BW LPG Limited

Condensed Consolidated
Interim Financial Information
Q2 2015 and H1 2015

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HIGHLIGHTS – Q2 2015 and H1 2015

- Time Charter Equivalent (TCE) earnings were US$154.7 million in Q2 2015 (US$285.3 million in H1 2015), compared with US$140.8 million in Q2 2014 (US$ 241.2 million in H1 2014).

- VLGC TCE rates averaged US$46,600/day in Q2 2015 (US$44,000/day in H1 2015), compared with US$45,200/day in Q2 2014 (US$39,000/day in H1 2014).

- LGC TCE rates averaged US$34,900/day in Q2 2015 (US$32,900/day in H1 2015), compared with US$30,800/day in Q2 2014 (US$25,600/day in H1 2014).

- EBITDA of US$105.8 million in Q2 2015 (US$186.2 million in H1 2015) was better than EBITDA of US$91.9 million in Q2 2014 (US$143.4 million in H1 2014) due primarily to improved TCE/day earnings combined with the effect of a larger fleet.

- Net profit after tax was US$80.7 million in Q2 2015 (US$138.0 million in H1 2015) compared with US$72.4 million in Q2 2014 (US$103.2 million in H1 2014), mainly due to stronger TCE earnings and enlarged fleet.

- On 10 April 2015, the Group entered into shipbuilding contracts with Daewoo Shipbuilding and Marine Engineering ("DSME") for four VLGCs. They are expected to be delivered in the third and fourth quarter of 2016.

- On 27 April 2015, a VLGC newbuild from Hyundai Heavy Industries Co., Ltd. ("HHI"), BW Leo was delivered.

- On 28 April 2015, the Group exercised a purchase option on the VLGC, Berge Summit. She was delivered on 11 May 2015.

- At the date of this report, the fleet size of the Group comprises 33 VLGCs and five LGCs owned/operated, plus eight VLGC newbuilds.

- The Board has declared an interim cash dividend of US$0.78 per share for H1 2015, amounting to US$103.7 million. The shares will be traded ex-dividend from 31 August 2015. The dividend will be payable on or about 14 September 2015 to shareholders of record on 1 September 2015. This Condensed Consolidated Interim Financial Information does not reflect this interim dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2015.

- On 20 July 2015, the Company was granted an option from a subsidiary of BW Group Limited to purchase a total of 6.0 million shares (representing 10.2% of the total equity interest) in Dorian LPG Ltd, a company listed on the New York Stock Exchange at a price of USD 15.34 per share, amounting to a total of USD 92.0 million.

  After careful deliberation, the Company has elected not to exercise the above option.

SELECTED KEY FINANCIAL INFORMATION

	Q2 2015	Q2 2014	Inc/(Dec)	H1 2015	H1 2014	Inc/(Dec)
	US$ million	US$ million	%	US$ million	US$ million	%
Income Statement (Reviewed)						
Operating revenue	**189.6**	203.0	(6.6)	**357.6**	353.7	1.1
TCE income	**154.7**	140.8	9.9	**285.3**	241.2	18.3
EBITDA	**105.8**	91.9	15.1	**186.2**	143.4	29.8
Net profit after tax	**80.7**	72.4	11.5	**138.0**	103.2	33.7
Basic & diluted EPS (US$ per share)	**0.61**	0.53	15.1	**1.03**	0.76	35.5

	(Reviewed) 30 June 2015 US$ million	(Audited) 31 December 2014 US$ million
Balance Sheet		
Cash & cash equivalents	**68.8**	70.2
Total assets	**1,943.2**	1,664.1
Total liabilities	**880.7**	583.1

PERFORMANCE REVIEW: Q2 2015

Operating revenue was US$189.6 million in Q2 2015 (US$203.0 million in Q2 2014). TCE income increased to US$154.7 million from US$140.8 million, mainly attributable to improved TCE earnings, resulting from continued strong utilisation, increased fleet size, especially in the VLGC segment and lower bunker costs. These factors resulted in an increase in TCE income of US$12.0 million and US$1.9 million in the VLGC and LGC segment respectively. The newbuild vessel, BW Leo was deployed in the Group's contract portfolio upon her delivery on 27 April 2015. The two newbuild vessels, BW Carina and BW Gemini, delivered in Q1 2015 started to generate full quarter earnings with effect from April 2015.

Charter hire expenses decreased to US$18.8 million in Q2 2015 (US$24.7 million in Q2 2014) due to fewer charter-in vessels. Other operating expenses increased to US$30.9 million (US$24.3 million in Q2 2014) mainly attributable to an overall larger fleet size.

EBITDA was US$105.8 million in Q2 2015 (US$91.9 million in Q2 2014) mainly as a result of improved TCE earnings.

Net finance expense increased to US$4.1 million in Q2 2015 (US$2.4 million in Q2 2014) primarily due to increased external borrowings and net payment of interest upon settlement of interest rate swaps ("IRS").

Market values of vessels have remained stable as at 30 June 2015 with no indicators of impairment.

The Group reported a net profit after tax of US$80.7 million in Q2 2015 (US$72.4 million in Q2 2014).

