IMPORTANT NOTICE

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the Prospectus attached to this electronic transmission and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Prospectus. In accessing the attached Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the Managers, the Company or the Selling Shareholder (each as defined in the Prospectus) as a result of such access. You acknowledge that this electronic transmission and the delivery of the attached document is confidential and is intended for you only and you agree you will not forward this electronic transmission or the attached Prospectus (electronically or otherwise) to any other person.

THE SECURITIES MAY ONLY BE DISTRIBUTED IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND IN ACCORDANCE WITH, REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITHIN THE UNITED STATES TO QUALIFIED INSTITUTIONAL BUYERS ("QIBs") AS DEFINED IN AND IN ACCORDANCE WITH RULE 144A UNDER THE U.S. SECURITIES ACT.

Confirmation of your representation: In order to be eligible to view the document or make an investment decision with respect to the securities, investors must be either (1) QIBs or (2) outside the United States transacting in an offshore transaction (in accordance with Regulation S under the U.S. Securities Act). By accepting electronic delivery or electronically accessing this Prospectus, you shall be deemed to have confirmed to the Managers, the Company and the Selling Shareholder, that (i) you have understood and agree to the terms set out herein, (ii) (a) you and the electronic mail address you have given to us are not located in the United States, its territories and possessions or (b) QIB, (iii) you consent to delivery by electronic transmission, (iv) you will not transmit the attached Prospectus (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the consent of the Managers and (v) you acknowledge that you will make your own assessment regarding any legal, taxation or other economic considerations with respect to your decision to purchase the Offer Shares.

You are reminded that the attached Prospectus has been delivered to you on the basis that you are a person into whose possession this Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this Prospectus, electronically or otherwise, to any other person and in particular to any U.S. address. Failure to comply with this directive may result in a violation of the U.S. Securities Act or the applicable laws of other jurisdictions.

Restrictions: NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

ANY OFFER SHARES BEING SOLD HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE U.S. SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QIB THAT IS ACQUIRING SUCH OFFER SHARES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs, OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED HEREIN.

THE ATTACHED PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. DISTRIBUTION OR REPRODUCTION OF THE ATTACHED PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE APPLICABLE SECURITIES LAWS OF OTHER JURISDICTIONS.

Under no circumstances shall this Prospectus constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Offer Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of this Prospectus who intend to purchase any Offer Shares are reminded that any such purchase may only be made on the basis of the information contained in the Prospectus.

This Prospectus is being distributed only to and is directed only at persons in member states of the European Economic Area (with the exception of Norway) who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC), as amended, and any relevant implementing measure in each Member State of the European Economic Area. This Prospectus is being distributed only to and is directed only at (i) persons who are outside the United Kingdom; or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"); or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons in (ii) and (iii) being referred to as "relevant persons"). The Offer Shares are available only to, and any invitation, offer or agreement to purchase or otherwise acquire the Offer Shares will be engaged in only with, relevant persons. Any person who is within the United Kingdom and not a relevant person should not act or rely on this Prospectus or any of its contents.

This Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Managers, any person who controls any of the Managers, the Company or the Selling Shareholder, any director, officer, employee or agent of any of them or any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version of the Prospectus. Please ensure your copy is complete.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Managers or any affiliate of the Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Managers or such affiliate on behalf of the Company and Selling Shareholder in such jurisdiction.

None of the Managers or any of their respective affiliates or any of their respective directors, officers, employees or agents accepts any responsibility whatsoever as to the accuracy, completeness or verification of the information in this document. The Managers and any of their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of such document. Any decision to purchase the Offer Shares in the offer should be made solely on the basis of information contained in this document. No representation or warranty, express or implied, is made by any of the Managers or any of their respective affiliates as to the accuracy, completeness or verification of the information set out in this document.

The Managers are acting exclusively for BW LPG Limited and BW Group Limited (as the Selling Shareholder) and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the offer and will not be responsible to any other person for providing the protections afforded to their clients nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

You are responsible for protecting against viruses and other destructive items. Your receipt of this document via electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

BW LPG LIMITED

(An exempted company limited by shares incorporated under the laws of Bermuda)

Initial public offering of up to 67,700,457 Shares with an indicative price range of NOK 40 to NOK 50 per Share

Listing of the Company's shares on the Oslo Stock Exchange

This prospectus (the "**Prospectus**") has been prepared in connection with the initial public offering (the "**Offering**") of up to 67,700,457 common shares, each with a par value of USD 0.01 (the "**Offer Shares**") of BW LPG Limited (the "**Company**"), an exempted company limited by shares incorporated under the laws of Bermuda (together with its consolidated subsidiaries, "**BW LPG**" or the "**Group**"), and the related listing (the "**Listing**") of the Company's shares (the "**Shares**") on Oslo Børs, a stock exchange operated by Oslo Børs ASA (the "**Oslo Stock Exchange**"). The Offer Shares comprise of up to 41,555,500 new common shares to be issued by the Company (the "**New Shares**") and up to 30,481,183 existing common shares (the "**Sale Shares**") offered by BW Group Limited (the "**Selling Shareholder**" or "**BW Group**").

The Offering consists of: (i) a private placement to (a) institutional and professional investors in Norway, (b) investors outside Norway and the United States of America (the "**U.S.**" or the "**United States**"), subject to applicable exemptions from the prospectus requirements, and (c) "qualified institutional buyers" ("**QIBs**") in the United States as defined in, and in reliance on, Rule 144A ("**Rule 144A**") under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") (the "**Institutional Offering**"), and (ii) a retail offering to the public in Norway (the "**Retail Offering**"). All offers and sales outside the United States will be made in compliance with Regulation S under the U.S. Securities Act ("**Regulation S**"). In addition, the Selling Shareholder has granted SEB, on behalf of the Managers (as defined below), an option to purchase up to 10,155,068 additional Shares (the "**Additional Shares**"), equal to up to approximately 15% of the number of Offer Shares to be sold in the Offering, exercisable, in whole or in part, within a 30-day period commencing at the time at which "if sold/if issued" trading in the Shares commences on the Oslo Stock Exchange, expected to be on 25 November 2013, to cover any over-allotments made in connection with the Offering on the terms and subject to the conditions described in this Prospectus (the "**Over-Allotment Option**"). Assuming the Over-Allotment Option is exercised in full, the Offering will amount up to 77,855,525 Shares. The Company will not receive any of the proceeds from the sale of the Sale Shares and the Additional Shares, if any.

The price (the "**Offer Price**") at which the Offer Shares are expected to be sold will be between NOK 40 and NOK 50 per Offer Share (the "**Indicative Price Range**"). The Offer Price may be set within, below or above the Indicative Price Range. The Offer Price will be determined through a bookbuilding process and will be set by the Company and the Selling Shareholder in consultation with the Joint Lead Bookrunners. Among the factors to be considered in determining the Offer Price, in addition to prevailing market conditions, will be the Company's historical performance, estimates of its business potential and earnings prospects, an assessment of the Company's management and consideration of the above factors in relation to the market valuation of companies in related businesses. See Section 20 "Terms of the Offering" for further information. Investors in the Retail Offering will receive a discount of NOK 1,000 on their aggregate subscription amount for the Offer Shares allocated to such investors. The Offer Price, and the number of Offer Shares sold in the Offering, is expected to be announced through a stock exchange notice on or before 25 November 2013 at 07:30 hours (Central European Time, "**CET**"). The offer period for the Institutional Offering (the "**Bookbuilding Period**") will commence at 09:00 hours (CET) on 11 November 2013 and close at 15:00 hours (CET) on 22 November 2013. The application period for the Retail Offering (the "**Application Period**") will commence at 09:00 hours (CET) on 11 November 2013 and close at 12:00 hours (CET) on 22 November 2013. The Bookbuilding Period and the Application Period may be shortened or extended beyond the set times by the Company and the Selling Shareholder, in consultation with the Joint Lead Bookrunners, but will in no event be shortened to expire prior to 12:00 hours (CET) on 18 November 2013 or extended beyond 15:00 hours (CET) on 6 December 2013.

The Shares, including the Offer Shares and any Additional Shares, will be registered in the Norwegian Central Securities Depository (the "**VPS**") in book-entry form. All Shares will rank in parity with one another and carry one vote per Share. Except where the context otherwise require, references in this Prospectus to the Shares will be deemed to include the Offer Shares.

Investing in the Offer Shares involves a high degree of risk. Prospective investors should read the entire document and, in particular, consider Section 2 "Risk Factors" beginning on page 16 when considering an investment in the Company.

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and are being offered and sold: (i) in the United States only to persons who are QIBs in reliance on Rule 144A or another exemption from the registration requirements under the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S. The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. See Section 21 "Selling and Transfer Restrictions".

Prior to the Offering, the Shares have not been publicly traded. The Company will on or about 11 November 2013 apply for the Shares to be admitted for trading and listing on the Oslo Stock Exchange, and completion of the Offering is subject to the approval of the listing application by the board of directors of the Oslo Stock Exchange.

The due date for the payment of the Offer Shares is expected to be on or about 27 November 2013 and 28 November 2013 in the Retail Offering and the Institutional Offering, respectively. Delivery of the Offer Shares is expected to take place on or about 27 November 2013 and 28 November 2013 in the Retail Offering and the Institutional Offering, respectively, through the facilities of the VPS, Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"). Trading in the Shares on the Oslo Stock Exchange is expected to commence on or about 25 November 2013, on an "if sold/if issued" basis, under the ticker code "BWLPG". If closing of the Offering does not take place on such dates or at all, the Offering may be withdrawn, resulting in all applications for Offer Shares being disregarded, any allocations made being deemed not to have been made and any payments made will be returned without any interest or other compensation. All dealings in the Shares prior to settlement and delivery are at the sole risk of the parties concerned.

Joint Global Coordinators
and Joint Lead Bookrunners

BofA Merrill Lynch — SEB

Joint Lead Bookrunner

Deutsche Bank AG, London Branch

Co-Lead Managers

ABG Sundal Collier — Nordea Markets

The date of this Prospectus is 7 November 2013

IMPORTANT INFORMATION

This Prospectus has been prepared in connection with the Offering of the Offer Shares and the Listing of the Company's Shares on the Oslo Stock Exchange.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including the Commission Regulation (EC) no. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses, as amended, and as implemented in Norway (the "**EU Prospectus Directive**"). This Prospectus has been prepared solely in the English language. The Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*) (the "**Norwegian FSA**") has reviewed and approved this Prospectus in accordance with Sections 7-7 and 7-8 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information included in this Prospectus. The approval by the Norwegian FSA only relates to the information included in accordance with pre-defined disclosure requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or referred to in this Prospectus.

For definitions of certain other terms used throughout this Prospectus, see Section 23 "Definitions and Glossary".

The Company has engaged Merrill Lynch International ("**BofA Merrill Lynch**") and Skandinaviska Enskilda Banken AB (publ.), Oslo Branch ("**SEB**") as "**Joint Global Coordinators**" and together with Deutsche Bank AG, London Branch ("**Deutsche Bank**") as "**Joint Lead Bookrunners**" and ABG Sundal Collier Norge ASA ("**ABG Sundal Collier**") and Nordea Markets, a part of Nordea Bank Norge ASA ("**Nordea Markets**") as "**Co-Lead Managers**". The Joint Global Coordinators, the Joint Lead Bookrunners and the Co-Lead Managers are together referred to herein as the "**Managers**".

BofA Merrill Lynch and Deutsche Bank, each of which are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and SEB, which is authorised and regulated by the Swedish Financial Supervisory Authority, i.e. Finansinspektionen, and the Norwegian FSA, and ABG Sundal Collier and Nordea Markets, each of which are authorised and regulated by Norwegian FSA, are acting exclusively for the Company and the Selling Shareholder and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Offering and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their respective clients nor for giving advice in relation to the Offering or any transaction or arrangement referred to herein.

The information contained herein is current as at the date hereof and subject to change, completion and amendment without notice. In accordance with Section 7-15 of the Norwegian Securities Trading Act, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment by investors of the Offer Shares between the time of approval of this Prospectus by the Norwegian FSA and the listing of the Offer Shares on the Oslo Stock Exchange, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus, nor the sale of any Offer Share, shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Group or in connection with the Offering or the sale of the Offer Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or the Managers or by any of the affiliates, representatives, advisors or selling agents of any of the foregoing.

The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. Neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 21 "Selling and Transfer Restrictions".

This Prospectus and the terms and conditions of the Offering as set out herein and any sale and purchase of Offer Shares hereunder shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Offering or this Prospectus.

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group and the terms of the Offering, including the merits and risks involved. None of the Company, the Selling Shareholder or the Managers, or any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

All Sections of the Prospectus should be read in context with the information included in Section 4 "General Information".

Consent under the Exchange Control Act 1972 (and its related regulations) has been obtained from the Bermuda Monetary Authority for the issue and transfer of the Shares to and between residents and non-residents of Bermuda for exchange control purposes provided that the Shares are listed on the Oslo Stock Exchange. In granting such consent, neither the Bermuda Monetary Authority nor any other relevant Bermuda authority or government body accepts any responsibility for the Company's financial soundness or the correctness of any of the statements made or opinions expressed in this Prospectus.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO INVESTORS IN THE UNITED STATES

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares. The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. Accordingly, the Offer Shares will not be offered or sold within the United States, except in reliance on the exemption from the registration requirements of the U.S. Securities Act under Rule 144A. The Offer Shares will be offered outside the United States in compliance with Regulation S. **Prospective purchasers are hereby notified that sellers of Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A under the U.S. Securities Act. See Section 21.2.1 "United States".**

Any Shares offered or sold in the United States will be subject to certain transfer restrictions as set forth under Section 21.3.1 "United States". Nordea Markets is not an SEC registered broker/dealer and will only participate in the Offering outside the U.S.

The securities offered hereby have not been recommended by any United States federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not passed upon the merits of the Offering or confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense under the laws of the United States.

In the United States, this Prospectus is being furnished on a confidential basis solely for the purposes of enabling a prospective investor to consider purchasing the particular securities described herein. The information contained in this Prospectus has been provided by the Company and other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised and any disclosure of its contents, without prior written consent of the Company, is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Offer Shares or subscribe for or otherwise acquire any Shares.

NOTICE TO UNITED KINGDOM INVESTORS

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the "**UK**") or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

NOTICE TO INVESTORS IN THE EEA

In any member state of the European Economic Area (the "**EEA**") that has implemented the EU Prospectus Directive, other than Norway (each, a "**Relevant Member State**"), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the EU Prospectus Directive. The Prospectus has been prepared on the basis that all offers of Offer Shares outside Norway will be made pursuant to an exemption under the EU Prospectus Directive from the requirement to produce a prospectus for offer of shares. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares which is the subject of the Offering contemplated in this Prospectus within any EEA member state (other than Norway) should only do so in circumstances in which no obligation arises for the Company or any of the Managers to publish a prospectus or a supplement to a prospectus under the EU Prospectus Directive for such offer. Neither the Company nor the Managers have authorised, nor do they authorise, the making of any offer of Shares through any financial intermediary, other than offers made by Managers which constitute the final placement of Offer Shares contemplated in this Prospectus.

Each person in a Relevant Member State other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway, who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Managers and the Company that:

a) it is a qualified investor as defined in the EU Prospectus Directive, and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) such Offer Shares acquired by it in the Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Directive, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where such Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the EU Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any of the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Directive in that Relevant Member State, and the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

See Section 21 "Selling and Transfer Restrictions" for certain other notices to investors.

STABILISATION

In connection with the Offering, SEB (the "**Stabilisation Manager**"), or its agents, on behalf of the Managers, may engage in transactions that stabilise, maintain or otherwise affect the price of the Shares for up to 30 days from the commencement of trading and the Listing of the Offer Shares on the Oslo Stock Exchange. Specifically, the Stabilisation Manager may over-allot Offer Shares or effect transactions with a view to supporting the market price of the Offer Shares at a level higher than that which might otherwise prevail. The Stabilisation Manager and its agents are not required to engage in any of these activities and, as such, there is no assurance that these activities will be undertaken; if undertaken, the Stabilisation Manager or its agents may end any of these activities at any time and they must be brought to an end at the end of the 30-day period mentioned above. Save as required by law or regulation, the Stabilisation Manager does not intend to disclose the extent of any stabilisation transactions under the Offering.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is an exempted company limited by shares incorporated under the laws of Bermuda. As a result, the rights of holders of the Company's Shares will be governed by Bermuda law and the Company's memorandum of association and bye-laws (the "**Bye-laws**"). The rights of shareholders under Bermuda law may differ from the rights of shareholders of companies incorporated in other jurisdictions. With one exception, the Company's directors and the Group's executive officers are not residents of the United States, and a substantial portion of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on the Company or its directors and executive officers in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons, including judgments based on the civil liability provisions of the securities laws of the United States or any State or territory within the United States. It is doubtful whether courts in Norway or Bermuda will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its directors or officers under the securities laws of those jurisdictions or entertain actions in Norway or Bermuda against the Company or its directors or officers under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway or Bermuda. The United States does not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters with either Norway or Bermuda.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective owner, the information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act.

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APPENDICES

1 SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A– E (A.1 – E.7) below. This summary contains all the Elements required to be included in a summary for this type of securities and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Section A – Introduction and Warnings

A.1	**Warning**	This summary should be read as introduction to the Prospectus; any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor; where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

Section B - Issuer

B.1	**Legal and commercial name**	BW LPG Limited.
B.2	**Domicile and legal form, legislation and country of incorporation**	BW LPG Limited was incorporated on 21 August 2008 as an exempted company limited by shares under the laws of Bermuda and in accordance with the Bermuda Companies Act.
B.3	**Current operations, principal activities and markets**	BW LPG is the world's largest Very Large Gas Carrier (VLGC) owner and operator based on number of VLGCs and Liquefied Petroleum Gas ("**LPG**") carrying capacity as at 1 August 2013 (source: Poten & Partners). As at the date of this Prospectus, the Group owned, partly owned and/or operated an existing fleet of 36 vessels, comprising 19 owned VLGCs, 12 chartered-in VLGCs and five owned Large Gas Carriers (LGCs), excluding BW Danuta, BW Hermes, six VLGC newbuildings which are expected to be delivered between 2014 and 2016. The fleet operates globally, with a total carrying capacity of 2.9 million cubic meters ("**cbm**") as at 1 August 2013 and a further 504,000 cbm of capacity currently on order in the form of six newbuildings of VLGCs from Hyundai Heavy Industries ("**HHI**"), South Korea. The business is currently focused on the transportation of LPG for leading international oil companies ("**IOCs**") and national oil companies ("**NOCs**"), as well as trading and utility companies. The Group operates its business in two main segments, namely the VLGC (capacity above 60,000 cbm) and LGC (capacities ranging between 40,000 and 60,000 cbm) segments. • **VLGCs:** At 30 June 2013, the Group operated 15 owned VLGCs, one finance lease accounted as owned and six chartered-in VLGCs. At 31 December 2012, the Group operated 14 owned VLGCs, one finance lease accounted as owned and seven chartered-in VLGCs. The Group has six new VLGCs on firm order, which are scheduled for delivery between October 2014 and the third quarter of 2016. The Group also participates with a 33% interest in an agreement that charters in two VLGCs with purchase options.

	• **LGCs:** At 30 June 2013 and 31 December 2012, the Group owned and operated five LGCs, excluding one Medium Gas Carrier (MGC), BW Hermes, which has been committed for sale to BW Group upon expiry of current voyage commitments to Yara within 2013 and six LGCs respectively. Currently, the Group has no LGC newbuildings on order. Since 2011 until June 2013, BW Group has strategically increased its LPG exposure in the VLGC segment through acquisitions of 14 VLGCs and one chartered-in vessel, resulting in a net increase of 15 VLGCs since 2011. The Group presently has six VLGC newbuildings that are scheduled for delivery between 2014 and 2016. The Group recently completed an acquisition from Maersk (through Maersk Gas Carriers Pte Ltd and Maersk Tankers A/S) of five modern VLGCs, five VLGC charter-ins and two CoAs (the "**Vessel Acquisition**"). Four out of the five acquired Maersk VLGCs were delivered in September/October 2013, while one VLGC (BW Pine formerly known as Maersk Tuas/Derby) is expected to be delivered in November 2013.
B.4a Significant recent trends	Since 30 June 2013 the LPG export markets have continued to develop favourably, particularly exports from the United States. During the third quarter of 2013, there have been continued positive developments in United States export capacity. Targa announced that its International Export project came on line and that further expansion is in process. Enterprise Products Partners L.P. announced an additional expansion of its LPG export terminal in the Houston Ship Canal which is expected in the first quarter of 2015. This is in addition to the completion of the expansion of its LPG terminal in March 2013 that increased propane loading capacity. In October, Enterprise Product Partners L.P. announced the construction of a new LPG export terminal on the Gulf Coast. The Group has contracted to load 12 VLGC cargoes from the U.S. in the third quarter of 2013, which exceeds the total VLGC cargoes for the first and second quarter of 2013 combined, when four and seven VLGC cargoes were lifted, respectively. The charter rates that the Group has obtained in the global market have increased as compared to the second quarter of 2013, and remain firm at the time of this Prospectus, despite that this is typically a weaker time of year for charter rates due to seasonality. The average charter rate earned by the Group's vessels, with the exception of vessels on long-term time charters, was USD 31,300 per day for the period between 30 June 2013 and 31 August 2013, compared with USD 27,800 per day for the same period in the previous year. This positive rate environment has persisted up to the date of this Prospectus and operating expenses have remained in line with the Group's past experience, without any material exceptional costs having been incurred. The financial statement impact of rate improvements experienced in the market is typically delayed by approximately 30-45 days due to the delay between the conclusion of a charter and the commencement of voyage. On 29 May 2013, the Group announced its acquisition of the Maersk VLGCs. As part of the larger Vessel Acquisition, the acquired fleet comprised five owned VLGCs, and at the same time, the Group committed to take over five existing time charter contracts and two CoAs. The acquired vessels have been delivered on a charter-free basis to the Group between September 2013 and November 2013 as they fulfil their existing charter commitments. The five time chartered-in vessels are at charter hire expense daily rates between USD 23,000 and USD 30,400 with time charter expiries between January 2014 to January 2028, while the two CoAs expire in January 2014 and March 2014, respectively. On 25 September 2013, the Company took delivery of Maersk Virtue (to

	be named BW Birch). The vessel has successfully delivered on charter to one of the Group's top five customers with no waiting time incurred. On 7 October 2013, the Company took delivery of Maersk Venture (to be named BW Oak). On completion of delivery the vessel proceeded to Houston to load a spot cargo for one of our top five customers with no waiting time incurred. On 22 October 2013, the Company took delivery of Maersk Visual (to be named BW Cedar). The BW Cedar has been contracted to load at Houston to deliver cargo to the Far East with a major Japanese customer with no waiting time incurred. The Group took delivery of Maersk Value (to be renamed BW Maple) and Maersk Tuas (to be renamed BW Pine) on 18 October 2013 and in the early part of November 2013, respectively. On 29 July 2013, the Group entered into a contract with HHI for the construction of four new VLGCs. The first new vessel is scheduled for delivery in the fourth quarter of 2014, the second and third vessels are scheduled for delivery in the first quarter of 2015 and the fourth vessel is scheduled for delivery in the second quarter of 2015. Details of these newbuildings are provided in Section 8.6.4 "The newbuildings". HHI is one of the world's leading builders of VLGCs, and the Group has a longstanding relationship with the shipyard. Of the Group's current fleet, six vessels have so far been built at HHI, with strong delivery performance in terms of timeliness and quality. The contracts with HHI represent an important part of the Group's fleet renewal strategy, and the Group believes that the new vessels will further enhance its offering to its customers. As at 31 August 2013, USD 28.6 million in deposits has been paid in relation to these contracts. On 4 November 2013, the shipyard has confirmed that steel cutting on one of the Group's newbuilds commenced earlier than planned and therefore the third instalment amounting to USD 7.1 million will be paid out in November 2013. In addition to these four newbuildings, the Group has obtained options for the construction of two additional VLGCs, available to be exercised in December 2013. If exercised, the first vessel would be scheduled for delivery in the second quarter of 2016 and the second vessel would be scheduled for delivery by the third quarter of 2016. On 1 November 2013, the Group exercised these options for the construction of two additional VLGCs with HHI. Details of these newbuildings are provided in Section 8.6.4 "The newbuildings". As a result of the exercise of these options, instalment payments of USD 7.4 million will be payable in relation to each vessel during late 2013. During October 2013, the Group received updated valuation reports as at 30 September 2013 against its fleet of VLGCs and LGC, indicating improvements in values across both fleets. The aggregate improvement in value in the VLGC fleet (excluding the five acquired Maersk VLGCs) from 30 June 2013 to 30 September 2013 is USD 57 million, and the aggregated improvement in value in the LGC fleet from 30 June 2013 to 30 September 2013 is USD 11 million. The valuation reports, which include the assumptions on which the valuations are based, are attached as Appendix E. See Note 3 (e) to the Combined Financial Statements for the year ended 31 December 2012 for further information on the Group's valuation on its vessels for financial reporting purposes. At 30 June 2013, the five vessels acquired from Maersk were not yet included in the Group's balance sheet as they have not yet been acquired. The aggregate acquisition cost of these vessels is disclosed in Section 11.8.2 "Contractual obligations and contingent liabilities". The valuation of these five vessels as at 30 September 2013 was USD 345 million. On 16 October 2013, the Group (as charterers) gave notice to cancel the bareboat charterparty with BW Gas Tailwind Carriers Pte Ltd (as owners) for the charter-in BW Trader, and the Group is currently in the process of acquiring the vessel. The Group expects to pay the outstanding loan

amount of USD 52.1 million as at the date of listing and complete the acquisition by January 2014. In conjunction with the acquisition, the Group is also in the process of disposing its 50% interest in BW Gas Tailwind Carriers Pte Ltd to Tailwind and expects to complete the acquisition of BW Trader and the disposal of shares in BW Gas Tailwind Carriers Pte Ltd by January 2014.

