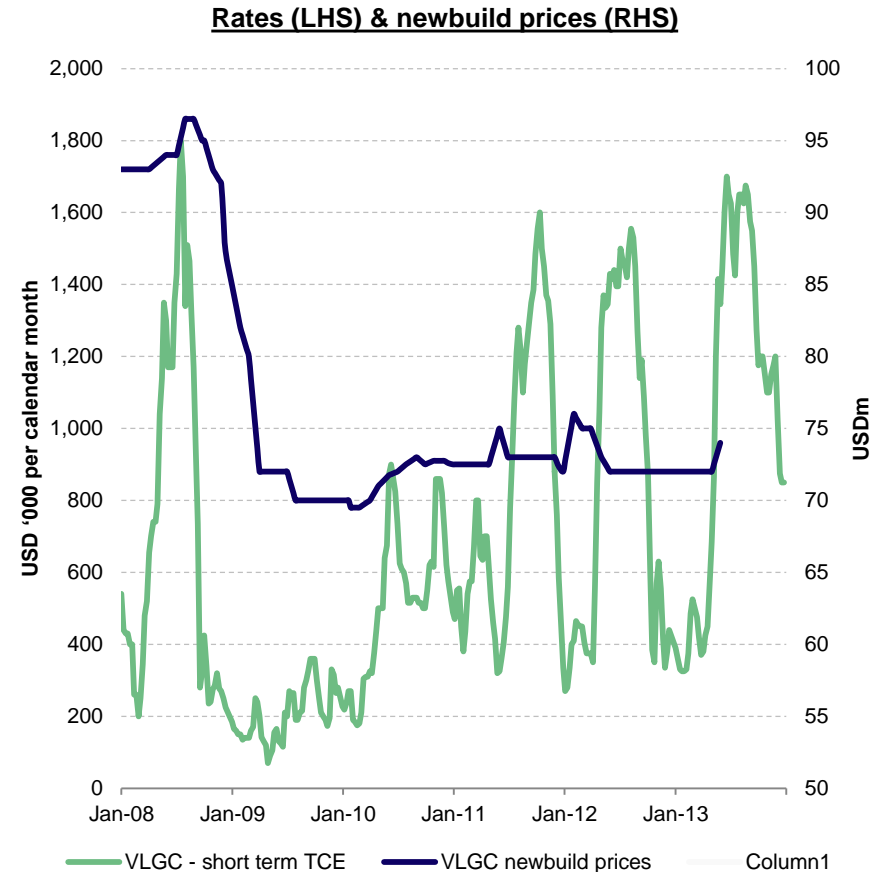


Recent transactions indicate asset prices beginning to reflect the positive rate trend

VLGC short term TCE rate development



VLGC short term TCE rate & newbuilding prices



Asset quality and operational excellence remain critical, even in a tightening market

Voyage performance

- Fleet planning, route and ship allocation
- Chartering / contracts
- Voyage planning
- Speed management
- Weather routing and sea current
- Port / harbour operations



Primary consumers, main and aux engines

- Steam plant efficiency
- Main engine efficiency
- Aux engines efficiency and utilisation
- Aux boilers efficiency and utilisation



Ship performance

- Hull condition
- Propeller condition
- Autopilot and rudder
- Trim and draft
- Hull appendages and technical modifications



Secondary energy consumption

- Cargo operations
- Thruster operations
- Ventilation, HVAC and lights
- Insulation and energy losses
- Water production
- Incineration



Fuel management

- Pre-bunkering
- During bunkering
- Post-bunkering



Management and organisation

- Performance management
- Strategy and tactical plans
- Roles and responsibilities
- Culture and awareness
- Competence and training
- Cooperation and communication



Market activity to watch in 2014

- US exports
 - Terminal capacity build-out and new commitments
 - Proportion of LPG captured finding its way to export markets
 - Destinations of US cargoes
- LPG pricing – ex-AG and ex-US. How do increasing export volumes impact delivered price of LPG?
- Contract structuring – emergence of longer-term charters?
- Energy & feedstock replacement – emergence of new demand centres to capitalize on price outlook & availability?
- Newbuildings: capacity, pricing, delivered quality, and new ordering
- Second hand disposals and business combinations to capitalize on efficiency of strong operating platforms
- Timeline for Panama Canal expansion





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