PERFORMANCE REVIEW: H1 2015

Operating revenue was US$357.6 million in H1 2015 (US$353.7 million in H1 2014). TCE income increased to US$285.3 million in H1 2015 from US$241.2 million in H1 2014, mainly attributable to improved TCE earnings, resulting from improved freight rates, continued strong utilisation, increased fleet size, especially in the VLGC segment and lower bunker costs. These factors resulted in an increase in TCE income of US$37.5 million and US$6.6 million in the VLGC and LGC segment respectively. The newbuild vessels, BW Carina, BW Gemini and BW Leo were deployed in the Group's contract portfolio upon their deliveries.

Charter hire expenses decreased to US$42.7 million in H1 2015 (US$48.9 million in H1 2014) due to fewer charter-in vessels. Other operating expenses increased to US$57.4 million in H1 2015 (US$49.8 million in H1 2014) attributable to an overall larger fleet size.

EBITDA was US$186.2 million in H1 2015 (US$143.4 million in H1 2014), resulting mainly from improved TCE earnings, which was partially offset by the net increases in charter hire expense and other operating expenses.

Net finance expense increased to US$8.4 million in H1 2015 (US$6.2 million in H1 2014), primarily due to increased external borrowings and net payment of interest upon settlement of interest rate swaps ("IRS").

The Group reported a net profit after tax of US$138.0 million in H1 2015 (US$103.2 million in H1 2014).

BALANCE SHEET

As at 30 June 2015, total assets amounted to US$1,943.2 million (31 December 2014: US$1,664.1 million), of which US$1,739.8 million (31 December 2014: US$1,472.4 million) represented the carrying value of the Group's vessels (including dry docking) and vessels under construction as follows:

	As at 30 June 2015		
	VLGC US$ million	LGC US$ million	Total US$ million
Vessels (including dry-dock)	1,430.4	150.4	1,580.8
Vessels under construction	159.0	-	159.0
	1,589.4	150.4	1,739.8

Cash and cash equivalents amounted to US$68.8 million as at 30 June 2015 (31 December 2014: US$70.2 million). Cash flows from operating activities generated a net cash surplus of US$163.5 million in H1 2015. Together with available cash and cash equivalents brought forward and net proceeds of drawdowns from available facilities, cash flows from operating activities were principally utilised for instalment payments for newbuilds, repayment of bank borrowings and interest payments, payment for exercise of purchase option on Berge Summit; and payment of dividend in respect of FY 2014.

As at 30 June 2015, the Group has committed contracts with Hyundai Heavy Industries Co. Ld. ("HHI") for the construction of four VLGCs of US$205.2 million and Daewoo Shipbuilding and Marine Engineering ("DSME") for the construction of four VLGCs of US$217.5 million.

MARKET OUTLOOK

Robust growth in US export volumes and Asian imports has underpinned longer shipping distances, increasing tonne-mile demand strongly and resulting in tight availability of LPG carriers – in particular VLGCs and LGCs. Therefore both the spot and time charter markets experienced sustained strength throughout the first half of 2015 as VLGC spot rates experienced a quarter on quarter increase of 16% and year on year increase of 3%.

Waterborne US LPG exports amounted to 9.4mt in the first half of 2015, a year on year increase of 35% from 2014. Stable export volumes from the Middle East and Africa and strong export volumes out of the North Sea have lent further support to the LPG shipping market, with China and India driving growth in import demand. The startup of PDH facilities, a strong retail market and stock building to take advantage of low prices have been the main contributors of LPG demand growth in China, while retail demand and infrastructure capacity constraints in India have helped sustain strength in the VLGC shipping market. Developed LPG import markets such as Japan and Korea achieved muted demand growth in the first half of 2015.

LPG prices remain depressed globally, with both Saudi CP & Algerian CP propane prices declining to $365 and $295 per ton in August, respectively. After briefly trading at roughly 25% of WTI in late Q2 2015, Mont Belvieu propane prices stabilized, albeit at low levels. Propane price spreads between Asia and the US facilitated the flow of arbitrage cargoes during the past quarter, however, the strength of the VLGC market and the recent weakness in naphtha prices has slowed West/East movements.

Despite a 53% peak to trough decline in the horizontal rig count in unconventional US shale plays and continued weakness in natural gas liquids (NGL) prices, US propane production was higher year on year and quarter on quarter by 9% and 6%, respectively, in the second quarter of 2015, attributable mainly to increased production efficiencies and re-fracking of existing wells. Investments in pipelines and export terminal capacity have continued at anticipated levels, so the supply outlook for LPG exports remains positive.

The expectation for 2016 is continued positive development in demand. There is some degree of risk to US LPG production if oil prices remain low, albeit so far there has been no negative impact on availability of LPG to meet export demand. The increasing rate of VLGC newbuild deliveries is likely to result in some degree of further softening in charter rates from the relative highs experienced in 2014 and 2015. The build-out of the VLGC fleet has been supported by a robust expansion in US export terminal capacity in 2015, with even stronger growth expected in 2016.

Beyond 2016, the LPG export market is anticipated to continue growing, with supply of US export LPG, global LPG import demand, and incremental newbuild ordering all having the potential to significantly impact the charter rate environment.

BW LPG continues to grow its fleet, having already taken delivery of four VLGC newbuilds, with a further two deliveries expected in the second half of 2015 and six in 2016, enabling us to ensure our market leading position in LPG shipping.

RISK FACTORS

The Group's results are largely dependent on the worldwide market for transportation of Liquid Petroleum Gas. Market conditions for shipping activities are typically volatile and, as a consequence, the results may vary considerably from year to year. The market in broad terms is dependent upon two factors: the supply of vessels and the demand for Liquid Petroleum Gas which is dependent on the global economy. The supply of vessels depends on the number of newbuildings entering the market, the demolition of older tonnage and legislation that limits the use of older vessels or sets new standards for vessels used in specific trades. The demand side depends mainly on developments in the global economy.