On 17 October 2013, the Group received a firm offer from a syndicate of banks consisting of a 7-year senior secured facility (the "**Facility**") in the aggregate principal amount of USD 700 million which comprises an amortising term loan facility of USD 500 million (the "**Term Loan**") and a revolving credit facility of USD 200 million (the "**RCF**"). The amounts borrowed under the Facility will be applied to refinance the existing shareholders' loan upon the successful initial public offering on the Oslo Stock Exchange and for the general corporate and working capital purposes of the Group following the Offering and the Listing.

The Group has prepared combined condensed interim financial statements for the period ended 31 August 2013 in accordance with IAS 34. The Group has operated profitably between 30 June 2013 and 31 August 2013. A summary of results is provided below. Write-backs of impairment charges on vessels contributed approximately USD 35.5 million to the net profit of USD 53.7 million achieved in the period 30 June 2013 to 31 August 2013.

In USD thousand	**Eight months ended 31 August**	**Eight months ended 31 August**	**Six months ended 30 June**
	2013 *(unaudited)*	**2012** *(unaudited)*	**2013** *(unaudited)*
TCE Income #	162,358	147,477	111,054
Operating Profit before depreciation, amortisation and impairment	77,810	63,528	48,371
Operating profit	77,450	17,014	22,850
Profit for the financial period	74,542	14,921	20,882

On 4 November 2013, the Group signed a Facilities Agreement for the Term Loan and the RCF, with a syndicate of Banks, comprising DNB Asia Ltd, Skandinaviska Enskilda Banken AB (publ), Swedbank AB (publ), BNP Paribas, Danske Bank A/S, ING Bank N.V. Singapore Branch, Nordea Bank Norge ASA and Oversea-Chinese Banking Corporation Limited as Mandated Lead Arrangers for the Facility. The Facility bears an interest rate of 1.9% over LIBOR until maturity in 2020. The Term Loan will be amortised to a balloon amount of USD 125.0 million to be fully repaid at the final maturity date. The RCF is not amortising and any amount drawn can be repaid, and any amount undrawn can be drawn / re-drawn, throughout the term of the facility, subject to terms of the Facilities Agreement.

The Company expects to publish its Q3 2013 financial report on or about 29 November 2013.

B.5 Description of the Group	The Company is a holding company and the operations of the Group are carried through the operating subsidiaries of the Company.
B.6 Interests in the Company and voting rights	Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. The table below shows the ownership percentage held by such notifiable shareholders.

Shareholders	**Number of Shares**	**Percent**
BW Group Limited	100,000,000	100
Total	100,000,000	**100**

There are no differences in voting rights between the shareholders. Following the completion of the Offering, BW Group will control a majority

	of the Shares. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.
B.7 Selected historical key financial information	The following selected financial information has been extracted from the Group's unaudited interim combined financial statements as at, and for the six months ended, 30 June 2013 (the Combined Interim Financial Statements), the Group's audited combined financial statements as at, and for the years ended, 31 December 2012 and 2011 (the Combined Financial Statements) and the Group's audited consolidated financial statements as at, and for the year ended, 31 December 2010 (the Consolidated Financial Statements). The Combined Financial Statements for the years ended 31 December 2012 and 2011 have been prepared in accordance with IFRS. The Group's Combined Interim Financial Statements have been prepared in accordance with IAS 34. The Consolidated Financial Statements has been prepared in accordance with IFRS based on the existing legal group of the Company. The selected combined financial information and the selected consolidated financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the Combined Financial Statements, the Consolidated Financial Statements and the Combined Interim Financial Statements included in Appendix B1, Appendix B2 and Appendix C, respectively, of this Prospectus and should be read together with Section 11 "Operating and Financial Review".

	Combined six months ended 30 June		**Combined year ended 31 December**		**Consolidated year ended 31 December**
In USD thousand	**2013** *(unaudited)*	**2012** *(unaudited)*	**2012** *(audited)*	**2011** *(audited)*	**2010** *(audited)*
Statement of comprehensive income					
Operating revenue	111,054	97,233	223,918	131,215	(6,483)
Operating profit/(loss) before depreciation, amortisation and impairment	48,371	33,973	96,406	11,352	(18,450)
Operating profit/(loss)	22,850	(2,759)	(16,714)	1,529	(32,509)
Profit/(loss) for the period	20,882	(4,218)	(20,149)	(4,984)	(38,703)

	Combined as at 30 June	**Combined as at 31 December**		**Consolidated as at 31 December**
In USD thousand	**2013** *(unaudited)*	**2012** *(audited)*	**2011** *(audited)*	**2010** *(audited)*
Balance sheet				
Total non-current assets	969,486	1,004,814	917,275	202,121
Total current assets	127,184	114,807	68,155	37,854
Total assets	1,150,847	1,119,621	985,430	239,975
Total shareholder's equity	25,302	4,420	30,966	(72,999)
Total non-current liabilities	62,147	66,488	74,907	197,964
Total current liabilities	1,013,118	1,048,713	879,557	115,010
Liabilities directly associated with disposal group classified as held-for-sale	50,280	-	-	-
Total liabilities	1,125,545	1,115,201	954,464	312,974
Total equity and liabilities	1,150,847	1,119,621	985,430	239,975

	Combined six months ended 30 June		**Combined year ended 31 December**		**Consolidated year ended 31 December**
In USD thousand	**2013** *(unaudited)*	**2012** *(unaudited)*	**2012** *(audited)*	**2011** *(audited)*	**2010** *(audited)*
Statement of cash flow					
Net cash provided by operating activities	19,585	24,895	43,530	157,616	34,343

Net cash used in investing activities	(41,342)	(139,649)	(200,651)	(638,814)	(51,215)
Net cash provided by financing activities	17,959	129,342	164,559	484,715	19,586
Net (decrease) / increase in cash and cash equivalents	(3,798)	14,588	7,438	3,517	2,714
Cash and cash equivalents at end of the financial period	18,423	29,371	22,221	14,783	5,451

B.8	**Selected key pro forma financial information**	The following selected financial information set out the unaudited pro forma combined financial information for the balance sheet as at 30 June 2013. During 2013, the Company entered into certain transactions which have been reflected in the pro forma financial information in this Prospectus. The transactions were as follows: 1) Acquisition of vessel-owning entities under common control. (See Section 15 "The Reorganisation" for a description of the Reorganisation.) 2) Acquisition of five VLGCs, five VLGC time charters and two contracts of affreightment from Maersk. 3) Newbuilding acquisition for four vessels. See Section 12 "Unaudited Pro Forma Financial Information" for further information regarding the unaudited pro forma financial information and the related pro forma adjustments.

In USD thousand	**30 June 2013**	**Adjustment No. 1**	**Adjustment No. 2**	**Adjustment No. 3**	**Adjustment No. 4**	**Adjustment No. 5**	**30 June 2013**
	Unaudited Combined Balance Sheet						**Unaudited Pro Forma Combined Balance Sheet**
Pro forma combined balance sheet							
Total non-current assets	969,486	311,500	28,624	-	-	-	1,309,610
Total current assets	127,184	-	-	-	(26,420)	-	100,764
Total assets	1,150,847	311,500	28,624	-	(26,420)	-	1,464,551
Total shareholder's equity	25,302	-	-	(109,208)	686,903	-	602,997
Total non-current liabilities	62,147	-	-	-	700,000	(57,586)	704,561
Total current liabilities	1,013,118	311,500	28,624	109,208	(1,413,323)	57,586	106,713
Liabilities directly associated with disposal group classified as held-for-sale	50,280	-	-	-	-	-	50,280
Total liabilities	1,125,545	311,500	28,624	109,208	(713,323)	-	861,554
Total equity and liabilities	1,150,847	311,500	28,624	-	(26,420)	-	1,464,551

B.9	**Profit forecast or estimate**	Not applicable. No profit forecast or estimate is made.
B.10	**Audit report qualifications**	Not applicable. There are no qualifications in the audit reports.
B.11	**Insufficient working capital**	Not applicable. The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

Section C - Securities

C.1	**Type and class of securities admitted to trading and identification number**	The Company has one class of shares in issue, and all shares in that class have equal rights to all such other shares in that class as set out in the Company's Bye-laws. The Shares have been created under the Bermuda Companies Act and are registered in the VPS under ISIN BMG173841013.
C.2	**Currency of issue**	The Shares are issued in USD, but will be quoted and traded in NOK on the Oslo Stock Exchange.
C.3	**Number of shares in issue and par value**	As at the date of this Prospectus, the Company's authorised share capital is USD 1,620,000 consisting of 162,000,000 Shares with a par value of USD 0.01 each, of which 100,000,000 Shares have been issued.
C.4	**Rights attaching to the securities**	Pursuant to the Bye-Laws, the holders of Shares have no pre-emptive, redemption, conversion or sinking fund rights. The holders of Shares are entitled to one vote per Share on all matters submitted to a vote of the holders of Shares. Under Bermuda law, a company may not declare or pay dividends if there are reasonable grounds for believing that: (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) that the realisable value of its assets would thereby be less than its liabilities. Under the Bye-laws, each of the Shares is entitled to such dividends as the Board of Directors may from time to time declare.
C.5	**Restrictions on transfer**	The Bye-laws provide that the Board of Directors may decline to register the transfer of any interest in any Share in the register of members or decline to direct any registrar appointed by the Company to register the transfer where such transfer would result in 50% or more of the shares or votes in the Company being held, controlled or owned directly or indirectly by individuals or legal persons resident for tax purposes in Norway or connected to a Norwegian business activity, in order to avoid the Company being deemed a "Controlled Foreign Company" as such term is defined under the Norwegian tax rules. Subject to the above, but notwithstanding anything else to the contrary in the Bye-laws, shares that are listed or admitted to trading on an Appointed Stock Exchange may be transferred in accordance with the rules and regulations of such exchange. All transfers of uncertificated shares shall be made in accordance with and be subject to the facilities and requirements of the transfer of title to shares in that class by means of the VPS or any other relevant system concerned and, subject thereto, in accordance with any arrangements made by the Board of Directors in accordance with the Bye-laws. The Board of Directors shall refuse any transfer unless the registration of such transfer satisfies all applicable consents, authorisations and permissions of any governmental body or agency in Bermuda. The Board of Directors may also refuse to recognise an instrument of transfer of a share unless it is accompanied by the relevant share certificate (if one has been issued) and such other evidence of the transferor's right to make the transfer as the Board of Directors shall reasonably require. See also Section 21 "Selling and Transfer Restrictions".
C.6	**Admission to trading**	The Company will on or about 11 November 2013 apply for admission to trading of its Shares on the Oslo Stock Exchange. It is expected that the board of directors of the Oslo Stock Exchange approves the listing application of the Company on 14 November 2013, subject to certain conditions being met. See Section 20.13 "Conditions for Completion of the Offering—Listing and Trading of the Offer Shares". The Company currently expects commencement of trading in the Shares on the Oslo Stock Exchange on an "if sold/if issued" basis on or around 25 November 2013, and on an unconditional basis on or around 28 November 2013. The Company has not applied for admission to trading of the Shares

	on any other stock exchange or regulated market.
C.7 Dividend policy	The Company's Board of Directors intends to adopt a dividend policy which best balances the immediate growth ambitions and opportunities of the Group with a sustainable yield which takes into account the expected long-term earnings and cash flows of the Group. The Board of Directors is considering a dividend for the six months ending 30 June 2014 of approximately USD 0.11 per Share, to be paid in October 2014. The Board of Directors expects the 2014 half-year dividend level to establish a baseline for future dividend levels, in terms of USD dividend per Share. Subsequent to October 2014, the Company intends to pay dividends semi-annually. The 2014 half-year dividend target implies a dividend yield of 2.7% to 3.1% per annum, on the basis of the final Offer Price being set within the Indicative Price Range of NOK 40 to NOK 50 and a NOK/USD exchange rate of 5.9365.

Section D - Risks

D.1 Key risks specific to the Company or its industry	*Risks Related to the Industry in which the Group Operates* • The highly cyclical nature of the LPG shipping industry may lead to volatility in the Group's results of operations • An oversupply of LPG shipping capacity may have an adverse effect on LPG freight rates, which could have a material adverse effect on the Group's business, financial condition and results of operations • The Group's growth depends on the continued growth of the global LPG market • A deterioration in global economic conditions could materially adversely affect the Group's business, financial condition and results of operations • Increases in bunker fuel prices and other operating costs may significantly increase the Group's voyage expenses relating to the operation of its LPG vessels on the spot market and under CoAs • Shipping is a business with inherent risks and the Group's own insurance may not be adequate to cover the Group's losses • Charter rates may fluctuate substantially and if rates are lower when the Group is seeking a new charter, the Group's revenues and cash flows may decline • The Group's international operations are exposed to the risk of acts of piracy, which could result in increasing costs of operations • The Group transports gas across a wide variety of national jurisdictions, which exposes the Group to risks inherent to operating internationally and in politically unstable regions. In addition the Group has to work with local agents and business associates all over the world, which exposes it to the risk of breaching international sanctions and anti-bribery/anti-corruption laws, any of which that may have a negative impact to the Group's reputation and financial condition *Risks Related to the Group* • The Group may not be able to implement its business strategy successfully or manage its growth effectively • The Group's growth in the LPG shipping market depends on its ability to expand relationships with existing customers and obtain new customers, for which the Group will face substantial competition • Competition from more technically advanced LPG carriers could

reduce the Group's charter hire income and the value of the Group's vessels

- The Group will be required to make substantial capital expenditures in order to modernize and expand the fleet and to maintain the quality of the vessels the Group owns
- Due to the Group's lack of diversification, adverse developments in the maritime LPG transportation business would adversely affect the Group's business, financial condition and operating results
- The Group may be exposed to risks because it provides services to customers either as the registered owner of the vessel or by way of entering into charter-in arrangements with a third party and then chartering-out such vessels to customers
- International, regional and local competition rules and regulations for the shipping industry may adversely affect the Group's business, financial condition and results of operations
- The Group may have difficulty expanding its fleet in the future
- The Group may have more difficulty entering into long-term LPG time charters if the short-term or spot LPG shipping market becomes increasingly active
- The Group derives a significant portion of its LPG revenues from its top five customers, and the loss of any such customers or default by any of these customers could result in a significant loss of revenues and cash flows
- The Group may suffer from off-hire or performance claims by the Group's customers
- Over time, vessel values may fluctuate substantially and this may result in impairment charges and the Group could also incur a loss if these values are lower at a time when the Group is attempting to dispose of a vessel
- The Group has entered into related party transactions and may enter into related party transactions in the future

Risks Related to the Group's Operations

- The Group may experience operational problems that reduce revenue and increase costs
- Changes in laws and regulation may have an adverse effect on the Group's results of operations
- Compliance with environmental laws or regulations may have an adverse effect on the Group's results of operations
- Compliance with safety and other vessel requirements imposed by classification societies may be costly and could adversely affect the Group's business, financial condition and operating results
- The Group's operating results are subject to seasonal fluctuations
- The Group's vessels may suffer damage and the Group may face unexpected costs and off-hire days
- The required dry docking of the Group's vessels could be more expensive and time consuming than originally anticipated, which could adversely affect the Group's results of operations and cash flows
- The Group may be unable to attract and retain key management personnel and other employees, which may negatively impact the effectiveness of the Group's management and results of operations
- A shortage of qualified officers may impact the ability to crew the Group's vessels and increase operating costs
- The majority of the Group's seagoing staff are members of labour

	unions and the Group may face labour disruptions that could interfere with its operations and have a material negative effect on the Group's business, financial condition and results of operations • The Group may be subject to litigation that could have an adverse effect on the Group's business • The Group relies on information technology systems and other operating systems to conduct its business, and disruption, failure or security breaches of these systems could adversely affect its business and results of operations • The Group may not have a sufficient number of available vessels to service its CoAs • The Group may incur a loss on its charter-in fleet should the spot market rate fall below the time charter in rate • The ageing of the fleet may result in increased operating costs in the future, which could adversely affect the Group's business, financial condition and operating results • Delays in deliveries of, or cost overruns in relation to, newbuildings or deliveries of vessels with significant defects could harm the Group's operating results and lead to the termination of any related charters that may be entered into prior of their delivery • The Group's financial condition may be materially adversely affected if the Group fails to successfully integrate assets or businesses acquired from third parties, or is unable to obtain financing for acquisitions on acceptable terms • A change in tax laws of any country in which the Group operates from time to time, or complex tax laws associated with international operations which the Group may undertake from time to time, could result in a higher tax expense or a higher effective tax rate on the Group's earnings • A loss of a major tax dispute or a successful tax challenge to the Group's operating structure or to the Group's tax payments, among other things could result in a higher tax rate on the Group's earnings, which could result in a significant negative impact on its earnings and cash flows from operations • United States tax authorities could treat the Company as a "passive foreign investment company", which could have adverse United States federal income tax consequences to United States shareholders • The Company may have to pay tax on United States source income, which would reduce the Company's earnings • The Company is a holding company and is dependent upon cash flow from subsidiaries to meet its obligations and in order to pay dividends to its shareholder *Risks Related to Financing and Market Risk* • In order to execute the Group's growth strategy, the Group may require additional capital in the future, which may not be available • Significant exchange rate fluctuations may have a material negative effect on the Group's financial condition and results of operations • Derivative contracts used to hedge the Group's exposure to fluctuations in interest rates could result in reductions in its shareholder's equity as well as charges against its profit • The Group may not be able to borrow further amounts under the USD 700 million Senior Secured Term Loan and Revolving Credit Facility which it may need to fund the acquisition of the remaining newbuildings that it has agreed to purchase

		• Restrictive covenants in the Facility impose, and any future debt facilities may impose, financial and other restrictions on the Group that may limit the Group's ability to operate the business • Substantial debt levels could limit the Group's flexibility to obtain additional financing and pursue other business opportunities *Risks Related to the Reorganisation and the Listing* • The Group's lack of operating history as a pure LPG shipping company makes it difficult to assess the historical performance and outlook for future revenues and other operating results • The Group will incur increased costs as a result of being a publicly traded company • BW Group will remain the largest shareholder of the Company at completion of the Offering and will have significant voting power and the ability to influence matters requiring shareholder approval • Increased BW Group ownership without triggering mandatory offer obligation
D.3	**Key risks specific to the securities**	*Risks Related to the Shares* • The price of the Shares may fluctuate significantly • There is no existing market for the Shares, and an active trading market may not develop • Future sales, or the possibility for future sales, including by BW Group, of substantial numbers of Shares may affect the Shares' market price • Future issuances of Shares or other securities may dilute the holdings of shareholders and could materially affect the price of the Shares • Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares for an investor whose principal currency is not NOK • Investors may not be able to exercise their voting rights for Shares registered in a nominee account • The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions • The Company may be unwilling or unable to pay any dividends in the future • The Shares are listed on an "if sold/if issued" basis until delivery of the Shares, which could result in all conditional trades being reversed • The limited free float of the Shares may have a negative impact on the liquidity of and market price for the Shares *Risks Related to the Company's Incorporation in Bermuda* • Investors in the United States may have difficulty enforcing any judgment obtained in the United States or other jurisdictions against the Company or its directors or executive officers • The Company has anti-takeover provisions in its Bye-laws that may discourage a change of control • Various conditions may cause an adverse tax effect for the shareholder if the Company pays dividends