The Group is also exposed to risk in respect of fuel oil costs. Fuel oil prices are affected by the global political and economic environment. This risk is managed by pricing contracts of affreightment with fuel oil adjustment clauses, or by entering into forward fuel oil contracts. For voyage contracts, the current fuel costs are priced into the contracts. Other risks that Management takes into account are interest rate risk, credit risk, liquidity risk and capital risk. Management does not expect the exposure to these risks to change materially to cause a significant impact on the performance of the Group for the second half of 2015.

Statements to the Half-Yearly Financial Report and the Interim Management report

We confirm to the best of our knowledge that the Condensed Consolidated Interim Financial Information for the first half year of 2015 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of BW LPG Limited's consolidated assets, liabilities, financial position and income statement as a whole. We also confirm to the best of our knowledge, that the interim management report includes a fair review of important events that have taken place during the first half year of 2015 and their impact on the Condensed Consolidated Interim Financial Information, and accounts properly for the principal risks and uncertainties for the remaining half year of 2015, as well as major related parties transactions.

27 August 2015

Andreas Sohmen-Pao Chairman	John B Harrison Vice Chairman	Dato' Jude P Benny
Andreas Beroutsos	Anne Grethe Dalane	Carsten Mortensen
Anders Onarheim		

Report on review of condensed consolidated interim financial information to the shareholders of BW LPG Limited and its subsidiaries

Introduction

We have reviewed the accompanying condensed consolidated balance sheet of BW LPG Limited (the “Company”) and its subsidiaries (the “Group”) as at 30 June 2015 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the three-month period from 1 April 2015 to 30 June 2015 and the half-year period from 1 January 2015 to 30 June 2015 that are set out on page 8 to 28. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 27 August 2015

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(Reviewed)

	Note	Q2 2015 US$'000	Q2 2014 US$'000	H1 2015 US$'000	H1 2014 US$'000
Revenue		189,644	202,959	357,640	353,719
Voyage expenses		(34,931)	(62,143)	(72,355)	(112,512)
TCE income #		154,713	140,816	285,285	241,207
Other operating income		701	40	954	875
Charter hire expense		(18,772)	(24,700)	(42,651)	(48,949)
Other operating expenses		(30,865)	(24,305)	(57,388)	(49,757)
Operating profit before depreciation, amortisation and impairment (EBITDA)		105,777	91,851	186,200	143,376
Amortisation charge	3	(1,227)	(1,227)	(2,455)	(2,455)
Depreciation charge	4	(19,644)	(15,626)	(37,027)	(31,301)
Operating profit		84,906	74,998	146,718	109,620
Foreign currency exchange loss - net		(3)	(18)	(64)	(12)
Interest income		32	31	55	72
Interest expense		(4,248)	(2,653)	(7,004)	(5,512)
Derivative gain/(loss)		636	311	(310)	(51)
Other finance expense		(518)	(23)	(1,123)	(695)
Finance expense – net		(4,101)	(2,352)	(8,446)	(6,198)
Profit before tax for the financial period		80,805	72,646	138,272	103,422
Income tax expense		(116)	(200)	(316)	(223)
Profit after tax for the financial period		80,689	72,446	137,956	103,199

"TCE income" denotes "time charter equivalent income" which represents revenue from time charters and voyage charters less voyage expenses comprising primarily fuel oil, port charges and commission.

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
(Reviewed)

	Note	Q2 2015 US$'000	Q2 2014 US$'000	H1 2015 US$'000	H1 2014 US$'000
Other comprehensive income:					
Items that may be subsequently reclassified to income statement					
- Fair value gains/(losses)		270	(697)	(3,819)	(409)
- Reclassification to profit or loss		757	-	1,044	-
Other comprehensive income/(loss), net of tax		1,027	(697)	(2,775)	(409)
Total comprehensive income for the financial period		81,716	71,749	135,181	102,790
Profit attributable to:					
Equity holders of the Company		80,468	72,117	137,373	102,751
Non-controlling interests		221	329	583	448
		80,689	72,446	137,956	103,199
Total comprehensive income attributable to:					
Equity holders of the Company		81,495	71,420	134,598	102,342
Non-controlling interests		221	329	583	448
		81,716	71,749	135,181	102,790
Earnings per share attributable to the equity holders of the Company					
(expressed in US$ per share)					
Basic and diluted earnings per share		0.61	0.53	1.03	0.76

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

CONSOLIDATED BALANCE SHEET

	Note	(Reviewed) 30 June 2015 US$'000	(Audited) 31 December 2014 US$'000
Charter-hire contracts acquired	3	14,926	17,381
Intangible asset		14,926	17,381
Derivative financial instruments	5	1,027	681
Vessels	4	1,541,690	1,282,424
Vessels under construction	4	158,986	153,838
Dry docking	4	39,131	36,173
Furniture and fixtures	4	436	497
Total property, plant and equipment		1,740,243	1,472,932
Total non-current assets		1,756,196	1,490,994
Inventories		13,828	15,629
Trade and other receivables		104,417	87,177
Derivative financial instruments	5	-	19
Cash and cash equivalents		68,750	70,245
Total current assets		186,995	173,070
Total assets		1,943,191	1,664,064
Share capital	6	1,363	1,363
Share premium		269,103	269,103
Treasury shares	7	(22,445)	(22,445)
Contributed surplus		685,913	685,913
Other reserves		(46,043)	(43,286)
Retained earnings		165,302	180,747
		1,053,193	1,071,395
Non-controlling interests		9,329	9,559
Total shareholders' equity		1,062,522	1,080,954
Borrowings	8	766,879	469,855
Deferred income		496	745
Derivative financial instruments	5	1,239	797
Total non-current liabilities		768,614	471,397
Borrowings	8	63,458	59,579
Deferred income		496	496
Derivative financial instruments	5	4,077	1,709
Current income tax liabilities		669	675
Trade and other payables		43,355	49,254
Total current liabilities		112,055	111,713
Total liabilities		880,669	583,110
Total equity and liabilities		1,943,191	1,664,064

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
(Reviewed)

		Attributable to equity holders of the Company										
	Note	Share capital US$'000	Share premium US$'000	Treasury shares US$'000	Contributed surplus US$'000	Capital reserves US$'000	Hedging reserves US$'000	Share-based payment reserve US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance at 1 January 2015		1,363	269,103	(22,445)	685,913	(41,480)	(1,806)	-	180,747	1,071,395	9,559	1,080,954
Profit for the period		-	-	-	-	-	-	-	137,373	137,373	583	137,956
Other comprehensive income for the period		-	-	-	-	-	(2,775)	-	-	(2,775)	-	(2,775)
Total comprehensive income for the period		-	-	-	-	-	(2,775)	-	137,373	134,598	583	135,181
Share-based payment reserve												
- Value of employee services		-	-	-	-	-	-	18	-	18	-	18
Dividend paid	13	-	-	-	-	-	-	-	(152,818)	(152,818)	-	(152,818)
Payment to non-controlling interests		-	-	-	-	-	-	-	-	-	(813)	(813)
Total transactions with owners, recognised directly in equity		-	-	-	-	-	-	18	(152,818)	(152,800)	(813)	(153,613)
Balance at 30 June 2015		1,363	269,103	(22,445)	685,913	(41,480)	(4,581)	18	165,302	1,053,193	9,329	1,062,522

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)

(Reviewed)

		Attributable to equity holders of the Company									
	Note	Share capital US$'000	Share premium US$'000	Contributed surplus US$'000	Capital reserves US$'000	Hedging reserves US$'000	Share-based payment reserve US$'000	Retained earning US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance at 1 January 2014		1,363	268,987	685,913	(41,480)	-	13	50,203	964,999	9,730	974,729
Profit for the period		-	-	-	-	-	-	102,751	102,751	448	103,199
Other comprehensive income for the period		-	-	-	-	(409)	-	-	(409)	-	(409)
Total comprehensive income for the period		-	-	-	-	(409)	-	102,751	102,342	448	102,790
Share-based payment reserve - Value of employee services		-	-	-	-	-	57	-	57	-	57
Dividend paid	13	-	-	-	-	-	-	(20,440)	(20,440)	-	(20,440)
Total transactions with owners, recognised directly in equity		-	-	-	-	-	57	(20,440)	(20,383)	-	(20,383)
Balance at 30 June 2014		1,363	268,987	685,913	(41,480)	(409)	70	132,514	1,046,958	10,178	1,057,136

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)
(Reviewed)

	Attributable to equity holders of the Company										
	Share capital US$'000	Share premium US$'000	Treasury shares US$'000	Contributed surplus US$'000	Capital reserves US$'000	Hedging reserves US$'000	Share-based Payment reserve US$'000	Retained earning US$'000	Total US$'000	Non-Controlling interests US$'000	Total equity US$'000
Balance at 30 June 2014	1,363	268,987	-	685,913	(41,480)	(409)	70	132,514	1,046,958	10,178	1,057,136
Profit for the period	-	-	-	-	-	-	-	151,819	151,819	651	152,470
Other comprehensive income for the period	-	-	-	-	-	(1,397)	-	-	(1,397)	-	(1,397)
Total comprehensive income for the period	-	-	-	-	-	(1,397)	-	151,819	150,422	651	151,073
Share-based payment reserve - Value of employee services	-	-	-	-	-	-	46	-	46	-	46
Issue of new shares	-	116	-	-	-	-	(116)	-	-	-	-
Purchase of treasury shares	-	-	(22,445)	-	-	-	-	-	(22,445)	-	(22,445)
Payment to non-controlling interests	-	-	-	-	-	-	-	-	-	(1,270)	(1,270)
Dividend paid	-	-	-	-	-	-	-	(103,586)	(103,586)	-	(103,586)
Total transactions with owners, recognised directly in equity	-	116	(22,445)	-	-	-	(70)	(103,586)	(125,985)	(1,270)	(127,255)
Balance at 31 December 2014	1,363	269,103	(22,445)	685,913	(41,480)	(1,806)	-	180,747	1,071,395	9,559	1,080,954

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS
(Reviewed)