Section E - Offer

E.1	**Net proceeds and estimated**	The Selling Shareholder will receive the proceeds from the sale of the Sale Shares and the Additional Shares, if any, and the Company will receive the

	expenses	proceeds from the sale of the New Shares in the Offering. The total costs and expenses of, and incidental to, the Listing and the Offering are estimated to amount to NOK 133 million (excluding VAT) if all New Shares are issued and all Sale Shares sold by the Selling Shareholder and the Company decides to pay the discretionary fee in full (based on a price of NOK 45 per Share – which is the mid-point of the Indicative Price Range). The costs and expenses will be paid by the Company.
E.2a	**Reasons for the Offering and use of proceeds**	In recent years, more than USD 1 billion has been committed in differentiating BW LPG as the world's largest individual owner and operator of VLGC's. This results in a business platform which, as set out in Section 8.3 "Strategy", is positioned for further growth. As part of the growth strategy, the Company and BW Group have decided to introduce new owners to the Company through the Offering. The gross proceeds from the sale of New Shares in the Offering are expected to be a fixed amount of NOK 1,662 million (USD 280 million) at a NOK/USD exchange rate of 5.9365. The Company intends to use the net proceeds in the following manner: **Expenditure (2013/14)** — **Amount USD million** Enhancement of cash for working capital .... 20 Repay outstanding debt on BW Trader............ 52 Completion of 1st newbuilding....................... 70 Additional instalments 5 newbuildings. .... 72 **Total requirement.................................... 214** Primary proceeds.. 266 Unused balance. .... 52 The Oslo Stock Exchange provides a regulated market for trading in the Shares, providing liquidity in the Shares which increases their attractiveness as investments, and is also a leading trading venue for shipping and energy related shares. The Company has therefore decided to apply for a listing of the Shares on the Oslo Stock Exchange. The listing enables the Company to access this capital market to raise additional equity for growth purposes, and to use its Shares as transaction currency for business combinations and / or acquisitions of assets.
E.3	**Terms and conditions of the Offering**	The Offering consists of (i) an offer of New Shares to raise an amount of USD 280 million (equivalent to NOK 1,662 million) by the issuance of up between 33,244,400 and 41,555,500 New Shares, each with a par value of USD 0.01, and (ii) an offer of up to 30,481,183 Sale Shares, all of which are existing, validly issued and fully paid-up registered Shares with a par value of USD 0.01, offered by the Selling Shareholder. The New Shares and the Sale Shares are collectively referred to as the Offer Shares. The Joint Lead Bookrunners may elect to over-allot up to 10,155,068 Additional Shares, equalling up to approximately 15% of the number of Offer Shares. The Selling Shareholder has granted SEB, on behalf of the Managers, an Over-Allotment Option to purchase a corresponding number of Additional Shares to cover any such over-allotments. Assuming the Over-Allotment Option is exercised in full, the Offering will amount to up to 77,855,525 Offer Shares, representing up to 55% of the Shares in issue following the Offering. The Offering consists of: • An Institutional Offering, in which Offer Shares are being offered (a) to institutional and professional investors in Norway, (b) investors outside Norway and the United States, subject to applicable exemptions from the prospectus requirements, and (c) in the United States to QIBs, as defined in, and in reliance on Rule 144A of the U.S. Securities Act. The Institutional Offering is subject to a lower

		limit per application of NOK 2,000,000. • A Retail Offering, in which Offer Shares are being offered to the public in Norway subject to a lower limit per application of an amount of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor. Investors in the Retail Offering will receive a discount of NOK 1,000 on their aggregate amount payable for the Offer Shares allocated to such investors. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the maximum application limit and the discount. All offers and sales outside the United States will be made in compliance with Regulation S of the U.S. Securities Act of 1933, as amended. The Bookbuilding Period for the Institutional Offering is expected to take place from 11 November 2013 at 09:00 hours (CET) to 22 November 2013 at 15:00 hours (CET). The Application Period for the Retail Offering will take place from 11 November 2013 at 09:00 hours (CET) to 22 November 2013 at 12:00 hours (CET). The Company and the Selling Shareholder, in consultation with the Joint Lead Bookrunners, reserve the right to shorten or extend the Bookbuilding Period and Application Period at any time. The Managers expect to issue notifications of allocation of Offer Shares in the Institutional Offering on or about 25 November 2013, by issuing contract notes to the applicants by mail or otherwise. Payment by applicants in the Institutional Offering will take place against delivery of Offer Shares. Delivery and payment for Offer Shares is expected to take place on or about 28 November 2013. For the Retail Offering the due date of payment in the Retail Offering is on or about 27 November 2013. Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Retail Offering is expected to take place on or about 27 November 2013.
E.4	**Material and conflicting interests**	The Managers or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Selling Shareholder will receive the proceeds from the sale of Sale Shares and the Company will receive the proceeds from the sale of New Shares in the Offering. Beyond the abovementioned, the Company is not aware of any interest of natural and legal persons involved in the Offering.
E.5	**Selling shareholders and lock-up agreements**	The Selling Shareholder is BW Group. As at the date of this Prospectus, the Selling Shareholder holds 100,000,000 Shares in the Company, corresponding to 100% of the issued and outstanding Shares. Assuming that all the Offer Shares are sold and issued in the Offering, and that no Additional Shares are sold, BW Group will retain a shareholding in the Company of approximately 55%. If the Over-Allotment Option is exercised in full by the Joint Lead Bookrunners, and the maximum number of Additional Shares which may be sold pursuant to the Over-Allotment Option is sold, BW Group's shareholding in the Company following such sale will amount to approximately 45%. In connection with the Purchase Agreement, each of the Selling Shareholder and the Company will give an undertaking that will restrict its ability to issue, sell or transfer Shares for a period ending 180 days after the date of the Purchase Agreement. In addition, in connection with the

		Purchase Agreement and pursuant to the relevant lock-up agreement, each of Nicholas Gleeson (CEO of BW LPG) and Andrew Hoare (Chief Commercial Officer of BW LPG) will give an undertaking that will restrict their ability to sell or transfer Shares for a period ending 360 days after the date of the Purchase Agreement. For more information about these restrictions, please see Section 20.16 "Lock-up".
E.6	**Dilution resulting from the Offering**	Following completion of the Offering, the immediate dilution for the Selling Shareholder is estimated to be in the region of 45-55%.
E.7	**Estimated expenses charged to investor**	Not applicable. The expenses related to the Offering will be paid by the Company.

2 RISK FACTORS

An investment in the Offer Shares involves inherent risk. Before making an investment decision with respect to the Offer Shares, investors should carefully consider the risk factors and all information contained in this Prospectus, including the financial statements and related notes. The risks and uncertainties described in this Section 2 *are the principal known risks and uncertainties faced by the Group as at the date hereof that the Company believes are relevant to an investment in the Offer Shares. An investment in the Offer Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described are not a genuine potential threat to an investment in the Offer Shares. If any of the following risks were to materialise, individually or together with other circumstances, they could have a material adverse effect on the Group and/or its business, results of operations, cash flow, financial condition and/or prospects, which may cause a decline in the value and trading price of the Offer Shares, resulting in the loss of all or part of an investment in the same.*

The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the Group's business, results of operations, cash flow, financial condition and/or prospects. The risks mentioned herein may materialise individually or cumulatively. The information in this Section 2 *is as at the date of this document.*

2.1 Risks Related to the Industry in which the Group Operates

The highly cyclical nature of the LPG shipping industry may lead to volatility in the Group's results of operations

External factors that affect the LPG shipping industry will have a significant impact on the Group's results of operations. In the past, the market for LPG transportation and the freight rates the Group can charge have been cyclical and volatile. For example, according to Poten & Partners, the short-term VLGC TCE rates for shipping LPG fluctuated between a high of USD 59,178 per day to a low of USD 2,301 per day during the six years period ended August 2013. In the first six months of 2013, approximately 73% of the Group's revenues from LPG shipping were generated on the basis of current market levels ("**spot prices**") and contracts of affreightment ("**CoAs**"), and 27% of the Group's revenues were generated under time charters. Fluctuations in the freight rates the Group can charge its customers result from changes in the global supply of carrying capacity and global demand for LPG. The external factors affecting supply and demand for LPG vessels and the supply and demand for LPG transported by LPG vessels, and the nature, timing and degree of changes in industry conditions are unpredictable.

The factors that influence the demand for LPG vessel capacity include, but are not limited to, the following factors:

- levels of demand for and production of LPG and other gases, which are affected by competition from alternative sources of energy and alternative feedstock types, as well as the overall level of global economic activity and demand and prices for oil and gas;
- development of new petrochemical resources and industry in countries that are currently net exporters of LPG can lead to increased domestic LPG consumption and reduce the volumes available for shipment;
- changes in laws and regulations affecting the LPG shipping industry;
- political changes and armed conflicts in the regions through which the Group's vessels travel and where the cargo the Group carries is produced or consumed, which may interrupt trade routes or the production or consumption of LPG, petrochemicals, their derivatives or their raw materials;
- other changes in marine and other transportation patterns or the availability of alternative transportation means;
- global and regional economic and political conditions, as well as environmental concerns and regulations, which could impact the supply of LPG, as well as the demand for various types of vessels; and
- changes in global and regional trading patterns, including changes in the distances that cargo must be transported.

The factors that influence the supply of LPG vessel capacity include, but are not limited to, the following:

- the number of newbuilding deliveries;
- potential delays in newbuilding deliveries and/or cancellations of newbuilding orders;
- port and canal congestion;
- the price of steel and vessel equipment;
- conversion of LPG carriers to other uses;
- the scrapping rate of older vessels;
- the number of vessels that are off-hire and out of service; and
- piracy and its impact on voyage routes on account of certain operators rerouting vessels away from high-risk areas.

Adverse changes in any of the foregoing factors could have a material adverse effect on the Group's revenues, profitability, liquidity, cash and financial positions.

An oversupply of LPG shipping capacity may have an adverse effect on LPG freight rates, which could have a material adverse effect on the Group's business, financial condition and results of operations

If the number of new LPG vessels delivered exceeds the number of vessels being recycled, the global vessel capacity will increase. If the supply of vessel capacity continues to increase and the demand for vessel capacity does not increase correspondingly, freight rates could materially decline and the value of the Group's vessels could be adversely affected. As at August 2013, the global LPG newbuilding order book equalled 24% of the existing global fleet capacity measured by cubic meters (cbm), as compared to the then-existing global LPG newbuilding order book equalling 15% of the then-existing global fleet capacity measured by cbm, as at December 2012, according to Poten & Partners. Going forward, the balance between supply and demand for LPG vessels will depend on potential new vessel orders, scrapping activity, and the growth of demand for LPG shipping. The Group will monitor the supply and demand situation closely and seek to take timely investment and divestment decisions as appropriate. However, excess capacity will have an adverse effect on LPG freight rates, which could have a material adverse effect on the Group's business, financial condition and results of operations. See also Section 2.2 "Risks Related to the Group—Over time, vessel values may fluctuate substantially and this may result in impairment charges and the Group could also incur a loss if these values are lower at a time when the Group is attempting to dispose of a vessel".

The Group's growth depends on the continued growth of the global LPG market

The Group's growth depends on the continued growth of the global LPG market and supply chain, which could be adversely affected by a number of factors, such as:

- continued development of existing and new gas and oil infrastructure, including the continued development of shale gas resources, particularly in the United States, which could affect the LPG transportation patterns;
- volatile oil prices and oil consumption;
- increases in the production of natural gas in areas linked by pipelines to areas of consumption of natural gas;
- global and/or local community and environmental group resistance to LPG production facilities and import terminals over concerns about the environment, terrorism and safety;
- the development or extension of new and existing pipeline systems in markets the Group may serve;
- the availability and use of other energy sources, such as coal and nuclear energy, as well as new, alternative energy sources, such as solar energy, or other factors that may make consumption of LPG products less attractive;
- any significant explosion, spill or similar incident involving an LPG facility or vessel; and

- negative global or regional economic or political conditions, particularly in LPG consuming regions, which could reduce energy consumption or negatively impact its growth.

Although the Group will monitor the global LPG market and supply chain development closely and seek to take timely investment and divestment decisions as appropriate, any adverse development in connection with the factors noted above could have a material adverse effect on the Group's business, financial condition and results of operations.

A deterioration in global economic conditions could materially adversely affect the Group's business, financial condition and results of operations

In recent years, the global economy and the volume of world trade have declined. Although there are signs that the economic recession has abated in many countries, there is still considerable instability in the world economy that could initiate a new economic downturn and result in a tightening in the credit markets, a low level of liquidity in financial markets, and volatility in credit and equity markets. A renewal of the financial crisis that affected the banking system and the financial markets may negatively impact the Group's business and financial condition in ways that the Group cannot predict. More specifically, some LPG products the Group transports are used in cyclical businesses, such as the manufacturing of plastics and in the chemical industry, which were adversely affected by the recent economic downturn and, accordingly, decreased demand in those industries could adversely affect the LPG shipping industry. In particular, an adverse change in economic conditions affecting Japan, Korea, Taiwan, China, India, countries in Southeast Asia and other LPG importing nations could have a negative effect on the demand for LPG products, thereby adversely affecting the Group's business, financial condition and results of operations.

In addition, the uncertainty about current and future global economic conditions caused by a renewed financial crisis may cause the Group's customers and governments to defer LPG related infrastructure projects in response to tighter credit, decreased cash availability and declining customer confidence which may negatively impact the demand for the Group's services. A tightening of the credit markets may negatively impact the Group's operations by affecting the solvency of its suppliers or customers, which could lead to disruptions in the delivery of supplies, cost increases for supplies, accelerated payments to suppliers, customer bad debts or reduced revenues.

Increases in bunker fuel prices and other operating costs may significantly increase the Group's voyage expenses relating to the operation of its LPG vessels on the spot market and under CoAs

The Group's vessels need to consume bunker fuel for propulsion and other auxiliary purposes such as generating electricity on board. In accordance with industry practice, the Group is responsible for voyage expenses, including bunker fuel costs, when operating its LPG vessels on the spot market or under CoAs. Historically, bunker fuel expenses have amounted to more than one-half of the Group's total voyage expenses. The Group's bunker fuel expenses accounted for approximately 77% for the six months ended 30 June 2013 and 79% of the Group's voyage expenses for the year ended 31 December 2012. If the price of bunker fuel oil increases/decreases by USD 1 per metric ton (2011: USD 1/MT) with all other variables held constant, the Group's net profit will be higher/lower by USD 183,000 (2011: USD 129,000) as a result of higher/lower bunker fuel oil consumption expense. Increases in the cost of bunker fuel are subject to a number of economic, natural and political factors affecting the level of crude oil prices in global markets that are beyond the Group's control, including worldwide demand and supply imbalances, political instability and natural disasters in oil-producing regions. For example, following the financial crisis, in 2008, bunker prices nearly doubled in the span of a few months. From 7 July 2010 to 2 March 2012, the high and low bunker prices were USD 753 per metric tonne and USD 422 per metric ton, respectively. An increase in the cost of bunker fuel could significantly increase voyage expenses for the Group's LPG vessels, which could have a material adverse effect on its own results on its operations to the extent that it is not able to increase its freight rates commensurately or otherwise to recover bunker fuel cost increases from its customers. Other operating expenses, such as for example crew costs, may also fluctuate and affect the Group's profitability.

Shipping is a business with inherent risks and the Group's own insurance may not be adequate to cover the Group's losses

The operation of any ocean-going vessel represents a potential risk of major losses and liabilities, death and injury of persons or property damage caused by adverse weather conditions, mechanical failures, human error, war, terrorism, piracy, and other circumstances or events. In addition, the transportation of LPG is subject to the risk of pollution and to business interruptions due to political unrest, economic instability, hostilities, labour strikes and boycotts. An accident involving any of the Group's vessels could result in death or injury to persons, loss of property, environmental damage, delays in delivery of cargo, loss of revenue from termination of contracts or unavailability of vessels, fines or penalties, higher insurance rates, litigation with the Group's employees, customers or third parties and damage to the Group's reputation and customer relationships generally.

In the event of damage to a vessel or catastrophic events as mentioned above, the Group will rely on its insurance to pay the insured value of the vessel or the expenses incurred to rectify such damage, including repair costs at shipyards. Typically there are insurance deductibles that are not recoverable. The Group may not have sufficient insurance coverage for the range of risks to which the Group is exposed. Some claims may not be covered such as time lost when a vessel is unavailable for employment and some claims may also not be covered if for any reason adequate insurance coverage has not been obtained. In addition, in the future the Group may be unable to procure adequate insurance coverage on commercially acceptable terms or at all. Any significant loss or liability for which the Group is not insured could have a material adverse effect on the Group's business, financial condition and results of operations. In addition, the loss of earnings or prolonged unavailability of a vessel, including the actual repair costs, could have a material adverse effect on the Group's business, financial condition and results of operations even if insurance coverage was available.

See Section 8.16 "Insurance" for further information about the Group's insurance.

Charter rates may fluctuate substantially and if rates are lower when the Group is seeking a new charter, the Group's revenues and cash flows may decline

The Group's ability from time to time to charter or re-charter any vessel at attractive rates will depend on, among other things, the prevailing economic conditions in the LPG industry. Charter rates may fluctuate over time as a result of changes in the supply-demand balance relating to current and future vessel capacity. This supply-demand relationship largely depends on a number of factors outside the Group's control. The LPG charter market is connected to world LPG prices and energy markets, which the Group cannot predict. A substantial or extended decline in demand for LPG could materially adversely affect the Group's ability to re-charter its vessels at acceptable rates or to acquire and profitably operate new vessels.

Charter rates at a time when the Group may be seeking new charters may be lower than the charter rates at which the Group's vessels are currently chartered. If charter rates are lower when the Group is seeking a new charter, its revenues and cash flows, including cash available for dividends to its shareholders, may decline, as it may only be able to enter into new charters at reduced or unprofitable rates or it may have to secure a charter-in the spot market, where hire rates are more volatile. Prolonged periods of low charter hire rates or low vessel utilisation could also have a material adverse effect on the value of the Group's assets.

The Group's international operations are exposed to the risk of acts of piracy, which could result in increasing costs of operations

Acts of of piracy on ocean-going vessels have increased in frequency in recent years, which could adversely affect the Group's business. Acts of piracy have historically occurred in areas where the Group has operated, such as the west coast of Africa, and there is a risk that acts of piracy will continue to occur in this area, as well as other regions. For example, the Gulf of Aden has, since 14 October 2008, been listed as a conditional trading area of a war risk zone and a higher premium has been required by insurers since 1 December 2008. There have been attempted attacks on the Group's vessels and although none of the Group's vessels has been hijacked in the past, there are continuous piracy threats and there may be future attempted attacks on the Group's fleet in such high-risk areas. Aside from the threat of vessel loss, piracy also increases the cost of insurance for the Group to the extent that voyages travel through high-risk areas. The risk to the Group could be mitigated through security arrangements and insurance, but such arrangements may not be available on commercially acceptable terms, or at all, or prove to be insufficient. In addition, crew costs could also increase in such circumstances. In any event, the Group will strive to ensure strict adherence to the latest best management practices in operations adopted by the industry when transiting high risk areas. The foregoing could have a material adverse effect on the Group's business, results of operations, cash flows and financial condition, which could be exacerbated should the Group expands its operations in countries which are subject to the risk of piracy or if acts of piracy begin to impact geographic markets in which the Group operates.

The Group transports gas across a wide variety of national jurisdictions, which exposes the Group to risks inherent to operating internationally and in politically unstable regions. In addition the Group has to work with local agents and business associates all over the world, which exposes it to the risk of breaching international sanctions and anti-bribery / anti-corruption laws, any of which may have a negative impact to the Group's reputation and financial condition

Transporting gas across a wide variety of national jurisdictions creates a risk of business interruptions due to political circumstances in foreign countries, hostilities, labour strikes and boycotts, the potential for changes in tax rates or policies, and the potential for government expropriation of the Group's vessels. In addition, inadequacies of the legal systems and law enforcement mechanisms in certain countries in which the Group operates may leave the Group exposed to a number of uncertainties. Both the recently enacted UK Bribery Act and U.S. Foreign Corrupt Practices

Act have extra territorial application and may cover agents and business associates that the Group has to deal with in different jurisdictions. The Group monitors the global political environment closely and will take appropriate measures to alleviate the impact of business interruptions. The Group has also adopted a strict anti-bribery and anti-corruption policy with corresponding measures to prevent bribery and corruption. Additionally, sanctions imposed on certain countries, companies or individuals by international and regional bodies such as the United Nations, the United States and European Union (the "**EU**") could materially adversely affect the Group's ability to trade with those sanctioned countries, companies/individuals linked with such countries. Any of these events may result in loss of revenues, increased costs and decreased cash flows.

In the future the Group's vessels could be required to call at ports located in countries that are subject to restrictions imposed by the EU, the United States and other governments, thus resulting in legal or political repercussions which may have a material adverse effect on the business, financial condition and results of operations.

2.2 Risks Related to the Group

The Group may not be able to implement its business strategy successfully or manage its growth effectively

The Group's strategy as described in Section 8.3 "Strategy" is to: identify and capture the most attractive growth opportunities; optimize efficiency through strong asset utilisation; and deliver reliable services cost-effectively through operational excellence. Future growth will depend on the successful implementation of the Group's business strategy. The Group's ability to achieve its business and financial objectives is subject to a variety of factors, many of which are beyond the Group's control. A principal focus of the Group's strategy is to grow by expanding the size of its fleet, including through new business relationships, which will depend upon a number of factors, including the Group's ability to:

- maintain or develop new and existing customer relationships;
- successfully grow the Group's business;
- successfully integrate and employ the newbuildings the Group has on firm order or any newbuildings the Group may order in the future;
- successfully manage the Group's liquidity and obtain the necessary financing to fund its growth; and
- identify and capitalise on opportunities in the new market.

The Group's management will review and evaluate the business strategy with the Board on a regular basis. The Group's failure to execute its business strategy or to manage its growth effectively could materially adversely affect the Group's business, financial condition and results of operations. In addition, there can be no guarantee that even if the Group successfully implements the Group's strategy, it would result in an improvement of the Group's results of operations. Furthermore, the Group may decide to alter or discontinue aspects of the Group's business strategy and may adopt alternative or additional strategies in response to the Group's operating environment or competitive situation or factors or events beyond the Group's control.

The Group's growth in the LPG shipping market depends on its ability to expand relationships with existing customers and obtain new customers, for which the Group will face substantial competition

The process of obtaining new charter agreements is highly competitive and generally involves an intensive screening process and competitive bidding process that often extends for several months. Contracts are awarded based upon a variety of factors, including:

- the operator's industry relationships, experience and reputation for customer service, quality operations and safety;
- the quality, experience and technical capability of the crew;
- the operator's relationships with shipyards and the ability to get suitable berths;
- the operator's construction management experience, including the ability to obtain on-time delivery of new vessels according to customer specifications;

- the operator's willingness to accept operational risks pursuant to the charter, such as allowing termination of the charter for force majeure events; and
- the competitiveness of the bid in terms of overall price.

The Group's LPG vessels operate in a highly competitive market and the Group expects substantial competition for providing transportation services from a number of companies (both LPG vessel owners and operators). The Group anticipates that an increasing number of maritime transport companies, including many with strong reputations and extensive resources and experience, will enter the LPG shipping market. The Group's existing and potential competitors may have significantly greater financial resources than the Group does. Competition for the transportation of LPG depends on the price, location, size, age, condition and acceptability of the vessel to the charterer. Further, competitors with greater resources may have larger fleets, or could operate larger fleets through consolidations, acquisitions, newbuildings or pooling of their vessels with other companies, and, therefore, may be able to offer a more competitive service than the Group, including better charter rates. The Group expects competition from a number of experienced companies providing contracts for gas transportation services to potential LPG customers, including state-sponsored entities and major energy companies affiliated with the projects requiring shipping services. As a result, the Group may be unable to expand its relationships with existing customers or to obtain new customers on a profitable basis, if at all, which would have a material adverse effect on the Group's business, financial condition and operating results.

Competition from more technically advanced LPG carriers could reduce the Group's charter hire income and the value of the Group's vessels

The charter hire rates and the value and operational life of a vessel are determined by a number of factors including the vessel's efficiency, operational flexibility and physical life. Efficiency includes speed, fuel economy and the ability to be loaded and unloaded quickly. Flexibility includes the ability to enter harbours, utilize related docking facilities and pass through canals and straits. Physical life is related to the original design and construction, maintenance and the impact of the stress of operations. If new LPG carriers are built that are more efficient or flexible or have longer physical lives than the Group's vessels, competition from these more technologically advanced LPG carriers could adversely affect the charter rates the Group receives for its vessels once their current charters are terminated and could also adversely affect the resale value of the Group's vessels. As a result, the Group's business, financial condition and operating results could be materially adversely affected.