	Q2 2015 US$'000	Q2 2014 US$'000	H1 2015 US$'000	H1 2014 US$'000
Cash flows from operating activities				
Profit before tax for the financial period	80,805	72,646	138,272	103,422
Adjustments for:				
- amortisation charge	1,227	1,227	2,455	2,455
- amortisation of deferred income	(124)	(124)	(249)	(248)
- depreciation charge	19,644	15,626	37,027	31,301
- derivative (gain)/loss	(569)	(288)	(292)	48
- interest income	(32)	(31)	(55)	(72)
- interest expense	4,248	2,653	7,004	5,512
- other finance expense	513	-	1,062	-
- share-based payments	9	28	18	57
Operating cash flow before working capital changes	105,721	91,737	185,242	142,475
Changes in working capital:				
- inventories	(2,664)	492	1,801	(2,743)
- trade and other receivables	(9,840)	(29,686)	(17,240)	(11,071)
- trade and other payables	7,792	(6,251)	(5,997)	(3,371)
Cash generated from operations	101,009	56,292	163,806	125,290
Taxes paid	(322)	(23)	(322)	(23)
Net cash provided by operating activities	100,687	56,269	163,484	125,267
Cash flow from investing activities				
Purchases of property, plant and equipment	(127,657)	(33,056)	(302,738)	(72,418)
Interest paid (capitalised interest expense)	(659)	(671)	(1,250)	(1,150)
Interest received	32	31	55	72
Net cash used in investing activities	(128,284)	(33,696)	(303,933)	(73,496)
Cash flows from financing activities				
Proceeds from borrowings	227,508	50,000	414,824	50,000
Payment of financing fee	-	-	(3,928)	-
Repayments of bank borrowings	(14,834)	(12,500)	(102,334)	(75,000)
Repayment of finance lease	(8,763)	(50,309)	(9,556)	(53,647)
Interest paid	(3,127)	(2,473)	(5,457)	(5,440)
Dividend paid	(152,818)	(20,440)	(152,818)	(20,440)
Finance expense paid	(704)	-	(964)	-
Payment to non-controlling interests	-	-	(813)	-
Net cash provided by/(used in) financing activities	47,262	(35,722)	138,954	(104,527)
Net increase/(decrease) in cash and cash equivalents	19,665	(13,149)	(1,495)	(52,756)
Cash and cash equivalents at beginning of the financial period	49,085	71,300	70,245	110,907
Cash and cash equivalents at end of the financial period	68,750	58,151	68,750	58,151

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

These notes form an integral part of and should be read in conjunction with the accompanying consolidated financial information.

1. General information

BW LPG Limited (the "Company") is incorporated and domiciled in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are shipowning and chartering.

This condensed consolidated interim financial information was approved for issue by the Board of Directors of the Company on 27 August 2015.

2. Significant accounting policies

(a) Basis of preparation

The condensed consolidated interim financial information for the second quarter and first half ended 30 June 2015 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

In the preparation of this set of condensed consolidated interim financial information, the same accounting policies have been applied as those used in the preparation of the annual financial statements for the year ended 31 December 2014.

The Group has not early adopted the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant to the Group's annual accounting periods beginning on 1 January 2016 or later periods. The Group does not anticipate the adoption of these changes to have a material impact on the condensed interim financial information.

Critical accounting estimates and assumptions

The preparation of the condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2014.

3. Intangible assets

	Charter hire contracts acquired US$'000
At 1 January 2015	17,381
Amortisation charge	(2,455)
At 30 June 2015	**14,926**
At 1 January 2014	22,291
Amortisation charge	(2,455)
At 30 June 2014	19,836
Amortisation charge	(2,455)
At 31 December 2014	17,381

4. Property, plant and equipment

	Vessels US$'000	Dry docking US$'000	Vessels under construction US$'000	Furniture and fixtures US$'000	Total US$'000
Cost					
At 1 January 2015	1,523,570	53,223	153,838	620	1,731,251
Additions	73,292	3,109	227,937	-	304,338
Transfer in/(out)	216,039	6,750	(222,789)	-	-
At 30 June 2015	1,812,901	63,082	158,986	620	2,035,589
Accumulated depreciation and impairment charge					
At 1 January 2015	241,146	17,050	-	123	258,319
Depreciation charge	30,065	6,901	-	61	37,027
At 30 June 2015	271,211	23,951	-	184	295,346
Net book value					
At 30 June 2015	**1,541,690**	**39,131**	**158,986**	**436**	**1,740,243**

4. Property, plant and equipment (CONTINUED)

	Vessels US$'000	Dry docking US$'000	Vessels under construction US$'000	Furniture and fixtures US$'000	Total US$'000
Cost					
At 1 January 2014	1,449,082	41,260	65,241	316	1,555,899
Additions	-	2,366	70,898	304	73,568
Write-off on completion of drydocking costs	-	(634)	-	-	(634)
At 30 June 2014	1,449,082	42,992	136,139	620	1,628,833
Additions	1,907	15,256	93,045	-	110,208
Transfer in/(out)	72,581	2,765	(75,346)	-	-
Write-off on completion of drydocking costs	-	(7,790)	-	-	(7,790)
At 31 December 2014	1,523,570	53,223	153,838	620	1,731,251
Accumulated depreciation and impairment charge					
At 1 January 2014	187,792	12,824	-	-	200,616
Depreciation charge	26,325	4,912	-	64	31,301
Write-off on completion of drydocking costs	-	(634)	-	-	(634)
At 30 June 2014	214,117	17,102	-	64	231,283
Depreciation charge	27,029	7,738	-	59	34,826
Write-off on completion of drydocking costs	-	(7,790)	-	-	(7,790)
At 31 December 2014	241,146	17,050	-	123	258,319
Net book value					
At 30 June 2014	1,234,965	25,890	136,139	556	1,397,550
At 31 December 2014	1,282,424	36,173	153,838	497	1,472,932

(a) The Group has mortgaged certain vessels with an aggregate carrying amount of US$1,127.6 million at 30 June 2015 (31 December 2014: US$1,058.7 million) as security for bank borrowings amounting to US$830.3 million (31 December 2014: US$519.9 million) (Note 8).