The Group will be required to make substantial capital expenditures in order to modernize and expand the fleet and to maintain the quality of the vessels the Group owns

The Group's business strategy is based upon the expansion of its fleet. The Group owns or partly owns 25 VLGCs, including six newbuildings scheduled for delivery between 2014 and 2016 and five LGCs. The aggregate purchase price of the six newbuildings is approximately USD 434 million. In connection with the purchase of new vessels, the Group is required to expend substantial sums in the form of down payments and progress payments during the construction of these vessels, but the Group will not derive any revenue from the vessels until after their delivery and successful commercial deployment. The Group typically pays portions of the purchase price of a vessel at key milestones prior to delivery and the balance upon delivery. If the Group is unable to complete payments or is otherwise unable to fulfil its obligations under any of its purchase contracts, the Group may forfeit all or a portion of the payments the Group has made under that contract.

The Group's cash flows and income are dependent on the revenues earned through the chartering of its vessels, and the Group must make substantial capital expenditures over the long term to maintain the operating capacity of its fleet in order to preserve its capital base. If the Group is unable to maintain sufficient cash reserves to finance the replacement of the vessels in its fleet at the end of their useful lives and alternative sources of financing are unavailable, the business, financial condition, operating results and ability to pay dividends would be adversely affected. In addition, any reserves set aside for vessel replacement will not be available to support or expand the Group's business or to pay dividends.

In addition, the Group must make capital expenditures to maintain it vessels over the long-tem. These maintenance capital expenditures include capital expenditures associated with drydocking a vessel, modifying an existing vessel or acquiring a new vessel to the extent these expenditures are incurred to maintain or increase the operating capacity of the vessels. The Group's vessels are drydocked periodically for repairs and renewals and, in addition, may have to be drydocked in the event of accidents or other damage. The Group's capital expenditure for drydocking for 2012 was USD 12.7 million, and it is expected to be USD 17.3 million for 2013.

The Group's maintenance capital expenditures may increase as a result of:

- increases in the cost of labour and materials;
- changes in customer requirements;
- increases in the size of the Group's fleet;
- changes in technical developments in vessel;
- changes in governmental regulations and maritime self-regulatory organisation standards relating to safety and other factors;
- changes in security or the environment; and
- changes in competitive standards.

Due to the Group's lack of diversification, adverse developments in the maritime LPG transportation business would adversely affect the Group's business, financial condition and operating results

The Group relies exclusively on the cash flow generated from its 36 vessels that operate in the maritime LPG transportation business. Unlike some other shipping companies, which have various vessels that can carry containers, dry bulk, crude oil and oil products, the Group currently depends exclusively on the transport of LPG and ammonia. The substantial majority of the Group's revenue is derived from a single source—the maritime transport of LPG—and its lack of a diversified business model could materially adversely affect the Group if the maritime LPG transportation sector fails to develop in line with the Group's expectations. The Group's lack of diversification could make it vulnerable to adverse developments in the international LPG shipping industry which would have a significantly greater impact on the Group's business, financial condition and operating results than it would if it maintained more diverse assets or lines of business.

International, regional and local competition rules and regulations for the shipping industry may adversely affect the Group's business, financial condition and results of operations

The Group operates a significant Very Large Gas Carrier (VLGC) fleet which, as at 1 August 2013, constituted 20.3% of the existing global fleet of VLGCs (excluding newbuildings). Any expansion involving acquisitions of all or part of other companies' gas carrier fleets will need to comply with anti-trust and competition rules and regulations in various jurisdictions in which the Group operates. This could require filing for clearances and approvals which may not be forthcoming, may involve lengthy delays, and might result in a transaction being prohibited or permitted with conditions that may or may not be acceptable. There can therefore be no assurance that any such transactions will be approved or consummated and this may hinder expansion plans.

The entry into any joint venture or pooling arrangements with third parties may also require approval from anti-trust and competition authorities in various jurisdictions and there can be no assurances that approvals will be obtained or, if they are granted with conditions, that those conditions will be acceptable to the Group. This may hinder the Group's business and growth opportunities or result in monetary and other penalties from regulatory authorities.

The Group may have difficulty expanding its fleet in the future

The Group may extend its fleet expansion programme beyond its contracted newbuildings by ordering additional newbuildings, or by making selective acquisitions of high-quality secondhand vessels to the extent that they are available. The Group's future growth will depend on numerous factors, some of which are beyond the Group's control, including its ability to:

- identify attractive vessel acquisition opportunities and consummate such acquisitions;
- obtain newbuilding contracts at acceptable prices;
- obtain required financing on acceptable terms;
- secure charter arrangements on terms acceptable to the Group's lenders;
- expand relationships with existing customers and establish new customer relationships;

- recruit and retain additional suitably qualified and experienced seafarers and shore-based employees;
- continue to meet technical and safety performance standards;
- manage joint ventures; and
- manage the expansion of the Group's operations to integrate the new vessels into Group's fleet.

During periods in which charter rates are high, vessel values are generally high as well, and it may be difficult to consummate vessel acquisitions or enter into shipbuilding contracts at favourable prices. In addition, any vessel acquisition the Group completes may not be profitable at or after the time of acquisition and may not generate cash flows sufficient to justify the investment. The Group may not be successful in executing any future growth plans, and the Group cannot give any assurances that it will not incur significant expenses and losses in connection with such growth efforts.

The Group may have more difficulty entering into long-term LPG time charters if the short-term or spot LPG shipping market becomes increasingly active

One of the Group's strategies is to enter into spot charters, CoAs and time charters. If the spot or short-term LPG shipping market were to become increasingly active and increasingly more transparent, resulting in easier access for customers to enter into spot or short-term charter arrangements at competitive rates, the Group may have more difficulty entering into long-term time charters for the Group's vessels. An inability to enter into long-term charters may result in more volatility in the Group's results, could lower utilisation rates, and would make cash flows and income less predictable. As a result, this could have a material adverse effect on the Group's business, financial condition and results of operations. Furthermore, revenue may decline following expiration or early termination of current charter arrangements and as a result, the Group's cash flow may decrease and be less stable.

The Group derives a significant portion of its LPG revenues from its top five customers, and the loss of any such customers or default by any of these customers could result in a significant loss of revenues and cash flows

In the first six months of 2013, the Group's top five customers represented 51% of the Group's total revenues. In 2012, these customers represented 43% of the Group's total revenues.

A customer may in certain circumstances terminate its charter agreement or CoA, including if the delivery of the vessel is delayed beyond a specified time, outbreak of war occurs or the vessel's flag state becomes engaged in hostilities. If a customer terminates its charter agreement or CoA with the Group pursuant to the terms of the agreement or otherwise, the Group may be unable to re-deploy the related vessel on terms as favourable to the Group. If the Group is unable to re-deploy a vessel, the Group will not receive any revenue from this vessel, but the Group would have to pay expenses as necessary to maintain the vessel in operating condition.

The loss of any significant customer, or a decline in payments under the Group's charter agreements, could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may suffer from off-hire or performance claims by the Group's customers

Under the Group's time charter contract agreements, the Group warrants certain specifications, conditions and performance of the vessels assigned under such charter agreements. The Group may not be able to fulfil its obligations under these charter agreements. Should the Group not be able meet its obligations, charterers may be entitled to withhold the payment of charter hire, resulting in loss of income to the Group. Charterers may be further entitled to advance legal claims against the Group for under performance under the relevant charter agreements. Such actions by charterers could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may be exposed to risks because it provides services to customers either as the registered owner of the vessel or by way of entering into charter-in arrangements with a third party and then chartering-out such vessels to customers

The Group may provide marine transportation services to customers through its fleet of owned vessels where a member of the Group is the registered owner or by way of entering into "charter-in" arrangements with a third party and then "chartering-out" such vessels to customers.

As a registered owner of a vessel, the Group will assume responsibility for all functions related to the vessel including financing, commercial management, and ship management functions such as maintenance, repair, crew manning, navigation and insurance. In addition, if the Group enters into a voyage charter with a customer, the Group will be responsible for all voyage costs including bunkering, port charges and other relevant voyage related cost such as additional war risk premium, brokerage etc. On the other hand, if the Group charters-in a vessel, some of the aforementioned functions will be the responsibility of the third party owner. For example, if the Group time charters-in a vessel the Group will generally not assume the responsibility for finance, maintenance, repair, crew manning, navigation and insurance of the vessel, but will be responsible for the commercial management of the vessel. However if the Group provides service to a customer via a voyage charter arrangement, the Group will also be responsible for all the voyage costs.

If the Group charters-in vessel it will have less operational risk as compared to acting as a registered owner. However, the Group may not be able to exercise full control of the availability over a chartered-in vessel. This may be due to the default by the third party from whom the vessel has been chartered-in. Such a default could include a financial default involving failure to pay suppliers or the bankruptcy of such third party which could result in a court sanctioned arrest or detention of the vessel by financiers or suppliers. Furthermore, in a long-term time charter or bareboat charter arrangement the Group is committed throughout the charter period and will not have the liberty to cancel the charter should the market become unfavourable. There may also be associated reputation risks if the standard of the chartered-in vessel is below those of the Group's own vessels. The risks of chartering-in vessels are balanced against the risk of registered ownership, which are the various attendant costs of owning and operating a fleet of vessels.

All the above factors could have a material adverse effect on the Group's business, financial condition and results of operations.

Over time, vessel values may fluctuate substantially and this may result in impairment charges and the Group could also incur a loss if these values are lower at a time when the Group is attempting to dispose of a vessel

Vessel values for LPG carriers can fluctuate substantially over time due to a number of different factors, including:

- prevailing economic conditions in LPG and energy markets;
- the level of demand for LPG;
- the supply of vessel capacity; and
- the cost of retrofitting or modifying existing vessels, as a result of technological advances in vessel design or equipment (for example with respect to achieving reduced fuel consumption), changes in applicable environmental or other regulations or standards.

The Group assesses at each balance sheet date whether there is any indication that a vessel's value may be impaired. If any such indication exists, the Group will estimate the recoverable amount of the asset, and write down the vessel to the recoverable amount through the income statement. Fluctuation in vessel values may result in impairment charges or lead the Group to be unable to dispose of vessels at a reasonable value, either of which could have a material adverse effect on the Group's business, financial condition and result of operations.

The Group has entered into related party transactions and may enter into related party transactions in the future

The Group has entered, and may in the future enter, into agreements with entities belonging to the other affiliates of the Group, including those described in Section 15 "The Reorganisation". Although the Group believes that the transactions with its affiliates are on arm's length terms, the Group cannot assure potential investors that conflicts of interest may not arise in the future, including in relation to, or as a result of, new business opportunities.

2.3 Risks Related to the Group's Operations

The Group may experience operational problems that reduce revenue and increase costs

Gas carriers are complex vessels and their operation is technically challenging. Maritime transportation operations are subject to mechanical risks and problems. Operational problems, such as loss of cargo, mechanical failures and quality of bunkers supplied, may lead to loss of revenue or higher than anticipated operating expenses or require additional capital expenditures. Further, the Group relies on timely, high quality and reliable suppliers and a significant supply of consumables, spare parts and equipment to operate, maintain, repair and upgrade the Group's fleet of vessels. Delays in delivery or unavailability of supplies could result in off-hire days due to consequent delays in the repair and maintenance of the Group's fleet. This would negatively impact the Group's revenues and cash flows. Cost increases could also negatively impact the Group's future operations. Any of these results could materially adversely affect the Group's business, financial condition and operating results.

Changes in laws and regulation may have an adverse effect on the Group's results of operations

Operations in international markets are subject to risks inherent in international business activities, including, in particular, fluctuating economic conditions, overlapping and differing tax structures, managing an organisation spread over various jurisdictions, unexpected changes in regulatory requirements and complying with a variety of foreign laws and regulations. Changes in the legislative, governmental and economic framework governing the activities of the shipping industry, could also have a material negative impact on the Group's results of operations and financial condition. Political decisions made in the countries and regions in which the Group's vessels operate may further expose the Group to political, governmental and economic instability, which could in turn materially adversely affect the Group's business, financial condition and operating results.

Compliance with environmental laws or regulations may have an adverse effect on the Group's results of operations

The shipping industry is affected by extensive and changing international conventions and national, state and local laws and regulations governing environmental matters in the jurisdictions in which the Group's vessels operate and in the country in which such vessels are registered. In addition, legal and regulatory changes due to concerns relating to climate change, greenhouse gas restrictions, as well as vessel classification societies, may impose significant requirements on the Group's vessels. These regulatory measures may include, for example, the adoption of cap and trade regimes, carbon taxes, increased efficiency standards and incentives or mandates for renewable energy. Compliance with future changes in laws and regulations relating to climate change could increase the costs of operating and maintaining the Group's vessels and could require the Group to install new emission controls, as well as acquire allowances, pay taxes related to the Group's greenhouse gas emissions or administer and manage a greenhouse gas emissions program. Regulation of vessels, particularly in the areas of safety and environmental impact, may change in the future and require the Group to incur significant capital expenditures and/or additional operating costs in order to keep the Group's vessels in compliance. See Section 8.15 "Environmental and Other Regulations" for a description of environmental laws and other regulations concerning the Group's operations and vessels.

Compliance with safety and other vessel requirements imposed by classification societies may be costly and could adversely affect the Group's business, financial condition and operating results

The hull and machinery of every commercial vessel must be classed by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and the Safety of Life at Sea Convention. The Group's vessels are currently enrolled with DNV GL, Lloyds Register of Shipping, ABS, Bureau Veritas and NKK. All of the Group's vessels have been awarded ISM certification under the International Safety Management ("**ISM**") Code.

If any vessel does not maintain its class and/or fails any annual survey, intermediate survey or special survey, dependent on the nature and severity of the noncompliance, the vessel may face restrictions in trading and could be required to be off-hire while the issues are remedied. This could materially adversely affect the Group's business, financial condition and results of operation.

The Group's operating results are subject to seasonal fluctuations

The Group operates its vessels in markets that have historically exhibited seasonal variations in demand and, as a result, changes in charter hire rates. The maritime gas transportation market is typically stronger in the late spring and summer months in the Northern hemisphere, as a result of stockbuilding in anticipation of increased consumption during winter periods. As a result, the Group's revenues have historically been stronger during the quarters ended 30 June and 30 September and have been weaker during the quarters ended 31 December and 31 March. In addition, unpredictable weather patterns tend to disrupt vessel scheduling and supplies of certain commodities. While the Group's time charter agreements typically provide for uniform monthly fees over the term of the charter, to the extent any of its time charter agreements expire during relatively weaker fiscal quarters, the Group may have difficultly re-chartering those vessels at similar rates or at all. As a result, the Group may have to accept lesser rates or reduced utilisation for the Group's vessels, which could materially adversely impact its business, financial condition and operating results. Currently, the Group has five time charter-out agreements, and all expire within the next three years.

The Group's vessels may suffer damage and the Group may face unexpected costs and off-hire days

In the event of damage to the Group's owned vessels, the damaged vessel would be off-hire while it is being repaired, which would decrease the Group's revenues and cash flows, including cash available for dividends to the Company's shareholders. In addition, the costs of vessel repairs are unpredictable and can be substantial. In the event of repair costs that are not covered by the Group's insurance policies, the Group may have to pay such repair costs, which would decrease the Group's earnings and cash flows. Moreover, as certain of the Group's vessels are "sister vessels" and are built to the same specifications, any design flaw within the vessel design would be common to all "sister vessels", such that any design flaws in "sister vessels" may result in greater repairs costs than had each of the Group's vessels utilised different designs.

The required drydocking of the Group's vessels could be more expensive and time consuming than originally anticipated, which could adversely affect the Group's results of operations and cash flows

Drydockings of the Group's owned vessels require significant capital expenditures and result in loss of revenue while such vessels are off-hire. Any significant increase in either the number of off-hire days due to such drydockings or in the costs of any repairs carried out during the drydockings could have a material adverse effect on the Group's profitability and cash flows. The Group may not be able to accurately predict the time required to drydock any of its vessels or any unanticipated problems that may arise. If more than one of the Group's vessels is required to be out of service at the same time, or if a vessel is drydocked longer than expected or if the cost of repairs during the drydocking is greater than budgeted, the Group's results of operations and cash flows, including cash available for dividends to its shareholders, could be materially adversely affected.

The Group may be unable to attract and retain key management personnel and other employees, which may negatively impact the effectiveness of the Group's management and results of operations

The Group's success depends to a significant extent upon the abilities and efforts of the Group's management team and its ability to retain key members of the management team, including recruiting, retaining and developing skilled personnel for its business. The demand for personnel with the capabilities and experience required in the LPG and shipping industries is high, and success in attracting and retaining such employees is not guaranteed. There is intense competition for skilled personnel and there are, and may continue to be, shortages in the availability of appropriately skilled people at all levels. Shortages of qualified personnel or the Group's inability to obtain and retain qualified personnel could have a material adverse effect on the Group's business, results of operations, cash flow and financial condition.

A shortage of qualified officers may impact the ability to crew the Group's vessels and increase operating costs

The Group's LPG carriers require technically skilled officers with specialized training. Certain charterers and other customers have officers' requirement matrix with pre-determined standards for vessel operators. These include requirements for officers with respect to both service time and shipping sector experience. As the world supply of gas carriers and LPG carriers continues to grow, the demand for such technically skilled officers has increased and is leading to a shortage of such personnel. If the Group's technical managers are unable to employ such technically skilled officers, they will not be able to adequately staff the Group's vessels and effectively train crews. The Group expects that crewing costs will continue to increase. A continuing or worsening deficit in the supply of technically skilled officers or an inability of the technical managers to attract and retain such qualified officers could impair the Group's ability to operate and further increase the cost of crewing its vessels and, thus, materially adversely affect the Group's business, financial condition and operating results.

The majority of the Group's seagoing staff are members of labour unions and the Group may face labour disruptions that could interfere with its operations and have a material negative effect on the Group's business, financial condition and results of operations

The Group is subject to the risk of labour disputes and adverse employee relations, and these disputes and adverse relation could disrupt the Group's business operations and adversely affect the Group's business, financial condition and results of operations. The majority of the Group's seagoing staff are represented by labour unions under collective bargaining agreements in their home countries. Although the Group has not had any material problems in the past with the labour unions, the Group can give no assurances that there will not be labour disputes and/or adverse employee relations in the future. The Group's current collective bargaining agreements are valid for the period between 1 January 2012 and 31 December 2014.

The Maritime Labour Convention, 2006 ("**MLC**") is an international labour convention adopted by the International Labour Organization ("**ILO**"), which applies to the Group's seagoing staff. The MLC is widely known as the "seafarers' bill of rights", and was adopted by government, employer and worker representatives in February 2006. The MLC aims both to achieve decent work for seafarers and to secure economic interests through fair competition for quality vessel owners. The Group believes it is in compliance with the MLC but, given the recency of the binding nature of the MLC and the uncertainty around interpretation of the MLC and the local legislation that enacts it in various countries, there are risks associated with ensuring that the Group is in proper compliance with the MLC.

The Group may be subject to litigation that could have an adverse effect on the Group's business

The Group may in the future be involved from time to time in litigation matters. These matters may include, among other things, contract disputes, personal injury claims, environmental claims or proceedings, toxic tort claims, employment matters and governmental claims for taxes or duties as well as other litigation that arises in the ordinary course of business. The Group cannot predict with certainty the outcome of any claim or other litigation matter. The ultimate outcome of any litigation matter and the potential costs associated with prosecuting or defending such lawsuits, including the diversion of management's attention to these matters, could have a material adverse effect on the Group.

In addition, crew members, suppliers of goods and services, shippers of cargo and other parties may be entitled to a statutory or maritime lien against a vessel for unsatisfied debts, claims or damages. In many jurisdictions, a statutory or maritime lien holder may enforce its lien by arresting or attaching a vessel. The arrest or attachment of one or more of the Group's vessels could interrupt the Group's business, financial condition and results of operations.

The Group relies on information technology systems and other operating systems to conduct its business, and disruption, failure or security breaches of these systems could adversely affect its business and results of operations

The Group relies on information technology (IT) systems in order to communicate with vessels and achieve its business objectives. The Group relies upon accepted security measures and technology such as access control systems to securely maintain confidential and proprietary information maintained on its IT systems, and market standard virus control systems. The Group's portfolio of hardware and software products, solutions and services and its enterprise IT systems may be vulnerable to damage or disruption caused by circumstances beyond its control, such as catastrophic events, power outages, natural disasters, computer system or network failures, computer viruses, cyber attacks or other malicious software programmes. The failure or disruption of the Group's IT systems to perform as anticipated for any reason could disrupt the Group's business and result in decreased performance, remediation costs, transaction errors, loss of data, processing inefficiencies, downtime, litigation and the loss of suppliers or clients. A significant disruption or failure could have a material adverse effect on the Group's business operations, financial performance and financial condition.

The Group may not have a sufficient number of available vessels to service its CoAs

The Group currently has ten CoAs and may enter into additional contracts in the future. Under the CoAs, the Group is committed to providing vessels to transport a certain minimum volume of cargo. The Group may not be able to service these contracts due to various reasons including the positioning of the Group's vessels at a particular point in time, unscheduled drydocking or the unavailability of any vessel as a result of prior chartering commitments, in which case the Group may need to charter-in additional vessels in order to fulfil its CoA obligations. The Group cannot guarantee that it would be able to charter-in vessels on commercially reasonable terms or at all. If the Group cannot charter-in additional vessels to meet its obligations under its CoAs, it may need to compensate its CoA customers for the differential between the freight rate provided for in the CoA and the actual freight rate paid by the CoA customers. This could have a material adverse effect on the Group's business, financial condition and results of operating, as well as its reputation in the shipping industry.

The Group may incur a loss on its charter-in fleet should the spot market rate fall below the time charter-in rate

The Group has 12 short to long-term charter-in vessels that require payment of a fixed rate time charter hire. The expiry dates for those charter-in vessels range from January/2014 to January/2028. With the volatility in the spot market rate, future spot market rate earnings may be lower that the charter-in rate, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The ageing of the fleet may result in increased operating costs in the future, which could adversely affect the Group's business, financial condition and operating results

In general, the cost of maintaining a vessel in good operating condition increases with the age of the vessel. As the Group's fleet ages, the Group will incur increased costs. Older vessels are typically less fuel efficient and more costly to maintain than more recently constructed vessels due to gradual improvements in engine technology and other design features. Cargo insurance rates increase with the age of a vessel, making older vessels less desirable to charterers. Governmental regulations and safety or other equipment standards related to the age of vessels may also require expenditures for alterations or the addition of new equipment, to the Group's vessels and may restrict the type of activities in which the Group's vessels may engage. Although the Group's fleet of 24 owned vessels (excluding newbuildings) had an average age of ten years as at August 2013, the Group has no assurances that, as the Group vessels age, market conditions will justify those expenditures or enable the Group to operate its vessels profitably during the remainder of their useful lives.

Delays in deliveries of, or cost overruns in relation to, newbuildings or deliveries of vessels with significant defects could harm the Group's operating results and lead to the termination of any related charters that may be entered into prior of their delivery

The Group has contracted to take delivery of six newbuildings from 2014 to 2016. The delivery of the current newbuildings or any newbuildings the Group may order or agree to acquire in the future could be subject to cost overruns or delayed, which would delay the Group's receipt of revenues under any future charters in which the Group enters into for the vessels. All current newbuildings have been ordered from South Korea and will be delivered by Hyundai Heavy Industries (HHI) and, accordingly, any problems that may affect South Korea in general or HHI may lead to delays in all of the current newbuildings. In addition, under some of the charters the Group may enter into for these newbuildings, if the Group's delivery of a vessel to the customer is delayed, it may be required to pay liquidated damages in amounts equal to or, under some charters, almost double the hire rate during the delay. For prolonged delays, the customer may terminate the time charter and, in addition to the resulting loss of revenues, the Group may be responsible for additional, substantial liquidated damages. The delivery of any newbuilding with substantial defects could have similar consequences.

The Group's receipt of newbuildings could be delayed or subject to cost overruns because of many factors, including but not limited to:

- quality, classification or engineering problems;
- changes in governmental regulations or maritime self-regulatory organization standards;
- work stoppages or other labour disturbances at the shipyard;
- bankruptcy or other financial crisis of the shipbuilder;
- a backlog of orders at the shipyard;
- political or economic disturbances in the locations where the vessels are being built;
- weather interference or catastrophic event, such as a major earthquake or fire;
- the Group's requests for changes to the original vessel specifications;
- shortages of or delays in the receipt of necessary construction materials, such as steel;
- the Group's inability to finance the purchase of the vessels; or
- the Group's inability to obtain requisite permits or approvals.

If delivery of a vessel is materially delayed or subject to substantial cost overruns, it could have a material adverse effect on the Group's business, financial condition and results of operation.

In addition, HHI could fail to deliver the newbuildings as agreed, or the Group could cancel a shipbuilding contract because HHI has not met its obligations. If the delivery of any newbuilding is materially delayed or cancelled, the Group's business, financial condition and results of operations could be adversely affected. In the event HHI does not perform under any contract and the Group is unable to enforce certain refund guarantees with third party banks for any reason, the Group may lose all or part of its investment, which would have a material adverse effect on the Group's business, financial condition and results of operation.

The Group's financial condition may be materially adversely affected if the Group fails to successfully integrate assets or businesses acquired from third parties, or is unable to obtain financing for acquisitions on acceptable terms

The Group believes that acquisition opportunities may arise from time to time, and that any such acquisition could be significant. At any given time, discussions with one or more potential sellers may be at different stages. However, any such discussions may not result in the consummation of an acquisition transaction, and the Group may not be able to identify or complete any acquisitions or make assurances that any acquisitions the Group makes will perform as expected or that the returns from such acquisitions will support the investment required to acquire or develop them. The Group cannot predict the effect, if any, that any announcement or consummation of an acquisition would have on the trading price of the Shares.

Any future acquisitions could present a number of risks, including:

- the risk of using management time and resources to pursue acquisitions that are not successfully completed;
- the risk of failing to identify material problems during due diligence;
- the risk of over-paying for assets;
- the risk of failing to arrange financing for an acquisition as may be required or desired;
- the risk of incorrect assumptions regarding the future results of acquired operations;
- the risk of failing to integrate the operations or management of any acquired operations or assets successfully and timely; and
- the risk of diversion of management's attention from existing operations or other priorities.

In addition, the integration and consolidation of acquisitions requires substantial human, financial and other resources, including management time and attention, and may depend on the Group's ability to retain the acquired business' existing management and employees or recruit acceptable replacements. Ultimately, if the Group is unsuccessful in integrating any acquisitions in a timely and cost-effective manner, the Group's results of operations, cash flow and financial condition could be materially adversely affected.

In addition, HHI could fail to deliver the newbuildings as agreed, or the Group could cancel a shipbuilding contract because HHI has not met its obligations. If the delivery of any newbuilding is materially delayed or cancelled, the Group's business, financial condition and results of operations could be adversely affected. In the event HHI does not perform under any contract and the Group is unable to enforce certain refund guarantees with third party banks for any reason, the Group may lose all or part of its investment, which would have a material adverse effect on the Group's business, financial condition and results of operation.

A change in tax laws of any country in which the Group operates from time to time, or complex tax laws associated with international operations which the Group may undertake from time to time, could result in a higher tax expense or a higher effective tax rate on the Group's earnings

The Group will from time to time conduct operations through various subsidiaries in countries throughout the world. Tax laws and regulations are highly complex and subject to interpretation and change, including changes in interpretation that may have retrospective effect.

For example, if Norwegian shareholders control a company (i.e. directly or indirectly own or control at least 50% of the shares or the capital of a company) that is resident in a low tax jurisdiction, such Norwegian shareholders may be subject to Norwegian taxation according to the Norwegian Controlled Foreign Corporations regulations (Norwegian CFC-regulations). Such taxation could apply with respect to certain subsidiaries of the Group, if the Group becomes subject to the control of Norwegian shareholders. If the Norwegian shareholders of the Company are subject to Norwegian CFC taxation, such Norwegian shareholders are taxed in Norway on their proportionate share of the net profits generated by the relevant foreign company, calculated according to Norwegian tax regulations. The income will be subject to Norwegian taxation, currently at a rate of 28%. For the purposes of minimising this risk, the Company's Bye-laws provide that the Board of Directors may decline to register the transfer of any interest in any Share in the register of members or decline to direct any registrar, appointed by the Company, to register the transfer where such transfer would result in 50% or more of the shares or votes in the Company being held, controlled or owned directly or indirectly by individuals or legal persons resident for tax purposes in Norway or connected to a Norwegian business activity, in order to mitigate the possibility that the Company is deemed a "Controlled Foreign Company" as such term is defined under the Norwegian tax rules. Norwegian tax legislation may, however, be subject to changes which can also possibly be made on a retrospective basis, and there can be no assurance that this approach will continue to mitigate the impact of the relevant tax legislation in the future.

A loss of a major tax dispute or a successful tax challenge to the Group's operating structure or to the Group's tax payments, among other things could result in a higher tax rate on the Group's earnings, which could result in a significant negative impact on its earnings and cash flows from operations

From time to time, the Group's tax payments may be subject to review or investigations by tax authorities of the jurisdictions in which the Group operates. If any tax authority successfully challenges the Group's operational structure, intercompany pricing policies, the taxable presence of its subsidiaries in certain countries, or if the Group loses a material tax dispute in any country, or any tax challenge of the Group's tax payments is successful, its effective tax rate on its earnings could increase substantially and the Group's earnings and cash flows from operations could be materially adversely affected. There are, for instance, several transactions taking place between the companies in the Group and related companies, which must be carried out in accordance with arm's length principles in order to avoid adverse tax consequences. There can be no assurance that the tax authorities will conclude that the Group's transfer pricing policy calculates correct arm's length prices for intercompany transactions, which could lead to an adjustment of the agreed price, which would in turn lead to increased tax cost for the Group.

United States tax authorities could treat the Company as a "passive foreign investment company", which could have adverse United States federal income tax consequences to United States shareholders

A foreign corporation will be treated as a "passive foreign investment company", ("**PFIC**"), for United States federal income tax purposes if either (1) at least 75% of its gross income for any taxable year consists of certain types of passive income or (2) at least 50% of the average value of the corporation's assets produce or are held for the production of those types of "passive income". For purposes of these tests, "passive income" includes dividends, interest, and gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services does not constitute "passive income". United States shareholders of a PFIC are subject to a disadvantageous United States federal income tax regime with respect to the distributions they receive from the PFIC and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC.

Based on the Group's current and proposed method of operation, the Company does not believe that it will be classified as a PFIC in its current tax year. In this regard, the Company intends to treat the gross income it derives or is deemed to derive from its time chartering and voyage chartering activities as services income, rather than rental income. Accordingly, the Company believes that its income from these activities does not constitute "passive income," and the assets that the Company owns and operates in connection with the production of that income do not constitute assets that produce, or are held for the production of, "passive income".

Although there is no direct legal authority under the PFIC rules addressing the Group's method of operation there is substantial legal authority supporting the Company's position consisting of case law and United States Internal Revenue Service, ("**IRS**"), pronouncements concerning the characterization of income derived from time charters and voyage charters as services income for other tax purposes. However, it should be noted that there is also authority which characterizes time charter income as rental income rather than services income for other tax purposes. Accordingly, no assurance can be given that the IRS or a court of law will accept the Company's position, and there is a risk that the IRS or a court of law could determine that the Company is a PFIC. Moreover, no assurance can be given that the Company would not constitute a PFIC for any future taxable year if there were to be changes in the nature and extent of theGroup's operations.

If the IRS were to find that the Company is or has been a PFIC for any taxable year, the Company's United States shareholders will face adverse United States federal income tax consequences. Under the PFIC rules, unless those shareholders make an election available under the United States Internal Revenue Code of 1986, as amended (the "**Code"**) (which election could itself have adverse consequences for such shareholders, as discussed below under

Section 19 "Taxation"), such shareholders would be liable to pay United States federal income tax at the then prevailing income tax rates on ordinary income plus interest upon excess distributions and upon any gain from the disposition of the Company's shares, as if the excess distribution or gain had been recognized rateably over the shareholder's holding period of the Company's shares. See Section 19.3.3 "Passive Foreign Investment Company Considerations" for a more comprehensive discussion of the United States federal income tax consequences to United States shareholders if the Company is treated as a PFIC.

The Group may have to pay tax on United States source income, which would reduce the Group's earnings

Under the Code, 50% of the gross shipping income of a non-United States corporation, such as the Company and its subsidiaries, that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States, may be subject to a 4% United States federal income tax without allowance for deduction, unless that corporation qualifies for exemption from tax under Section 883 of the Code and the applicable Treasury Regulations promulgated thereunder.

The Company expects that all of the Group's shipping income will qualify for this statutory tax exemption with respect to the Group companies' current tax years. No assurances can be provided, however, that this will be the case. There are factual circumstances beyond the Company's control that could cause some or all of the Group companies to lose the benefit of this tax exemption with respect to future years, and become subject to United States federal income tax on their United States source shipping income. For example, if the current majority owners of beneficial interests in the shares sell some or all of their shares to persons who are not "qualified shareholders", the Company and some or all of its subsidiaries may not qualify for exemption under Section 883 of the Code for a particular taxable year. Due to the factual nature of the issues involved, there can be no assurances that the Group companies will qualify for exemption from tax under Section 883.

If any of the Group companies are not entitled to exemption under Section 883 of the Code for any taxable year, the Company, or such Group companies, could be subject during those years to an effective 2% United States federal income tax on gross shipping income derived during such a year that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States. The imposition of this tax would have a negative effect on the Company's business and would limit the Group's ability to pay dividends to its shareholders. See Section 19.4 "United States Federal Income Taxation of the Group" for a more comprehensive discussion of the Group companies' ability to qualify for exemption from U.S. federal income taxation.

The Company is a holding company and is dependent upon cash flow from subsidiaries to meet its obligations and in order to pay dividends to its shareholders

The Group currently conducts its operations through, and most of the Group's assets are owned by, the Group's subsidiaries. As such, the cash that the Group obtains from its subsidiaries is the principal source of funds necessary to meet its obligations. Contractual provisions or laws, including laws or regulations related to the repatriation of foreign earnings, as well as the Group's subsidiaries' financial condition, operating requirements, restrictive covenants in its debt arrangements and debt requirements, may limit the Group's ability to obtain cash from subsidiaries or joint ventures that it requires to pay its expenses or meet its current or future debt service obligations or to pay dividends to its shareholders.

The inability to transfer cash from the Group's subsidiaries or joint ventures may mean that, even though the Group may have sufficient resources on a consolidated basis to meet its obligations or to pay dividends to its shareholders, the Group may not be permitted to make the necessary transfers from its subsidiaries or joint ventures to meet such obligations or to pay dividends to its shareholders. Likewise, the Group may not be able to make necessary transfers from its subsidiaries in order to provide funds for the payment of its liabilities or obligations, for which the Group is or may become responsible under the terms of the governing agreements of the Group's indebtedness. A payment default by the Group, or any of the Group's subsidiaries, on any debt instrument would have a material adverse effect on the Group's business, results of operations, cash flow and financial condition.

2.4 Risks Related to Financing and Market Risk

In order to execute the Group's growth strategy, the Group may require additional capital in the future, which may not be available

The Group's business segments are capital intensive and, to the extent the Group does not generate sufficient cash from operations, the Group may need to raise additional funds through debt or additional equity financings to execute the Group's growth strategy and to fund capital expenditures, including for the construction of any newbuildings. Adequate sources of capital funding may not be available when needed or may not be available on favourable terms. The Group's ability to obtain such additional capital or financing will depend in part upon prevailing market conditions as well as conditions of its business and its operating results, and those factors may affect its efforts to arrange additional financing on satisfactory terms. If the Group raises additional funds by issuing additional shares or other equity or equity-linked securities, it may result in a dilution of the holdings of existing shareholders. If funding is insufficient at any time in the future, the Group may be unable to fund maintenance requirements and acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could materially adversely impact the Group's results of operations, cash flow and financial condition.

Significant exchange rate fluctuations may have a material negative effect on the Group's financial condition and results of operations

Significant movements in currency exchange rates may have a material negative effect on the Group's financial condition and result of operations. The Group faces foreign currency transaction risks with 6.5% and 5.3% of the Group's vessel operating expenses in 2012 and the first six months of 2013, respectively (excluding charter hire expenses), recorded in NOK, whereas almost all of the Group's income is denominated in USD. If the value of NOK appreciated against the USD, there would be an adverse impact on the Group's results of operations. Because the Group reports financial results in USD, the Group also faces a currency translation risk to the extent that the assets, liabilities, revenues and expenses of the Group's subsidiaries are denominated in currencies other than USD. In order to prepare the Group's financial statements, the Group translates the values of these assets, liabilities, revenues and expenses into USD at the applicable exchange rates.

In the past, the Group's hedging policy has been formulated at the BW Group level. Following the Offering, the Group intends to establish its own hedging policy which it expects to be based on the same principles as the parent group's previous hedging policies. However, the Group cannot assure the potential investors that the Group will be able to manage its foreign risk successfully. In particular, a continued, long-term weakening of USD against the NOK could have a material adverse effect on the Group's own results of operations.

Derivative contracts used to hedge the Group's exposure to fluctuations in interest rates could result in reductions in its shareholder's equity as well as charges against its profit

Currently, the Group uses BW Group's derivative contracts to hedge the Group's exposure. The Group will in the future enter into new derivative contracts to hedge the Group's exposure to fluctuations in interest rates. The hedging arrangements contained in such contracts could result in reductions in the Group's shareholder's equity, as well as charges against its profit and consequently have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may not be able to borrow further amounts under the USD 700 million Senior Secured Term Loan and Revolving Credit Facility which it may need to fund the acquisition of the remaining newbuildings that it has agreed to purchase

The Group's ability to borrow further amounts under the USD 700 million Senior Secured Term Loan and Revolving Credit Facility (the "**Facility**"), as further described in Section 11.8.1 "Material borrowings" below, will be subject to satisfaction of certain customary conditions precedent, the creditworthiness of the Group's charterers and the terms of the Group's future charters, credit risk associated with the Group's business partners and compliance with terms and conditions included in the loan documents. The Group intends to repay a portion of the revolving credit element of the Facility with cash from operations and therefore intends to have a portion of the revolving credit element of the Facility available for borrowing when it requires funds for its instalment payment commitments for its six newbuildings. Prior to drawdowns under the Facility, the Group will be required, among other things, to provide the lenders with acceptable valuations of the vessels in its fleet which secure the facility, confirming that they are sufficient to satisfy minimum security requirements. To the extent that the Group is not able to satisfy these requirements, including as a result of a decline in the value of its vessels, the Group may be required to repay a portion of its existing debt or provide additional collateral, and it may not be able to borrow further amounts under the Facility. If the Group is unable to borrow further amounts under the Facility, it may be unable to fund the acquisition of the newbuildings that the Group have agreed to purchase, which would materially adversely affect its business, financial condition and operating results.

Restrictive covenants in the Facility impose, and any future debt facilities may impose, financial and other restrictions on the Group that may limit the Group's ability to operate the business

The Facility imposes, and any future debt facility may impose, operating and financial restrictions on the Group. The restrictions in the existing secured revolving credit facility may place limits on the Group's ability to, among other things:

- pay dividends out of operating revenues generated by the vessels securing indebtedness under the facility, if there is a default thereunder;
- incur additional indebtedness, including through the issuance of guarantees;
- create liens on the Group's assets;
- sell its vessels;
- merge or consolidate with, or transfer all or substantially all of the Group's assets to, another person;
- change the flag, class or management of the Group's vessels; and
- enter into a new line of business.

The Facility requires the Group to maintain various financial ratios. These include requirements that the Group maintains (i) specified minimum ratios of net equity to total assets, (ii) specified levels of cash and cash equivalents and available credit lines, (iii) specified minimum amount of equity and (iv) specified levels of collateral coverage. In addition, vessel values may fluctuate substantially which could impact the Group's compliance with the covenants in the Group's loan agreement. The failure to comply with such covenants would cause an event of default that could materially adversely affect the Group's business, financial condition and operating results. The Group expects to be in compliance with these covenants after giving effect to the Offering and the application of the proceeds thereof, although the Group cannot assure potential investors that it will be.

Because of these covenants, the Group may need to seek permission from its lenders in order to engage in some corporate actions. The Group's lenders' interests may be different from the Group's, and the Group cannot guarantee that it will be able to obtain its lenders' permission when needed. This may limit the Group's ability to pay dividends to its shareholders, finance its future operations, make acquisitions or pursue business opportunities.

Substantial debt levels could limit the Group's flexibility to obtain additional financing and pursue other business opportunities

The Group may incur additional indebtedness in the future as it grows the fleet. This level of debt could have important consequences to the Group, including the following:

- the Group's ability to obtain additional financing for working capital, capital expenditures, vessel acquisitions or other purposes may be impaired or such financing may be unavailable on favourable terms;
- the Group's costs of borrowing could increase as it becomes more leveraged;
- the Group may need to use a substantial portion of its cash from operations to make principal and interest payments on its debt, reducing the funds that would otherwise be available for operations, future business opportunities and dividends to its shareholders;
- the Group's debt level could make it more vulnerable than its competitors with less debt to competitive pressures, a downturn in our business or the economy generally; and
- the Group's debt level may limit its flexibility in responding to changing business and economic conditions.

The Group's ability to service its debt will depend upon, among other things, its future financial and operating performance, which will be affected by prevailing economic conditions as well as financial, business, regulatory and other factors, some of which are beyond its control. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take action such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. The Group may not be able to effect any of these remedies on satisfactory terms, or at all.

2.5 Risks Related to the Reorganisation and the Listing

The Group's lack of operating history as a pure LPG shipping company makes it difficult to assess the historical performance and outlook for future revenues and other operating results

The Group has no operating history as a stand-alone LPG shipping company. See Section 15 "The Reorganisation". Financial information upon which prospective investors can evaluate the Group's historical financial information is available only from the Financial Information (as defined in Section 4.2.1 "Financial information" below) that the Company has included in this Prospectus and that reflects the activities of the LPG business prior the Reorganisation. Consequently, the Financial Information included in this Prospectus does not necessarily reflect the actual results of operations, financial position and cash flow that the Group may have had if it had been a separate LPG shipping company during the periods presented. Similarly, the information may not be indicative of the Group's future results of operations and future financial position.

The Group will incur increased costs as a result of being a publicly traded company

As a publicly traded company with its Shares listed on the Oslo Stock Exchange, the Group will be required to comply with the Oslo Stock Exchange's reporting and disclosure requirements and with corporate governance. The Group will incur additional legal, accounting and other expenses to comply with these and other applicable rules and regulations. In addition, the Group's limited operating history as a standalone company may exacerbate such expenses as it may need to expend additional time to develop its in-house functions to meet its listing requirements. The Group anticipates that its incremental general and administrative expenses as a publicly traded company will include, among other things, costs associated with annual and quarterly reports to shareholders, shareholders' meetings, investor relations, incremental director and officer liability insurance costs and officer and director compensation.

BW Group will remain the largest shareholder of the Company at completion of the Offering and will have significant voting power and the ability to influence matters requiring shareholder approval

Following completion of the Offering, it is expected that BW Group will remain the largest shareholder of the Group and will, accordingly, continue to have a majority of the shareholder vote, thereby having the ability to significantly influence the outcome of matters submitted for the vote of the Company's shareholders, including the election of members of the Board of Directors. BW Group is a privately held company 93.25% owned by the Sohmen family interests. The commercial goals of BW Group as a shareholder, and those of the Group, may not always be aligned and this concentration of ownership may not always be in the best interest of the Group's other shareholders. For example, BW Group could delay, defer or prevent a change of control, impede a merger, deny a potential future equity offering, amalgamation, consolidation, takeover or other business combinations involving the Group, or discourage a potential acquirer from attempting to obtain control of the Group. In addition, certain of the Company's agreements require either BW Group to continue holding certain percentages of shareholdings in the Group or Sohmen family interests to continue holding certain percentages of shareholdings in the BW Group. For example, pursuant to the change of control provisions in the Facility, if Sohmen family interests cease to hold more than 50% of BW Group or if BW Group ceases to hold more than 35% of the Company or if any other person takes control of the Company, the Facility must be cancelled and repaid in full. Although it is expected that BW Group will remain the major shareholder of the Company after the Offering, and the Sohmen family will remain the major shareholder of BW Group, no assurance can be given that this will continue on a permanent basis. If BW Group no longer were a major shareholder of the Company (or if the Sohmen family no longer holds a controlling interest in BW Group), or if its commercial goals were not in the best interest of the Group, this could have a material adverse effect on the market value of the Shares.

Increased BW Group ownership without triggering mandatory offer obligation

If, following the Offering and any exercise of the Over-Allotment Option, BW Group has an ownership of in excess of 50% in the Company, BW Group may increase its ownership in the Company without triggering the mandatory offer obligation under the Norwegian Securities Trading Act, and shareholders may not benefit from a mandatory offer being made in such event.

2.6 Risks Related to the Shares

The price of the Shares may fluctuate significantly

The trading price of the Shares could fluctuate significantly in response to a number of factors beyond the Group's control, including, but not limited to, quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, or any other risk discussed herein materialising or the anticipation of such risk materialising.

In recent years, the global stock markets have experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in the shipping industry. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate based upon factors that have little or nothing to do with the Group, and these fluctuations may materially affect the price of the Shares.

There is no existing market for the Shares, and an active trading market may not develop

Prior to the Listing, there was no public market for the Shares, and there can be no assurance that an active trading market will develop, or be sustained or that the Shares may be resold at or above the Offer Price. The market value of the Shares could be substantially affected by the extent to which a secondary market develops for the Shares following the completion of this Offering.

Future sales, or the possibility for future sales, including by BW Group, of substantial numbers of Shares may affect the Shares' market price

The Company cannot predict what effect, if any, future sales of the Shares, or the availability of Shares for future sales, will have on their market price. Sales of substantial amounts of the Shares in the public market following the Offering, including by BW Group (which, following the Offering, will hold approximately 45% to 55% of the shares of the Company), or the perception that such sales could occur, may adversely affect the market price of the Shares, making it more difficult for holders to sell their Shares or the Company to sell equity securities in the future at a time and price that they deem appropriate. Although BW Group, as at the date of this Prospectus, is subject to an agreement with the Joint Lead Bookrunners that, subject to certain conditions and exceptions, restricts its ability to sell or transfer its Shares for a period of 180 days after the date of the Purchase Agreement, the representatives of the Joint Lead Bookrunners may, in their sole discretion and at any time, waive the restrictions on sales or transfer during this period. Additionally, following this period, all Shares owned by BW Group will be eligible for sale or other transfer in the public market, subject to applicable securities laws restrictions.