(b) For H1 2015, interest amounting to US$1.6 million (H1 2014: US$ 1.2 million) has been capitalised in vessels under construction. The interest rate used to determine the amount of borrowing costs eligible for capitalisation was 2.1% (2014: 2.1%) per annum.

5. Derivative financial instruments

	(Reviewed) 30 June 2015		(Audited) 31 December 2014	
	Assets US$'000	Liabilities US$'000	Assets US$'000	Liabilities US$'000
Interest rate swaps	735	(5,316)	700	(2,506)
Bunker swap	292	-	-	-
	1,027	(5,316)	700	(2,506)

The above interest rate swaps comprise of 16 contracts of total notional principal amounts of US$400.1 million that will expire on 25 February 2019. Out of the 16 contracts, eight contracts with notional amounts totalling US$193.8 million will forward start on 25 February 2016.

The notional amounts decrease quarterly from the commencement date.

Interest rate swaps are transacted to hedge interest rate risk on bank borrowings and cash flow hedge accounting has been adopted by the Group for these contracts. After taking into account the effects of these contracts, for part of the bank borrowings, the Group effectively pays fixed interest rates ranging from 1.7% per annum to 2.2% per annum and receives a variable rate equal to US$ three-month LIBOR. Hedge accounting is adopted by the Group for these contracts.

Bunker swaps are transacted to hedge bunker price risks. The Group did not adopt hedge accounting for these contracts.

6. Share capital

As at 30 June 2015, the Company's share capital comprises 136,291,455 (31 December 2014: 136,291,455) fully paid common shares with a par value of US$0.01 per share, amounting to a total of US$1,362,764 (31 December 2014: US$1,362,764).

7. Treasury shares

The Company's treasury shares comprise 3.4 million shares that were purchased in December 2014 under a share buy-back programme at an average price of NOK47.74 per share. Aggregate consideration amounted to NOK162.3 million (US$22.4 million).

8. Borrowings

	(Reviewed) 30 June 2015 US$'000	(Audited) 31 December 2014 US$'000
Non-current		
Bank borrowings	766,879	469,855
Current		
Finance lease liabilities	-	9,556
Interest payable	2,341	1,072
Bank borrowings	61,117	48,951
	63,458	59,579
Total borrowings	830,337	529,434

Movements in borrowings are analysed as follows:

	US$'000
Balance as at 1 January 2015	529,434
Proceeds from bank borrowings	414,824
Financing fees	(3,928)
Interest expense	7,004
Interest capitalised	1,600
Less: Interest paid	(6,707)
Less: Principal repayments of bank borrowings	(102,334)
Less: Repayments of finance lease	(9,556)
Balance as at 30 June 2015	830,337
Balance as at 1 January 2014	608,589
Proceeds from bank borrowings	50,000
Interest expense	5,512
Interest capitalised	1,150
Less: Interest paid	(6,007)
Less: Principal repayments	(75,000)
Less: Repayment of finance lease	(53,647)
Balance as at 30 June 2014	530,597
Proceeds from bank borrowing	90,000
Interest expense	4,871
Interest capitalised	1,587
Less: Interest paid	(6,072)
Less: Principal repayments	(90,000)
Less: Repayment of finance lease	(1,549)
Balance as at 31 December 2014	529,434

8. Borrowings (Continued)

On 17 February 2015, the Group signed a Facility Agreement with Export-Import Bank of Korea, DNB Asia Limited and Skandinaviska Enskilda Banken AB (Publ), Singapore Branch for a debt facility of up to US$400 million to provide post-delivery financing for seven VLGC newbuilds with HHI.

Bank borrowings of the Group as at 30 June 2015 of US$830.3 million (31 December 2014: US$519.9 million) are secured by mortgages over certain vessels of the Group (Note 4). In addition, the Company has provided two corporate guarantees to DNB Asia Ltd for the facilities granted to a subsidiary from two groups of lenders.

The finance lease liability relates to a vessel and it was fully repaid in May 2015 (31 December 2014: US$9.6 million).

The carrying amounts of current and non-current borrowings approximate their fair values.

9. Related party transactions

In addition to the information disclosed elsewhere in the condensed consolidated interim financial information, the following transactions took place between the Group and related parties during the financial period at terms agreed between the parties:

(a) Services

	(Reviewed) Q2 2015 US$'000	(Reviewed) Q2 2014 US$'000	(Reviewed) H1 2015 US$'000	(Reviewed) H1 2014 US$'000
Support service fees charged by related parties*	1,197	1,384	2,249	2,823
Ship management fees charged by related parties*	2,173	1,638	4,126	3,629
Derivative (gain) recovered from/loss reimbursed to a shareholder for a financial instrument entered on behalf of the Group	-	(311)	669	51

	(Reviewed) 30 June 2015 US$'000	(Audited) 31 December 2014 US$'000
Trade and other payables		
- Related parties*	(1,314)	(954)
Other receivables		
- Related parties*	1,583	-

* "Related parties" refers to corporations controlled by one of the Company's shareholders.