Future issuances of Shares or other securities may dilute the holdings of shareholders and could materially affect the price of the Shares

It is possible that the Company may in the future decide to offer additional Shares or other securities in order to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. See Section 2.2 "Risks Relating to the Group". There can be no assurance the Company will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not be able to purchase additional equity securities. If the Company raises additional funds by issuing additional equity securities, holdings and voting interests of existing shareholders may be diluted.

Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares for an investor whose principal currency is not NOK

The Shares will be priced and traded in NOK on the Oslo Stock Exchange and, although any future payments of dividends on the Shares will be denominated in USD, such dividends will be distributed through the VPS in NOK. Investors registered in the VPS whose address is outside Norway and who have not supplied the VPS with details of any NOK account, will however receive dividends by check in their local currency, as exchanged from the NOK amount distributed through the VPS. If it is not practical in the sole opinion of DNB Bank ASA, being the Company's VPS registrar, to issue a check in a local currency, a check will be issued in USD. The issuing and mailing of checks will be executed in accordance with the standard procedures of DNB Bank ASA, Foreign Payments Department. The exchange rate(s) that is applied will be DNB Bank ASA's rate on the date of issuance. Exchange rate movements of NOK will therefore affect the value of these dividends and distributions for investors whose principal currency is not NOK. Furthermore, the market value of the Shares as expressed in foreign currencies will fluctuate in part as a result of foreign exchange fluctuations. This could affect the value of the Shares and of any dividends paid on the Shares for an investor whose principal currency is not NOK.

Investors may not be able to exercise their voting rights for Shares registered in a nominee account

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote such Shares unless their ownership is re-registered in their names with the VPS prior to the general meetings. The Group can provide no assurances that beneficial owners of the Shares will receive the notice of a general meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote their Shares in the manner desired by such beneficial owners.

The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions

The Shares have not been registered under the U.S. Securities Act or any U.S. state securities laws or any other jurisdiction outside Norway and Bermuda and are not expected to be registered in the future. As such, the Shares may not be offered or sold except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable securities laws. See Section 21 "Selling and Transfer Restrictions". In addition, there can be no assurance that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings.

Bermuda law permits the transfer of shares listed or admitted to trading on an appointed stock exchange (as such term is defined in the Companies Act 1981, as amended, of Bermuda (the "**Bermuda Companies Act**") (an "**Appointed Stock Exchange**")) such as the Oslo Stock Exchange, to be effected in accordance with the rules of such stock exchange without a written instrument of transfer. Further, the Bermuda Monetary Authority pursuant to the Exchange Control Act 1972 of Bermuda and associated regulations has granted its consent for the issue and transfer of the Shares to residents and non-residents of Bermuda for exchange control purposes provided that the Shares are listed on the Oslo Stock Exchange or any other Appointed Stock Exchange on or within fourteen days or the relevant issue or transfer. Accordingly, the Shares can be registered in the VPS and title to the Shares can be evidenced and transferred without a written instrument and the consent of the Bermuda Monetary Authority for the issuance and transfer of shares shall apply as long as the Shares are listed and traded on the Oslo Stock Exchange. If the Shares are no longer listed or admitted to trading on the Oslo Stock Exchange or any other Appointed Stock Exchange, or if the Oslo Stock Exchange ceases to be an Appointed Stock Exchange, the Shares may only be transferred by written instrument in accordance with the terms of the Bye-laws of the Company and with the prior consent of the Bermuda Monetary Authority.

The Company may be unwilling or unable to pay any dividends in the future

Pursuant to the Company's dividend policy, dividends are only expected to be paid if certain conditions described in Section 6.1 "Dividend Policy" are fulfilled. In addition, the Company may choose not, or may be unable, to pay dividends in future years. The amount of dividends paid by the Company, if any, for a given financial period, will depend on, among other things, the Company's future operating results, cash flows, financial position, capital requirements, the sufficiency of its distributable reserves, the ability of the Company's subsidiaries to pay dividends to the Company, credit terms, general economic conditions, legal restrictions (as set out in Section 6.2 "Legal Constraints on the Distribution of Dividends") and other factors that the Company may deem to be significant from time to time.

The Shares are listed on an "if sold/if issued" basis until delivery of the Shares, which could result in all conditional trades being reversed

The Shares will be listed on the Oslo Stock Exchange on an "if sold/if issued" basis. Therefore, the Shares will be tradeable on the Oslo Stock Exchange before the Shares are delivered to each investor. If the Purchase Agreement is terminated due to certain force majeure events or the default by Manager(s), the Shares will not be delivered to the investors. All trades with the Shares will be cancelled and reversed, and any payments made will be returned without interest or other compensation. Such events could adversely affect participants in the Offering and those who trade in the Shares during the period of conditional trading. The Managers, the Company and the Selling Shareholder do not accept any responsibility or liability for any loss incurred by any person as a result of a termination of the Offering or (the related) annulment of any transactions on the Oslo Stock Exchange during the period of conditional trading.

The limited free float of the Shares may have a negative impact on the liquidity of and market price for the Shares

After completion of the Offering, approximately 45% of the Company's issued and outstanding share capital (approximately 55% of the issued and outstanding share capital if the Over-Allotment Option is exercised in full, and the maximum number of Additional Shares which may be sold pursuant to the Over-Allotment Option is sold) will be publicly held if the Offering is fully subscribed. The remaining approximately 55% (approximately 45% if the Over-Allotment Option is exercised in full, and the maximum number of Additional Shares which may be sold pursuant to the Over-Allotment Option is sold) of the issued and outstanding share capital is expected to be held by BW Group. The limited free float may have a negative impact on the liquidity of the Shares and result in a low trading volume of the Shares, which could have an adverse effect on the then prevailing market price for the Shares and could result in increased volatility of the market price for the Shares.

2.7 Risks Related to the Company's Incorporation in Bermuda

Investors in the United States may have difficulty enforcing any judgment obtained in the United States or other jurisdictions against the Company or its directors or executive officers

The Company is an exempted company limited by shares incorporated under the laws of Bermuda. As a result, the rights of holders of the Shares will be governed by Bermuda law and the Company's memorandum of association and

Bye-laws. The rights of shareholders under Bermuda law may differ from the rights of shareholders of companies incorporated in other jurisdictions. With one exception, the Company's and members of the New Board of Directors are not residents of the United States, and a substantial portion of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on the Company or its directors and executive officers in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons, including judgments based on the civil liability provisions of the securities laws of the United States or any State or territory within the United States. It is doubtful whether courts in Bermuda will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its directors or officers under the securities laws of those jurisdictions or entertain actions in Bermuda against the Company or its directors or officers under the securities laws of other jurisdictions. The United States and Bermuda do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitral awards) in civil and commercial matters.

The Company has anti-takeover provisions in its Bye-laws that may discourage a change of control

The Company's Bye-laws contain provisions that could make it more difficult for a third party to acquire the Company without the consent of the Board of Directors. These provisions provide, among other things:

- that the Board of Directors can decline to register certain transfers of shares where the transfer would likely result in 50% or more of the issued and outstanding shares or votes of the Company being held, controlled by or owned directly or indirectly by individuals or legal persons resident for tax purposes in Norway or such shares or votes being effectively connected to a Norwegian business activity, or the Company being deemed a "Controlled Foreign Company" pursuant to Norwegian tax rules; and

- that the Board of Directors may issue any authorised but unissued Shares of the Company, subject to any resolution of the Company's shareholders to the contrary. Any issuance of preference shares by the Board of Directors is subject to prior approval given by resolution of the general meeting pursuant to the Bye-laws.

These provisions could make it more difficult for a third party to acquire the Company, even if the third party's offer may be considered beneficial by many shareholders.

Various conditions may cause an adverse tax effect for the shareholder if the Company pays dividends

Dividends declared and paid by a Bermuda company may be subject to local tax in the investor's home country, and each investor should make such investigations for himself/herself. Norwegian investors will be subject to taxation as dividends will be deemed as taxable income for the receiver, and such dividends will be subject to 28% tax and the same tax rate will apply with respect to capital gains for such investors. See Section 19 "Taxation" below for more details.

3 RESPONSIBILITY FOR THE PROSPECTUS

3.1 The Board of Directors of BW LPG Limited

This Prospectus has been prepared in connection with the Offering described herein and the Listing of the Shares on the Oslo Stock Exchange.

The Board of Directors of BW LPG Limited accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that, after having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

7 November 2013

The Board of Directors of BW LPG Limited

Andreas Sohmen-Pao *Chairman*	Billy Chiu *Director*	Michael Smyth *Director*

3.2 The Selling Shareholder

The Selling Shareholder confirms that the Sale Shares are being offered free of any liens or encumbrances.

7 November 2013

For BW Group Limited

Dr. Helmut Sohmen
Chairman

4 GENERAL INFORMATION

4.1 Other Important Investor Information

The Company has furnished the information in this Prospectus. The Managers disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Prospectus or any such statement.

Neither the Company nor the Managers, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

Investing in the Offer Shares involves a high degree of risk. See Section 2 **"Risk Factors" beginning on page 16.**

In connection with the Offering, each of the Managers and any of their respective affiliates, acting as an investor for its own account, may take up Offer Shares in the Offering and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in the Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Managers or any of their respective affiliates acting in such capacity. None of the Managers intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, certain of the Managers or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Managers (or their affiliates) may from time to time acquire, hold or dispose of Shares.

4.2 Presentation of Financial and Other Information

4.2.1 Financial information

The Group's audited combined financial statements as at, and for the years ended, 31 December 2012 and 2011 (the "**Combined Financial Statements**"), included in Appendix B1 to this Prospectus, have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). The Group's unaudited interim combined financial statements as at, and for the six month periods ended, 30 June 2013 (the "**Combined Interim Financial Statements**"), included in Appendix C to this Prospectus, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**"). The Combined Financial Statements and Combined Interim Financial Statements are together referred to as the "**Combined Financial Information**". The Group's audited consolidated financial statements as at, and for the year ended, 31 December 2010 the "**Consolidated Financial Statements**"), included in Appendix B2 to this Prospectus, has been prepared in accordance with IFRS based on the existing legal group of the Company.

The Combined Financial Information has been prepared specifically for the purposes of this Prospectus and are presented on a combined basis for all periods prior to the date at which the Reorganisation, as described in Note 2 to the Combined Financial Statements, was established on 4 November 2013 and on a consolidated basis for all periods thereafter. The Combined Financial Information has been derived from consolidated financial statements and historical accounting records, employing the methods and assumptions discussed in Note 2 and Note 3 of the Combined Financial Statements. The Company's management believes the assumptions underlying the Combined Financial Information are reasonable. However, the Combined Financial Information as presented is not comparable to the Consolidated Financial Statments due to the basis of preparation as described in Note 2 of the Combined Financial Statements, and may not reflect the results of operations, financial position and cash flows that the Group would have had if had been run as a separate legal group during the periods presented and may not be indicative of future performance.

In addition to the Combined Financial Information and the Consolidated Financial Statements, the Company has included unaudited pro forma financial information as at 30 June 2013 (the "**Pro Forma Financial Information**") in this Prospectus to show how certain transactions could have affected the Group's combined balance sheet as at 30 June 2013 as if these transactions had taken place at 30 June 2013. The unaudited Pro Forma Financial Information is presented for illustrative purposes only and does not purport to represent what the Group's actual balance sheet would have been had the events which were the subject of the adjustments occurred on the relevant dates. The Pro Forma Financial Information does not include all of the information required for financial statements under IFRS and should be read in conjunction with the historical combined and consolidated audited financial statements included elsewhere in this document. See Section 12 "Unaudited Pro Forma Financial Information" for further information about the basis of preparation of the Pro Forma Financial Information.

The Combined Financial Statements for the years ended 31 December 2012 and 2011 and the Consolidated Financial Statements for the year ended 31 December 2010 have been audited by PricewaterhouseCoopers LLP, as set forth in their report thereon included herein. PricewaterhouseCoopers LLP has issued a review report of the Combined Interim Financial Statements for the six month periods ended 30 June 2013, as set forth in their report thereon included herein. PricewaterhouseCoopers LLP has issued independent assurance of the Pro Forma Financial Information, attached hereto as Appendix F. The Combined Financial Information, the Consolidated Financial Statements and the Pro Forma Financial Information are together referred to as the "**Financial Information**".

The Company presents the Financial Information in USD (presentation currency).

4.2.2 Industry and market data

In this Prospectus, the Company has used industry and market data obtained from independent industry publications, market research and other publicly available information, and specific market data the Company has commissioned from Poten & Partners (UK) Limited ("**Poten & Partners**"). Market data from Poten & Partners is not publicly available information, but can be obtained against payment through Poten & Partners' website (www.poten.com). While the Company has compiled, extracted and reproduced industry and market data from external sources, the Company has not independently verified the correctness of such data. The Company cautions prospective investors not to place undue reliance on the above mentioned data. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Group's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk Factors" and elsewhere in this Prospectus.

4.2.3 Other information

In this Prospectus, all references to "**NOK**" are to the lawful currency of Norway, all references to "**USD**" are to the lawful currency of the United States, all references to "**EUR**" are to the lawful common currency of the EU member states who have adopted the Euro as their sole national currency and all references to "**SGD**" are to the lawful currency of Singapore. The Financial Information is published in USD.

4.2.4 Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.3 Cautionary Note Regarding Forward-Looking Statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "should", "projects", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. They appear in the following Sections in this Prospectus, Section 7 "The LPG Shipping Industry", Section 8 "Business of the Group" and Section 11 "Operating and Financial Review", and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group's future business development and financial performance, and the industry in which the Group operates, such as, but not limited to, with respect to demand for LPG carriers in the future and expected growth in the maritime LPG transportation market.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry in which the Group operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. Important factors that could cause those differences include, but are not limited to:

- the highly cyclical nature of the LPG shipping industry;
- an oversupply of LPG shipping capacity;
- the continued growth of the global LPG market;
- a deterioration in global economic conditions;
- increases in bunker fuel prices;
- inadequacy of the Group's insurance to cover the Group's losses;
- substantial fluctuation in charter rates;
- the Group's international operations are exposed to the risk of acts of piracy;
- the Group transports gas across a wide variety of national jurisdiction, which exposes the Group to risk inherent to operating internationally and in politically unstable regions. In addition, the Group has to work with local agents and business associates all over the world, which exposes it to the risk of breaching international sanctions and anti-bribery/anti-corruption laws;
- the Group may not be able to implement its business strategy successfully or manage its growth effectively;
- the Group's growth in the LPG shipping market depend on its ability to expand relationships with existing customers and obtain new customers, for which the Group will face substantial competition;
- competition from more technically advanced LPG carriers;
- the Group will be required to make substantial capital expenditures in order to modernize and expand the fleet and maintain the quality of the vessels the Group owns;
- the Group's lack of diversification;
- international, regional and local competition rules and regulations for the shipping industry;
- the Group may have difficulty expanding its fleet in the future;
- difficulty entering into long-term LPG time charters if the short-term or spot LPG shipping market becomes increasingly active;
- the loss of any of the Group's top five customers or default by any of these customers;
- off-hire or performance claims by the Group's customers;

- substantial fluctuation in vessel values;
- the Group may experience operational problems;
- changes in and compliance with law and regulation;
- compliance with safety and other vessel requirements imposed by classification societies;
- seasonal fluctuations;
- vessel damage;
- required dry-docking of the Group's vessels;
- attraction and retention of key management personnel and other employees;
- a shortage of qualified officers;
- labour union disruptions;
- litigation;
- disruption, failure or security breaches of information technology and other operating systems;
- insufficient number of vessels to service CoAs;
- the impact on the charter-in fleet if the spot market rate falls below the time charter-in rate;
- the ageing of the fleet;
- delays in deliveries, or cost overruns in relation to, newbuildings or deliveries of vessels with significant defects;
- failure to successfully integrate assets or businesses acquired from third parties;
- changes in tax laws of any country in which the Group operates from time to time, or complex tax laws associated with international operations which the Group may undertake from time to time;
- a loss of a major tax dispute or a successful challenge to the Group's operating structure;
- the Company is a holding company and is dependent on cash flow from its subsidiaries;
- unavailability of required additional capital;
- significant exchange rate fluctuations;
- derivative contracts;
- the Group's financing and related risks; and
- the reorganisation and the listing and related risks.

Some of the risks that could affect the Group's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 2 "Risk Factors".

The information contained in this Prospectus, including the information set out under Section 2 "Risk Factors", identifies additional factors that could affect the Group's financial position, operating results, liquidity and performance. Prospective investors in the Shares are urged to read all Sections of this Prospectus and, in particular, Section 2 "Risk Factors" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates when considering an investment in the Company.

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

4.4 Exchange Rates

The following table sets forth, for the previous five years as indicated, information regarding the average, high, low and period end reference rates for the Norwegian kroner, expressed in NOK per USD, in each case rounded to the nearest three decimal places, based on the daily exchange rate announced by the Central Bank of Norway:

Fiscal year	Average[1]	High	Low	Period end
2008	5.650	7.294	4.958	7.002
2009	6.290	7.237	5.541	5.777
2010	6.047	6.702	5.617	5.813
2011	5.606	6.020	5.220	5.968
2012	5.821	6.147	5.535	5.566
2013 (through 31 October 2013)	5.833	6.198	5.444	5.941

1 Represents the average of the noon buying rates on the last day of each month during the respective period.

The following table sets forth, for the previous six months indicated, information regarding the average, high, low and period end reference rates for the Norwegian kroner, expressed in NOK per USD, in each case rounded to the nearest three decimal places, based on the daily exchange rate announced by the Central Bank of Norway:

Month	Average[1]	High	Low	Period end
April	5.791	5.910	5.699	5.820
May	5.824	5.886	5.751	5.854
June	5.869	6.144	5.724	6.028
July	6.028	6.198	5.877	5.925
August	5.965	6.113	5.854	6.113
September	5.973	6.101	5.790	6.001
October	5.956	6.052	5.874	5.941

1 Represents the average of the noon buying rates each day during the respective period.

No representation is made that the NOK amounts have been or could have been converted into USD, or vice versa, at the exchange rates indicated in the tables above or any other exchange rate.

5 REASONS FOR THE OFFERING AND THE LISTING

In recent years, more than USD 1 billion has been committed in differentiating BW LPG as the world's largest individual owner and operator of VLGCs. This results in a business platform which, as set out in Section 8.3 "Strategy", is positioned for further growth. As part of the growth strategy, the Company and BW Group have decided to introduce new owners to the Company through the Offering.

The Oslo Stock Exchange provides a regulated market for trading in the Shares, providing liquidity in the Shares which increases their attractiveness as investments, and is also a leading trading venue for shipping and energy related shares. The Company has therefore decided to apply for a listing of the Shares on the Oslo Stock Exchange. The listing enables the Company to access this capital market to raise additional equity for growth purposes, and to use its Shares as transaction currency for business combinations and / or acquisitions of assets.

The gross proceeds from the sale of New Shares in the Offering are expected to be a fixed amount of NOK 1,662 million (USD 280 million) at a NOK/USD exchange rate of 5.9365. The Company intends to use the net proceeds in the following manner:

Expenditure (2013/14)	**Amount USD million**
Enhancement of cash for working capital.	20
Repay outstanding debt on BW Trader.	52
Completion of 1st newbuilding.	70
Additional instalments 5 newbuildings.	72
Total requirement.	**214**
Primary proceeds.	266
Unused balance.	52

6 DIVIDENDS AND DIVIDEND POLICY

6.1 Dividend Policy

The Company's Board of Directors intends to adopt a dividend policy which best balances the immediate growth ambitions and opportunities of the Group with a sustainable yield which takes into account the expected long-term earnings and cash flows of the Group.

The Board of Directors is considering a dividend for the six months ending 30 June 2014 of approximately USD 0.11 per Share, to be paid in October 2014. The Board of Directors expects the 2014 half-year dividend level to establish a baseline for future dividend levels, in terms of USD dividend per Share. Subsequent to October 2014, the Company intends to pay dividends semi-annually.

The 2014 half-year dividend target implies a dividend yield of 2.7% to 3.1% per annum, on the basis of the final Offer Price being set within the Indicative Price Range of NOK 40 to NOK 50 and a NOK/USD exchange rate of 5.9365.

There can be no assurance that a dividend will be proposed or declared in any given half year. If a dividend is proposed or declared, there can be no assurance that the dividend amount or yield will be as contemplated above.

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account the Group's capital requirements, including capital expenditure commitments, its financial condition, general business conditions, legal restrictions as set out in Section 6.2 "Legal Constraints on the Distribution of Dividends", and any restrictions under borrowing arrangements or other contractual arrangements in place at the time.

Dividends distributed to shareholders of the Company for the fiscal years 2012, 2011 and 2010 were nil in each period.

6.2 Legal Constraints on the Distribution of Dividends

A Bermuda company may not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realisable value of the company's assets would thereby be less than its liabilities. "Contributed surplus" is defined for purposes of section 54 of the Bermuda Companies Act to include the proceeds arising from donated shares, credits resulting from the redemption or conversion of shares at less than the amount set up as nominal capital and donations of cash and other assets to the Company. Under the Bye-laws, the Board of Directors may declare dividends and distributions without the approval of the shareholders in general meetings. Further, the Company's subsidiaries may be subject to applicable legal constraints on the distribution of dividends in the jurisdiction in which they are incorporated, such as sufficiency of distributable reserves.

6.3 Manner of Dividend Payments

Although any future payments of dividends on the Shares will be denominated in USD, such dividends will be distributed through the VPS in NOK. Any dividend will be paid to the shareholders through the VPS. Investors registered in the VPS whose address is outside Norway and who have not supplied the VPS with details of any NOK account, will however receive dividends by check in their local currency, as exchanged from the NOK amount distributed through the VPS. If it is not practical in the sole opinion of DNB Bank ASA, being the Company's VPS registrar, to issue a check in a local currency, a check will be issued in USD. The issuing and mailing of checks will be executed in accordance with the standard procedures of DNB Bank ASA, Foreign Payments Department. The exchange rate(s) that is applied will be DNB Bank ASA's rate on the date of issuance. Dividends will be credited automatically to the VPS registered shareholders' NOK accounts, or in lieu of such registered NOK account, by check, without the need for shareholders to present documentation proving their ownership of the Shares.

7 THE LPG SHIPPING INDUSTRY

The information and data contained in this prospectus relating to the global shipping industry has been provided by Poten & Partners (UK) Limited or "Poten & Partners" (www.poten.com), and is taken from Poten & Partners database and other sources. Poten & Partners has advised that: (i) some information in Poten & Partners' database is derived from estimates or subjective judgments; (ii) the information in the databases of other maritime data collection agencies may differ from the information in Poten & Partners' database; (iii) while Poten & Partners has taken reasonable care in the compilation of the statistical and graphical information and believes it to be accurate and correct, data compilation is subject to limited audit and validation procedures. Market data from Poten & Partners is not publicly available information, but can be obtained against payment through Poten & Partners' website (www.poten.com).

Unless otherwise indicated, the following information relating to the global shipping industry reflects information and data available as at 1 August 2013.

7.1 Introduction

Liquefied Petroleum Gas (LPG) shipping is a term referring to seaborne transportation services of LPG. LPG consists primarily of propane and butane, and is a relatively clean fossil energy source used for heating and fuel ("retail demand") as well as a petrochemical and refinery feedstock ("industrial demand"). These gases are transported in liquefied form to reduce volume and facilitate handling. Seaborne transportation is the most cost effective way of transporting these gases over the long distances between the major exporting and importing regions of the world.

The LPG shipping industry has in recent years experienced significant changes. Increased natural gas production has generated a strong increase in the supply of associated LPG. As a result, the volume of seaborne traded LPG has risen 15% between 2009 and 2012. Growing gas production and processing in the Arabian Gulf ("**AG**") and the U.S. in particular is expected to further increase the volumes of seaborne transported LPG by an additional 30% by 2016, compared to 2012. The strong growth in unconventional shale oil and gas production in the U.S. has created a significant surplus of associated LPG, leading to a price differential between U.S. LPG and the LPG being exported out of the AG, where prices are traditionally linked to crude oil prices. This price differential is encouraging an increasingly global LPG trade with larger volumes being transported over longer distances Growing Asian retail demand and particularly price-sensitive petrochemical demand make sourcing the lowest-priced LPG possible ever more imperative for petrochemical producers. Seaborne LPG exports volumes and the associated trade routes are the primary indicators of the health of the LPG shipping market. The new long haul trades from the U.S. to Asia now being established are likely to become among the most important routes in the seaborne LPG trade.

With an industry shifting to long haul and large volume trade on the back of increased LPG supply out of the U.S. and growing demand in Asia, 50% of the current LPG carriers orderbook is represented by the "fully refrigerated" segment best-suited to these requirements, in particular the Very Large Gas Carrier (VLGC) segment. The fleet of LPG ships sized above 12,000 cbm, the fleet involved in regional and long haul trading, increased 27% in total capacity terms between 2009 and 2012. This growth in shipping capacity has not been sufficient to keep pace with the growth in LPG supply seen between 2011 and 2012, resulting in a strengthening of the charter rates across the segments. A strong on-going VLGC orderbook has become important to covering the necessary ton-mile demand expected to be generated by new projects. This scenario has attracted new entrants to an industry where ownership is highly fragmented with a small number of industry leaders, placing newbuild vessel orders to capitalise on the expected growth of the seaborne LPG trade.

7.1.1 Overview of the LPG market

The LPG industry was initially developed not by the oil majors, but rather by smaller companies. This history shapes the industry and even though it has become more commoditised, it remains a relatively small niche market, by the standards of the wider oil, gas and refined products sector.

LPG consists of propane and butane, petroleum gases which originate either from crude oil as associated gas and/or natural gas as non-associated gas, which accounts for 60% of LPG supply, or from crude oil refining, which accounts for around 40% of LPG supply. Despite being gaseous at ambient pressure and temperature, propane and butane both liquefy relatively easily under pressure, refrigeration or some combination of the two. Unlike natural gas or crude oil and its major refined products, LPG emerges as a by-product from industrial processes aimed primarily at other ends, so producers are generally unable or unwilling to moderate supply in order to match demand. Price is the one and only mechanism available to balance the market, by increasing demand in times of surplus, or to meter out limited supply in times of scarcity. In times of surplus, a fall in LPG prices incentivises the transportation of the LPG from a region of surplus to the region in deficit. Transportation costs frequently react with a relative rise in rates.

LPG is a relatively clean energy source compared to many other fossil fuels and has numerous applications. It is used for residential/commercial heating, cooking, fuel for transport (often known as autogas) and as a feedstock in petrochemical and refinery processes.

Although tied to refining and the production of natural gas and crude oil, LPG has its own distinct supply chain and market structures. LPG is substitutable in many of its applications and its pricing is therefore influenced by its competition with other fuels or feedstocks.

LPG is a global industry. Much of the LPG supply is derived from countries that are distant from consuming regions. LPG is transported by ship in liquid form in large vessels such as VLGCs, where the propane and butane are kept at -42°C and -6°C, respectively. There have historically been links between the prices in different regions; the Middle East, the Far East, Africa, Europe and the United States, a linkage that has grown stronger in recent years. A price differential nevertheless continues to exist between the U.S. and both the AG and Europe as prices of U.S. propane remain influenced by the oversupplied U.S. domestic propane market. Figure 1 below provides a high-level overview of the LPG value chain.

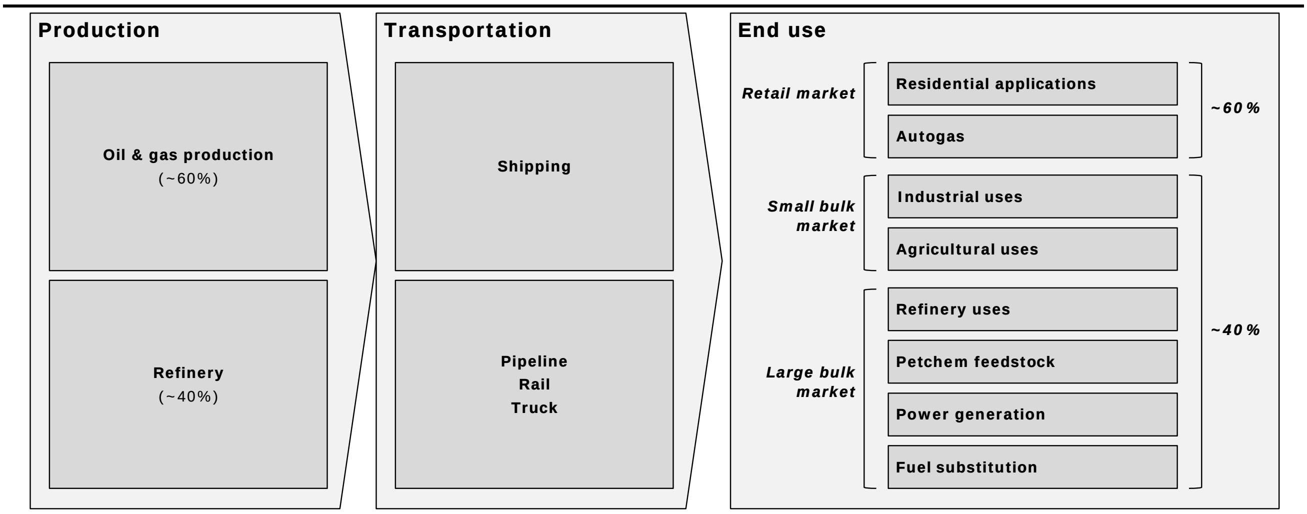


Figure 1: The LPG value chain

(Source: Poten & Partners)

7.1.2 Overview of the ammonia market

The ammonia market is important to certain segments of the LPG shipping industry, as its handling characteristics require that ammonia is moved in vessels that can also carry LPG.

The global ammonia market has grown with the growth of global fertiliser demand. Ammonia is the main intermediate element for producing more complex nitrogen fertilisers and, at a small scale, is also used in direct application on the field in the U.S. manufacturing of urea, a nitrogen-release fertiliser, alone consumes more than 50% of all ammonia production. Other uses for the product include the production of explosives, refrigerants and other industrial chemicals. Ammonia is typically produced from natural gas. Most ammonia produced is consumed on site, but more than a tenth of ammonia volumes produced are traded globally.

7.2 Supply and Demand of LPG and Ammonia

7.2.1 LPG supply

The development of the natural gas and its associated Liquefied Natural Gas (LNG) industry in recent years has brought with it increasing quantities of LPG. The production of LPG from processing gas (both gas "associated" with crude oil production and "non-associated", produced in its own right) now accounts for more than 50% of total LPG output. One particularly significant contribution has come from the start-up of Qatar's LNG trains in 2011, which have resulted in a 100% rise in the country's LPG exports and made it the number one exporter worldwide at 10 mm t/y (million metric tonnes per year).

Refinery production accounts for the bulk of the remaining LPG production. However, refinery LPG is mostly consumed within national boundaries and only small volumes are exported.

LPG is exported overland and by sea. Truck and rail are the most common means for overland transport, but pipeline exports also exist in certain countries. The vast majority of LPG exports are, however, transported by sea. The seaborne trade market has developed as oil- and gas-rich countries with limited LPG requirements have sought to move their supplies to countries with large industrial and consumer demand for LPG. Due to the large distances between many areas of LPG production and consumption, seaborne transportation of LPG is either the only way, or the most cost efficient means, of transporting LPG between producing and consuming regions.

Seaborne exports account for approximately a quarter of global LPG production. Global LPG seaborne trade has doubled since 1990, growing from a mere 33 mm t/y to surpass the 67 mm t/y mark in 2012. Figure 2 shows the development in the seaborne LPG trade.

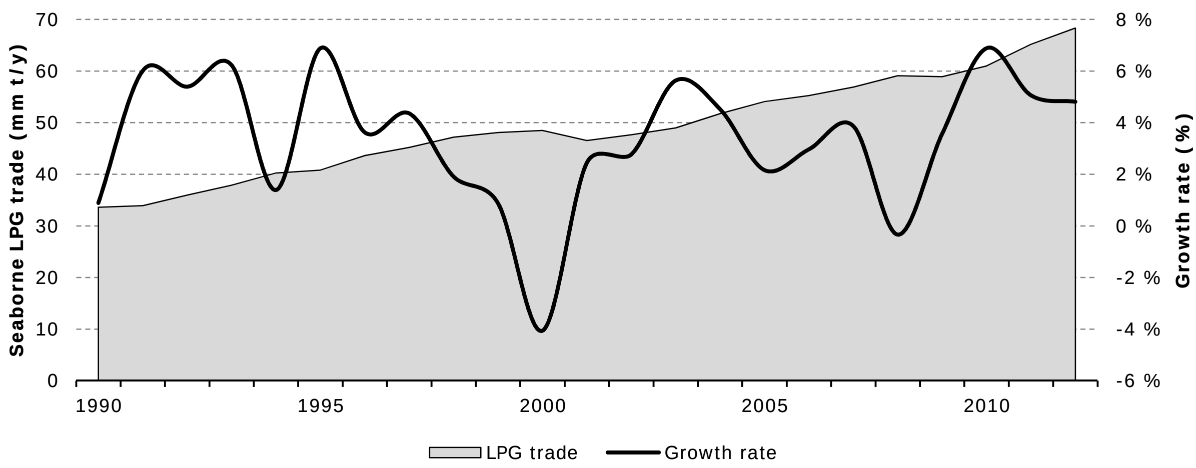


Figure 2: Seaborne LPG trade development
(Source: Poten & Partners)

Currently, there are six regions exporting LPG. Exporting regions are typically grouped into the “Eastern” or the “Western” market, depending on if the exporting regions are located East or West of the Suez Canal. The exporting regions in the Eastern market consist of the Arabian Gulf and Asia Pacific, while the principal exporting regions for LPG in the Western market are North Africa, the North Sea, West Africa and recently also the United States. Overall there are around 40 exporting countries today, with ten of these countries together accounting for nearly two thirds of global seaborne exports. Figure 3 and Figure 4 illustrate the composition of global LPG exports and imports by region for 2012, respectively.

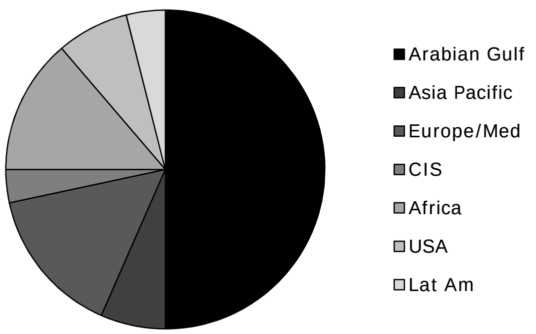


Figure 3: Global LPG exports by region 2012
(Source: Poten & Partners)

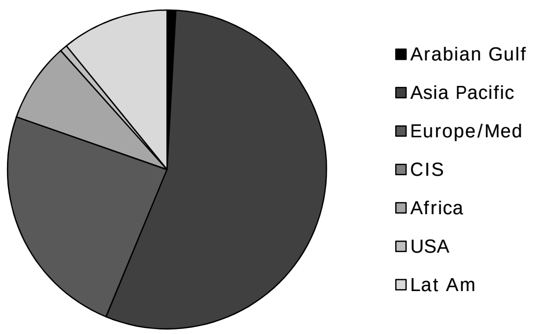


Figure 4: Global LPG imports by region 2012
(Source: Poten & Partners)

The AG is the largest hub for LPG exports, mainly destined for the Asian markets. Major exporters include Saudi Arabia, Qatar and the United Arab Emirates (“**UAE**”). The AG accounts for approximately 50% of world seaborne trade.

The U.S. is however set to become the largest LPG exporter in the world. While 2012 exports were only at five mm tonnes, these are expected to triple by 2015 on the back of additional export projects from which supplies have already been committed to buyers. The U.S., being distant from the major import markets, has built export facilities principally oriented towards loading VLGCs, which is the primary vessel type used for U.S. exports.

The U.S. has transitioned from being considered as the LPG sector's importer of last resort to the fastest-growing LPG exporter in the world over a five year time span.

North Europe/Mediterranean seaborne exports come mainly from three countries: Norway and the UK in the North Sea, and Algeria for the Mediterranean region. Altogether these producers account for 60% of Europe/Mediterranean seaborne exports. While Norwegian and UK LPG production is at best likely to remain flat, Algerian output offers great growth potential in the future.

West African exports are primarily made up of Nigerian, Angolan and Equatorial Guinean volumes. These only represent around 5% of international trade annually. However, their importance to the VLGC trade is greater than the market share suggests as West African exports often act as the global market's swing supplier and are able to create strong ton-mile demand when volumes are directed to the Asian markets.

Australasia (Australia and East Timor) represents the largest exporting hub in the Asia Pacific region. Exports out of this region are based on VLGCs loading for transport to Japan, Korea and China, while new LNG projects currently being built in the region are likely to increase LPG production and exports.

7.2.2 LPG demand

The largest consumer of LPG globally is the retail market, with around 60% of the total consumption of LPG, represented by consumption of LPG for transport, heating or cooking by end-users such as individuals or businesses. Roughly 200 mm tonnes of LPG are consumed annually by the retail sector. The remaining volume, around 40% of total consumption, is absorbed by large bulk applications such as the petrochemical industry or what is termed small bulk applications for industrial use. Within this total consumption, demand is satisfied primarily by local supply (including road, rail and barge) but seaborne imports provide almost 25% of the total. There are around 60 countries involved in seaborne LPG imports. Asia Pacific (mainly Japan, Korea, India and China) and Europe/Mediterranean are the primary importing areas as in addition to the traditional retail (cooking, heating and autogas) demand for propane and butane, the petrochemical industries across both regions offer a large outlet for LPG to be used as feedstock.

Asia is the world's largest importing hub for LPG, absorbing roughly 56% of world seaborne imports. Europe and the Mediterranean countries take roughly 30% of the seaborne market share. Asia is the fastest growing LPG importing area, and with new Propane Dehydrogenation ("PDH") plants being constructed in China and South Korea to provide increased domestic supplies of polypropylene, Asian demand is expected to grow by 40% between 2012 and 2015.

Latin America imports LPG solely for retail purposes. Brazil has been the largest Latin American importer of the product; however Chile and Ecuador on the Pacific coast are also large importing hubs of LPG. Growth of U.S. exports has prompted a rise in consumption within Central and South America. Between 2009 and 2012, imports of LPG to Latin America grew by 55%.

Retail demand is the backbone of LPG consumption. History has shown that imports for retail demand rarely grow without governmental intervention, typically in the form of subsidies or other benefits for switching fuels. As a result, to remain competitive relative to other, cheaper fuels such as kerosene and firewood, governments are often seen as required to intervene with programmes making LPG economically viable for their populace at large. For example, in India the government has promoted the use of LPG in rural areas through a number of subsidies offered. Other countries impose a ceiling on the price of LPG that is sold to the population. Once subsidies are in place and the benefits of a comparatively clean fuel are experienced, consumers of LPG are unlikely to accept a reversal to kerosene or firewood. The continuation of subsidies remains a critical variable for the success of such scenarios.

Petrochemical demand for propane and butane comes from on-purpose and flexible petrochemical plants. On-purpose plants are built for the specific use of propane or butane for production of propylene or butadiene. Flexible plants on the other hand are built with the capability to utilise multiple feedstocks – while many will use naphtha as a first-choice preference, they will nevertheless switch to LPG as a feedstock when the discount of LPG to naphtha becomes wide enough. As a result, this demand is termed as "price sensitive". In 2012, low prices for propane out of the U.S. prompted a significant switch in feedstocks, with propane being the favoured feed in Europe. Propane was therefore imported from the U.S. to Europe in order to accommodate the growth in demand. Similar principles apply to propane and butane in Asia, although Asia's primary alternative to naphtha as a feedstock remains butane. Propane and butane demand as feedstock to the petrochemical industry impact directly the shipping markets as further LPG cargoes are purchased for petrochemical consumption at the expense of naphtha. Figure 5 shows the development in propane and naphtha prices in Northwest Europe, while Figure 6 shows the price spread of the propane price less the naphtha price.

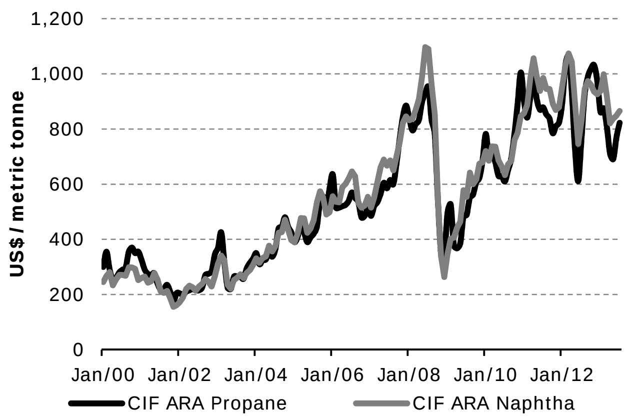


Figure 5: Northwest Europe propane and naphtha prices
(Source: Poten & Partners)

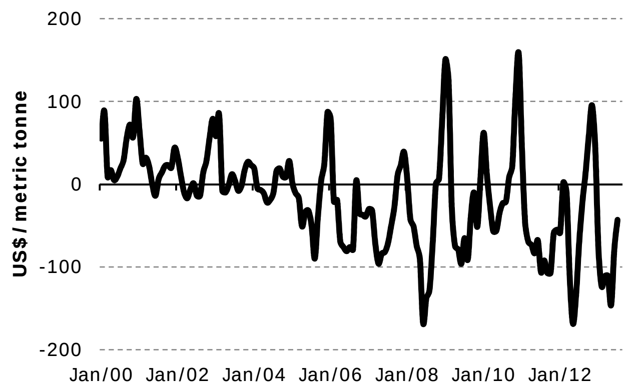


Figure 6: Northwest Europe propane and naphtha spread
(Source: Poten & Partners)

In Asia, China has strong demand for propylene used for a wide variety of applications in the plastics industry. Instead of relying on importing propylene for the production of polypropylene and other derivatives, Chinese petrochemical players are building PDH units which are expected to run on low-priced propane, currently available from the U.S.

7.2.3 Ammonia supply

China is the world's largest producer of ammonia with roughly 50 mm t/y. This represents approximately a third of global ammonia production, which totalled 165 mm tonnes in 2011. Seaborne ammonia trade accounted for roughly 12% of total production, and is typically transported in fully-refrigerated vessels.

Trinidad is the largest exporter of ammonia, followed by Russia and the Arabian Gulf. Together, these regions account for around 50% of the seaborne exports. Medium Gas Carriers (MGC) and Large Gas Carriers (LGC) are prime candidates for the seaborne transport of ammonia. VLGCs have not been attracted to the ammonia market and have traditionally remained in LPG trading.

7.2.4 Ammonia demand

Fertilisers account for 83% of world ammonia demand, and the remaining 17% is industrial use. The U.S. is the world's largest importer of ammonia, required for production of Diammonium Phosphate (DAP)/Monoammonium Phosphate (MAP) fertilisers. Although Trinidad represents the largest ammonia exporting country, the Black Sea (Yuzhny) is considered to be the centre for ammonia trade due to its large spot market. The U.S. typically imports around 1 mm t/y of ammonia from the Black Sea, raising ton-mile demand for LPG carriers, particularly for LGCs and MGCs, which are the main vessel segments involved in this trade.

7.3 LPG: Trade and Shipping

LPG trade has grown at an average rate of 4% annually since 2000. The largest trade route has always been between the AG and the Far East, with significant trade also moving from the AG to Western markets such as Europe and the Mediterranean region. As a result of its predominance in volume terms, the AG to Far East route has shaped up as the most liquid trade route in the LPG industry on which the Baltic LPG assessment is computed. The Baltic LPG route (LPG1) consists of an assessment of the AG to Japan (Ras Tanura – Chiba) freight rate based on a VLGC carrying 44,000 t, 5%, 1-2 grades fully-refrigerated LPG cargo, with laydays 10/40 days in advance, and vessels with a maximum age of 20 years. Information is collected from a number of major shipbrokers around the world which is then collated and published daily by the Baltic Exchange. The VLGC short term Time Charter Equivalent Figure 21: Short term LPG carrier time charter equivalent rates" is computed on the Baltic's assessments converting freight rates in USD/t to monthly rates in thousands of dollars per month. Figure 7 shows the number of VLGC cargoes exported out of the various regions for the period 1 January 2013 to 31 July 2013, highlighting both the importance of the AG as the main exporting region, and the increasing exports from the U.S.

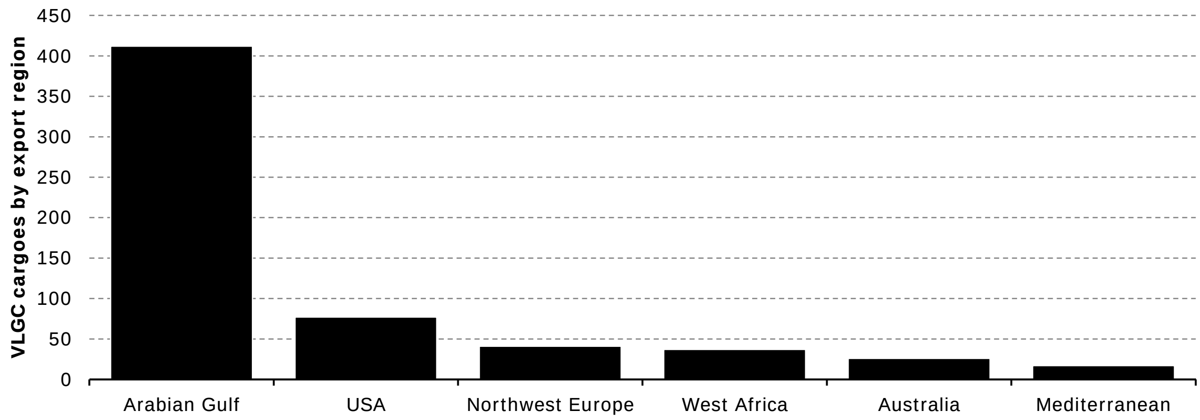


Figure 7: Number of VLGC cargoes exported by region for the period January 1, 2013 to July 31, 2013
(Source: Poten & Partners)

Seaborne trading and distribution patterns are primarily influenced by the relative advantage of the various sources of production, locations of consumption, pricing differentials and seasonality. The development of low cost shale gas and gas liquids in the U.S. has prompted a major shift in LPG trade routes. Volumes that used to move from the AG to Europe have now been reduced and replaced by U.S. volumes. Currently, only a small number of cargoes are exported from the AG to Western markets. The trade pattern has shifted to the extent of witnessing Western produced cargoes exported, primarily on VLGCs, to Eastern markets. Longer transportation routes have thus been created. This is expected to impact the supply of vessels available to charterers, as longer distances increase journey durations, making vessels unavailable in the market for a longer time period. Figure 8 shows the main seaborne LPG trading routes for 2012.