9. Related party transactions (Continued)

(b) Key management's remuneration

	Q2 2015 US$'000	Q2 2014 US$'000	**H1 2015 US$'000**	H1 2014 US$'000
Salaries and other short term employee benefits	**273**	279	**733**	658
Post-employment benefits – contributions to defined contribution plans, share-based payment and termination benefits	**81**	35	**100**	78
Directors' fees	**125**	86	**249**	173
	479	400	**1,082**	909

10. Commitments

(a) Capital commitments

In 2013 and 2014, the Group entered into shipbuilding contracts with HHI for the construction of eight VLGCs. BW Aries was delivered in 2014 while BW Carina, BW Gemini and BW Leo were delivered in H1 2015. The remaining four are to be delivered within the next 12 months.

In April 2015, the Group entered into shipbuilding contracts with DSME for the construction of four VLGCs. The vessels are expected to be delivered in the third and fourth quarter of 2016.

The total cost of the eight VLGC newbuilds amounted to US$576.1 million. As at 30 June 2015, the Group had paid US$153.4 million in instalments and these payments are capitalised and included in "vessels under construction". Capital commitments contracted for these eight VLGCs at the balance sheet date but not recognised in the consolidated financial information as at balance sheet date are as follows:

	30 June 2015 US$'000	31 December 2014 US$'000
Vessels under construction	**422,690**	368,824

Undrawn commitments under the Facility Agreement (Note 8) along with cash flows from operations will be utilised to fund the remaining instalments for the four newbuilds with HHI.

The Group is currently considering the different options to finance the remaining instalments for the four newbuilds with DSME.

10. **Commitments** (Continued)

(b) Operating lease commitments – where the Group is a lessor

The Group leases vessels to non-related parties under operating lease agreements. The leases have varying terms.

The future minimum lease payments receivable under operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	30 June 2015 US$'000	31 December 2014 US$'000
Not later than one year	113,993	130,556
Later than one year but not later than five years	161,009	120,583
	275,002	251,139

(c) Operating lease commitments – where the Group is a lessee

The Group leases vessels from non-related parties under operating lease agreements. The leases have varying terms.

The future aggregate minimum lease payments under operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	30 June 2015 US$000	31 December 2014 US$'000
Not later than one year	74,251	93,602
Later than one year but not later than five years	184,428	289,386
Later than five years	151,355	208,413
	410,034	591,401

11. **Financial risk management**

The Group's activities expose it to a variety of financial risks; market risks (including currency risk and interest rate risk); credit risk; and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2014. There have been no major changes in any risk management policies or processes since the previous year end. However, there has been a change in both the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company. The new CFO and new CEO joined the company with effect from 1 July 2015 and 1 August 2015, respectively.

11. Financial risk management (continued)

(a) Market risk - interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's bank borrowings are at variable rates. The Group has entered into interest rate swaps to swap floating interest rates to fixed interest rates for certain portion of the bank borrowings (Note 5). If USD interest rates increase/decrease by 50 basis points (2014: 50 basis points) with all other variables including tax rate being held constant, the profit after tax in H1 2015 will be lower/higher by approximately US$1.2 million (H1 2014: US$0.7 million) as a result of higher/lower interest expense on these borrowings; total comprehensive income will be higher/lower by approximately US$3.9 million (H1 2014: US$ nil).

(b) Financial instruments by category

The aggregate carrying amounts of loans and receivables, financial derivative assets and financial liabilities at amortised cost are as follows:

	30 June 2015 US$'000	31 December 2014 US$'000
Loans and receivables	162,428	145,804
Financial derivative instruments - net	4,289	1,806
Financial liabilities at amortised cost	867,084	570,748

(c) Fair value measurements

Financial assets and liabilities are measured at fair value and classified by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices) (Level 2); and
(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The Group's financial derivative instruments, measured at fair value are within Level 2 of the fair value hierarchy (Note 5). The fair value of financial derivative instruments that are not traded in an active market is determined by using valuation techniques. The fair values of interest rate swaps and bunker swaps are calculated as the present value of estimated future cash flows based on observable yield curves.

12. Segment information

Operating segments are determined based on the reports submitted to the Chief Operating Decision Maker (CODM) to make strategic decisions. The CODM is a committee of senior management comprising the Chief Executive Officer and Chief Financial Officer of the Group. Management considers its LPG business to be organised into two main business segments:

(i) Very Large Gas Carriers (VLGCs); and
(ii) Large Gas Carriers (LGCs)

The business segments are organised and managed according to the size of the LPG vessels.

Management assesses the performance of the operating segments based on operating profit before depreciation, impairment, amortisation, gain or loss on disposal of property, plant and equipment and gain or loss on disposal of subsidiaries ("EBITDA"). This measurement basis excludes the effects of gain or loss on disposal of property, plant and equipment, impairment charges, and gain or loss on disposal of subsidiaries that are not expected to recur regularly in every financial period. Interest income is not allocated to segments, as financing is determined based on an aggregate investment portfolio rather than by segments. Unallocated items include general expenses that are not attributable to any segments.

12. Segment information (continued)

The reconciliation of the reports reviewed by the CODM based on EBITDA to the basis as disclosed in this condensed consolidated interim financial information is as follows:

	VLGC	LGC	Total
Q2 2015	US$'000	US$'000	US$'000
Revenue	171,459	18,185	189,644
Voyage expenses	(32,618)	(2,313)	(34,931)
TCE income	138,841	15,872	154,713
EBITDA	97,929	11,072	109,001
Finance expense	(53)	(1)	(54)
Depreciation charge	(16,186)	(3,428)	(19,614)
Amortisation charge	(1,227)	-	(1,227)
	80,463	(7,643)	88,106
Unallocated items			(7,301)
Profit before income tax			80,805

	VLGC	LGC	Total
H1 2015			
Revenue	323,579	34,061	357,640
Voyage expenses	(68,091)	(4,264)	(72,355)
TCE income	255,488	29,797	285,285
EBITDA	172,305	20,562	192,867
Finance expense	(193)	(2)	(195)
Depreciation charge	(30,148)	(6,818)	(36,966)
Amortisation charge	(2,455)	-	(2,455)
	139,509	13,742	153,251
Unallocated items			(14,979)
Profit before income tax			138,272
Segment assets as at 30 June 2015	1,704,801	154,950	1,859,751
Segment assets includes:			
Additions to:			
- vessels	73,292	-	73,292
- vessels under construction	227,937	-	227,937
- dry docking	3,049	60	3,109
Segment liabilities as at 30 June 2015	854,263	2,744	857,007

12. Segment information (continued)

Q2 2014	VLGC US$'000	LGC US$'000	Total US$'000
Revenue	180,610	22,349	202,959
Voyage expenses	(53,811)	(8,332)	(62,143)
TCE income	126,799	14,017	140,816
EBITDA	84,710	10,377	95,087
Finance expense	(211)	(1)	(212)
Depreciation charge	(12,639)	(2,926)	(15,565)
Amortisation charge	(1,227)	-	(1,227)
	70,633	7,450	78,083
Unallocated items			(5,437)
Profit before income tax			72,646

H1 2014	VLGC US$'000	LGC US$'000	Total US$'000
Revenue	319,537	34,182	353,719
Voyage expenses	(101,511)	(11,001)	(112,512)
TCE income	218,026	23,181	241,207
EBITDA	134,486	15,310	149,796
Finance expense	(532)	(4)	(536)
Depreciation charge	(25,359)	(5,878)	(31,237)
Amortisation charge	(2,455)	-	(2,455)
	106,140	9,428	115,568
Unallocated items			(12,146)
Profit before income tax			103,422
Segment assets as at 30 June 2014	1,366,345	177,030	1,543,375
Segment assets includes:			
Additions to:			
- vessels under construction	70,898	-	70,898
- dry docking	1,701	665	2,366
Segment liabilities as at 30 June 2014	549,441	2,644	552,085

12. **Segment information** (continued)

Reportable segments' assets

The amounts provided to management with respect to total assets are measured in a manner consistent with that of the condensed consolidated interim financial information. For the purposes of monitoring segment performance and allocating resources between segments, management monitors vessels, dry docking, charter-hire contracts acquired, inventories, trade and other receivables, and intangible assets that can be directly attributable to each segment.

	30 June 2015 US$'000	31 December 2014 US$'000	30 June 2014 US$'000
Segment assets	**1,859,751**	1,576,696	1,543,375
Unallocated items:			
Cash and cash equivalents	**68,750**	70,245	58,151
Derivative financial instruments	**1,027**	700	152
Other receivables	**13,227**	15,926	30,017
Property, plant and equipment	**436**	497	556
Total assets	**1,943,191**	1,664,064	1,632,251

Reportable segments' liabilities

The amounts reported to management with respect to total liabilities are measured in a manner consistent with that of the condensed consolidated interim financial information. These liabilities are allocated based on the operations of the segments. Borrowings and certain trade and other payables are allocated to the reportable segments. All other liabilities are reported as unallocated items.

	30 June 2015 US$'000	31 December 2014 US$'000	30 June 2014 US$'000
Segment liabilities	**857,007**	560,363	552,085
Unallocated items:			
Derivative financial instruments	**5,316**	2,506	425
Other payables	**17,677**	19,566	22,405
Current income tax liabilities	**669**	675	200
Total liabilities	**880,669**	583,110	575,115

Geographical information

Non-current assets comprise mainly vessels and related capitalised dry-docking expenses, and operate on an international platform with individual vessels calling at various ports across the globe. The Group does not consider the domicile of its customers as a relevant decision making guideline and hence does not consider it meaningful to allocate vessels and revenue to specific geographical locations.

13. Dividends

A final dividend of US$152.8 million (at US$1.15 per share) was paid on 20 May 2015 in respect of FY2014. In the corresponding period last year, a final dividend of US$20.4 million (at US$0.15 per share) was paid on 23 May 2014 in respect of FY2013.

14. Subsequent events

The Board has declared an interim cash dividend of US$0.78 per share for H1 2015, amounting to US$103.7 million. The shares will be traded ex-dividend from 31 August 2015. The dividend will be payable on or about 14 September 2015 to shareholders of record on 1 September 2015. This Condensed Consolidated Interim Financial Information does not reflect this interim dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2015.

On 20 July 2015, the Company was granted an option from a subsidiary of BW Group Limited to purchase a total of 6.0 million shares (representing 10.2% of the total equity interest) in Dorian LPG Ltd, a company listed on the New York Stock Exchange at a price of USD 15.34 per share, amounting to a total of USD 92.0 million.

After careful deliberation, the Company has elected not to exercise the above option.