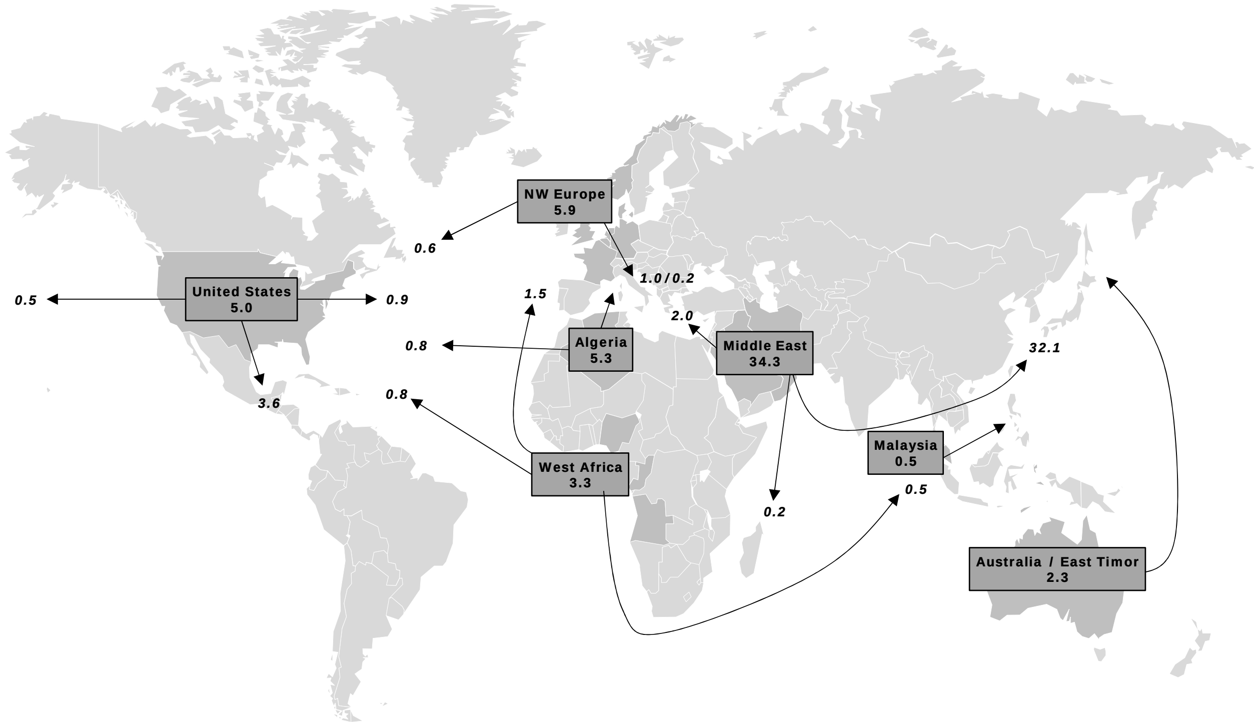


Figure 8: Main seaborne LPG trading routes 2012 (million metric tonnes per year)
(Source: Poten & Partners)

Increased natural gas production, particularly in the Middle East and in the United States has been the main driver for the strong growth in world LPG exports between 2009 and 2012. The development of the West to East trade is likely to persist in the future, as Asian demand for LPG grows and low LPG prices in the U.S. incentivise the move of LPG volumes to the East. Poten & Partners project strong export growth over the next two years from Western markets, particularly the U.S. Figure 9 shows the long-term historical development and Poten & Partner's view on the expected future development in global seaborne LPG exports. Figure 10 and Figure 11 show a detailed regional overview of the development in exports and imports, respectively.

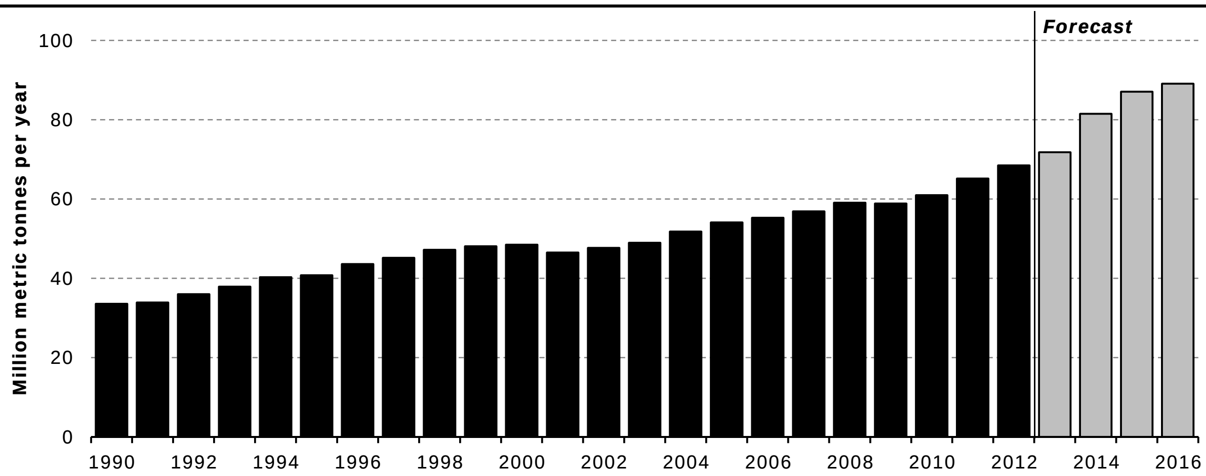


Figure 9: Global seaborne LPG volumes

(Source: Poten & Partners)

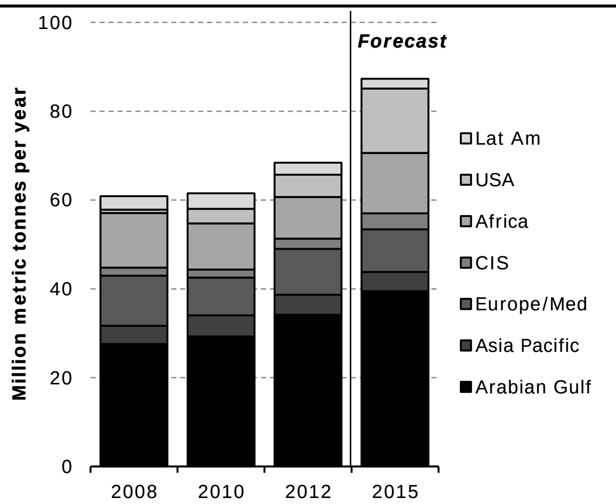


Figure 10: Global seaborne LPG exports by region

(Source: Poten & Partners)

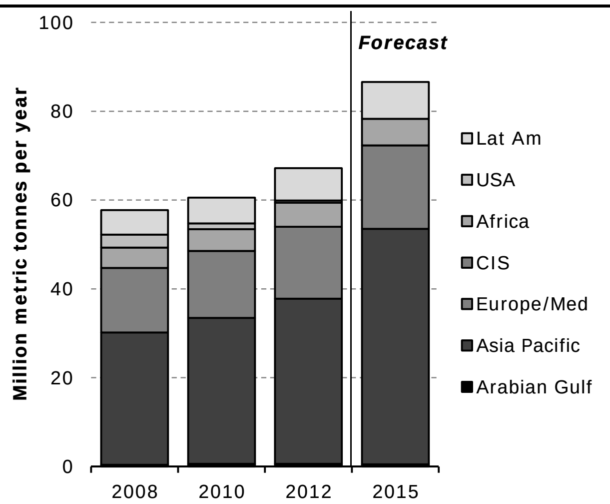


Figure 11: Global seaborne LPG imports by region

(Source: Poten & Partners)

7.3.1 Key recent developments

U.S. shale gas production has increased five-fold over the last five years, and is set to continue growing. In 2010, production from U.S. unconventional gas surged, primarily driven by the shale plays of the Bakken, Eagle Ford and Marcellus formations. Figure 12 shows the historical and expected development of U.S. natural gas production.

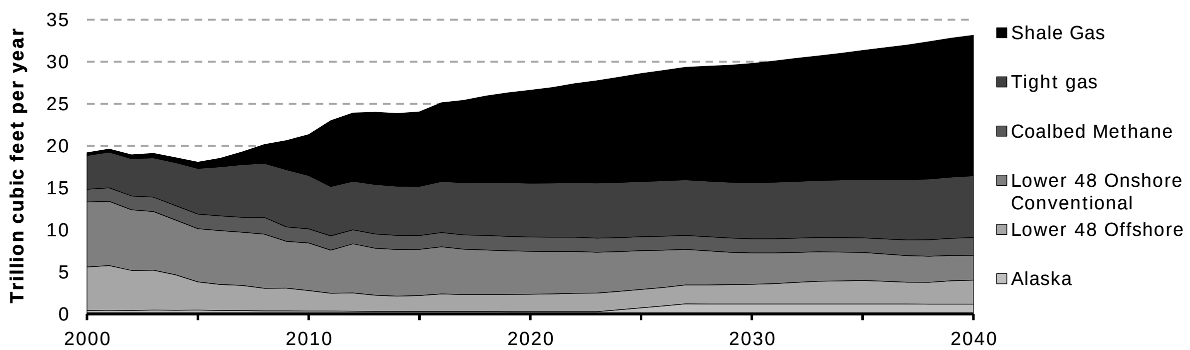


Figure 12: U.S. natural gas production by source (1990 – 2040)

(Source: Energy Information Administration, Annual Energy Outlook 2013)

In 2009 the United States became, for the first time in history, a net exporter of LPG. Between 2009 and 2012, U.S. seaborne exports grew by 100%. So far, these have been mainly propane shipments. Poten estimates that these U.S. exports may increase from approximately 5 mm t/y in 2012 to approximately 15 mm t/y in 2015. The incremental LPG derived from U.S. shale production is expected to continue having the potential to penetrate international markets due to its excess volume and competitive pricing. Worldwide LPG price differences are a key driver for exports. Additionally, LPG is used extensively as a feedstock in the petrochemicals industry, competing with other feedstocks such as naphtha. Price differences between various feedstocks are the important drivers affecting petrochemical demand for LPG. Figure 13 shows the development in the U.S. LPG trade balance. Please note that the LPG trade balance reported by the Energy Information Administration also includes petrochemicals in addition to propane and butane.

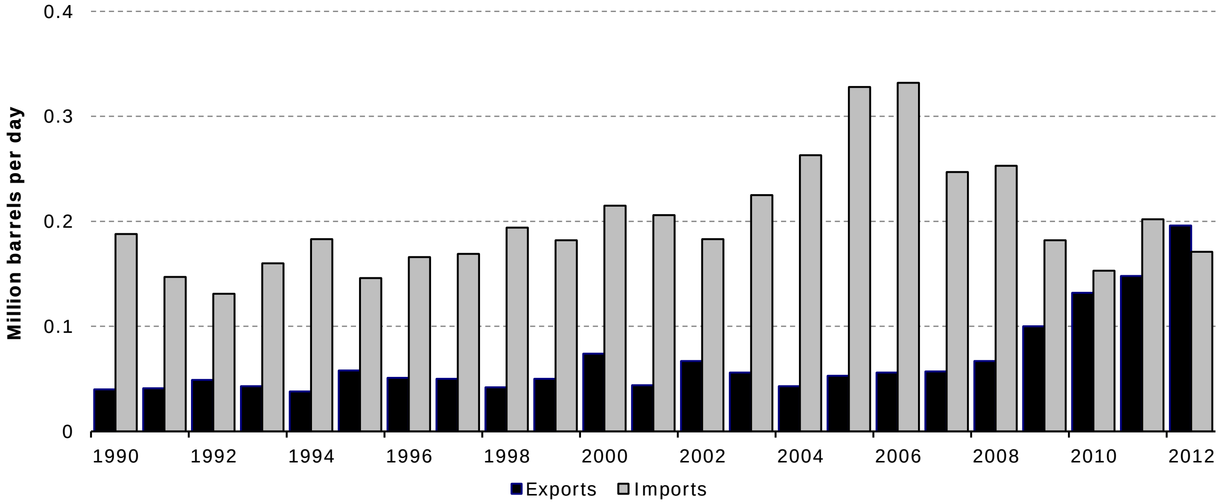


Figure 13: U.S. LPG trade balance
(Source: Energy Information Administration)

This increase in exports is mainly driven by growth in export terminal capacity. Terminal capacity growth is backed by investments from groups including Targa Resources, Vitol Coastal Caverns, Sunoco Logistics Nederland Terminal, Occidental Petroleum Corporation at Ingleside. Figure 14 shows the expected growth in U.S. LPG export terminal capacity.

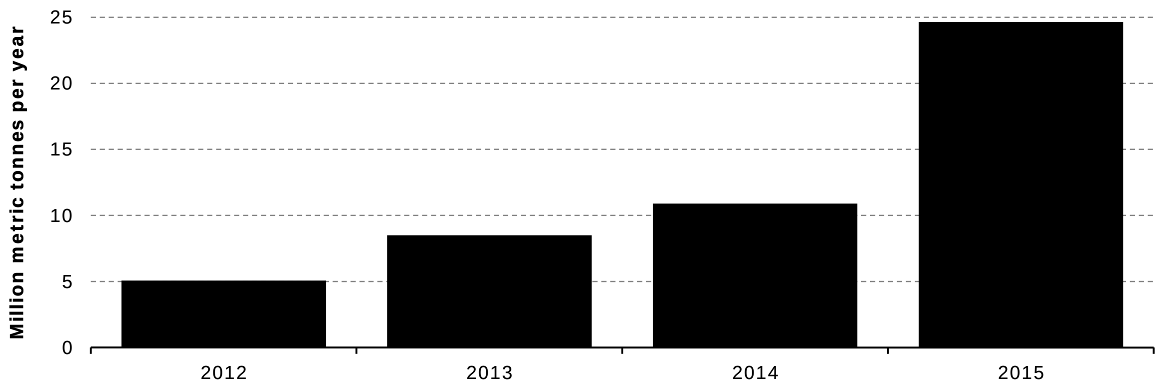


Figure 14: U.S. LPG export terminal capacity
(Source: Poten & Partners)

Growth in domestic U.S. petrochemical demand may reduce export volume estimates beyond 2016 as propane consuming units under construction by Enterprise Products Partners and Dow start up.

The rise in production and low availability of export capacity in the U.S. has caused LPG prices in the country to decrease significantly relative to all other major markets such as Europe and the AG. The wide inter-regional price difference has encouraged major LPG importers in the Far East, primarily from Japan, South Korea and now China, to sign contracts to lift LPG out of the U.S.'s Enterprise Product Partners and Targa Resources export facilities.

Several of those players, starting with Astomos Energy Corporation, have in addition announced that they will sell propane into Japan on a U.S. pricing basis due to propane price differentials between the U.S. (as measured by the Mont Belvieu price) and the AG (as measured by the FOB AG spot propane price). Figure 15 shows the development in propane prices in the U.S. as the AG, while Figure 16 and the development in the price difference as measured by the AG price less the U.S. price.

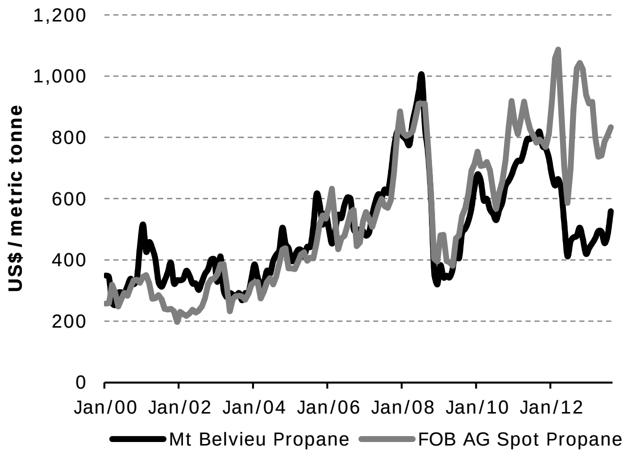


Figure 15: U.S. and AG spot propane prices
(Source: Poten & Partners)

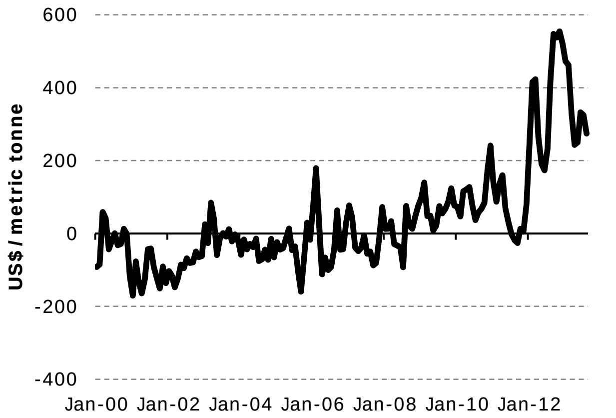


Figure 16: U.S. and AG propane spread
(Source: Poten & Partners)

From a demand perspective, China, short of propylene, has embarked on building a series of new “on purpose” propylene production plants, so-called Propane Dehydrogenation units, which produce propylene by using propane as a feedstock. These PDH plants will run on the lowest-cost imported propane. By the end of 2013, the first of a series of nine PDH plants will be up and running, set to consume 750,000 t/y of propane. The remaining eight are likely to be online by 2016, with a capacity to consume another 5 mm t/y of imported propane. Figure 17 shows the development in the expected propane consumption of the PDH plants currently being constructed. Several additional Chinese PDH plants are currently in the planning stages.

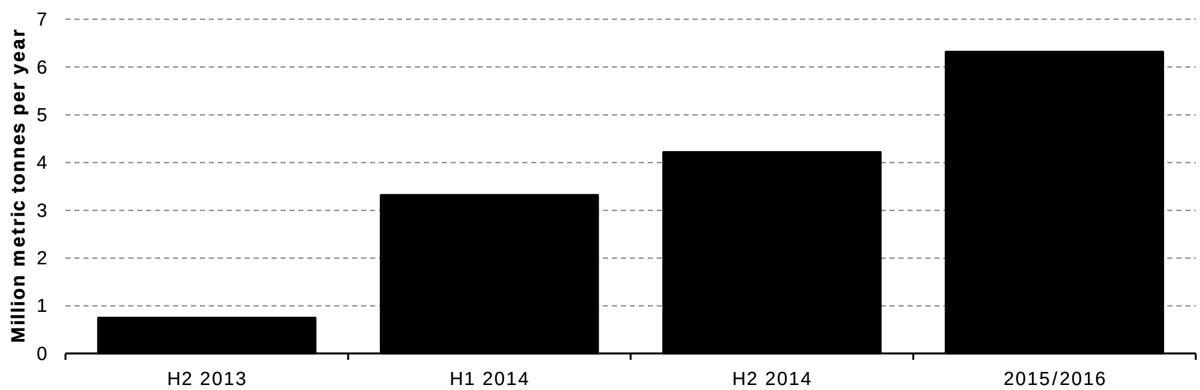


Figure 17: Chinese PDH plant propane consumption
(Source: Poten & Partners)

The demand for gas carrier capacity is primarily determined by the supply of LPG, ammonia, petrochemical gases and the distance that such gases must be transported. Shipping demand for LPG has been very strong on the VLGC segment on the back of strong U.S. exports and the long haul voyages required. VLGCs carry more than 50% of the LPG traded worldwide.

Charter rates and vessel values for gas carriers are influenced by the supply of and demand for seaborne gas cargo carrying capacity and are consequently volatile. The supply of gas carrier capacity is primarily a function of the size of the existing world fleet, the number of newbuildings being delivered and the scrapping of older vessels.

As at 1 August 2013, there were 1,235 LPG carriers with an aggregate carrying capacity of 20.9 mm cbm in the world fleet and a further 111 carriers totalling 4.4 mm cbm on order for delivery by the end of 2016. For vessels above 40,000 cbm in size, there are 172 vessels in the world fleet, 38 vessels on order and seven vessels over 25 years of age.

7.4 The LPG Carrier Fleet

LPG carriers are an integral part of the global energy and petrochemical industry. "LPG carrier" is the generic term used to describe any vessel that transports LPG, ammonia and/or petrochemical gases. Under normal ambient temperatures and pressures, LPG, ammonia and so-called petrochemical gases (such as ethylene and vinyl chloride monomers) exist in a gaseous state. In order to reduce their volume and facilitate handling, these products are liquefied for seaborne transportation in LPG carriers.

7.4.1 Fleet overview

There are several types of LPG carriers: (i) fully-pressurised vessels that rely solely upon high pressure to maintain the gas in liquid form, (ii) fully-refrigerated vessels that maintain cargo in a liquefied state by chilling gases to temperatures below their boiling point and (iii) semi-pressurised refrigerated vessels (commonly known as semi-refrigerated vessels) employing a combination of refrigeration and pressurisation.

As at 1 August 2013, there were 1,235 LPG carriers in the world fleet, including: (i) 662 pressurised vessels; (ii) 310 semi-refrigerated vessels; and (iii) 263 fully-refrigerated vessels. The fully-refrigerated LPG carrier fleet had of this date an aggregate capacity of 16.2 mm cbm, compared to 15.4 mm cbm capacity at the end of 2012. Generally, LPG and ammonia gases are transported in relatively large volumes on fully-refrigerated vessels on long-haul routes. Petrochemical gases are generally carried in semi-refrigerated or fully-pressurised vessels under 23,000 cbm. At the end of 2012, there were 145 VLGCs in service, with a capacity of 11.6 mm cbm. By August 2013, this number rose by 660,000 cbm with eight new VLGC deliveries. Table 1 provides an overview of the world LPG carrier fleet and orderbook.

VESSEL			FLEET				Orderbook		
Type	**Segment**	**Size (cbm)**	**Number**	**'000 cbm**	**Share of cbm (%)**	**Avg. age (years)**	**Number**	**'000 cbm**	**Share of cbm (%)**
Fully refrigerated	VLGC	> 60,000	153	12,265	59%	10.8	36	2,998	68%
	LGC	40,000–60,000	19	1,107	5%	12.0	2	120	3%
	MGC	18,000-39,999	91	2,801	13%	12.2	15	561	13%
Semi-refrigerated	Large semi-ref	12,000-23,000	72	1,274	6%	12.5	28	541	12%
	Small semi-ref	3,000-11,999	238	1,551	7%	14.0	6	39	1%
Pressurised	Large pressurised	5,000-11,600	44	340	2%	10.5	7	52	1%
	Small pressurised	< 5,000	618	1,527	7%	12.0	17	68	2%
Total			**1,235**	**20,865**		**12.0**	**111**	**4,379**	**100%**

Table 1: World LPG carrier fleet and orderbook overview
(Source: Poten & Partners)

Not all LPG carriers are capable of carrying ammonia, ethane and certain petrochemical gases such as ethylene and VCM, the transportation of which requires specific design or containment features. The previous liquefied gas cargo(es) that the vessel has carried ("last cargo(es)") may also be a further constraint to flexibility between cargo types, as some charterers, as a general rule, will not accept certain gases as a last cargo, for example ammonia before LPG and/or petrochemicals or butadiene prior to an LPG parcel in order to avoid contaminations of the cargoes carried.

7.4.2 LPG carrier segments

The ship designs and segmentation of vessel sizes of LPG carriers define their trading patterns and the typical industry lots of the product transported. Vessels above 25,000 cbm in size are almost exclusively fully-refrigerated and carry LPG or ammonia, while vessels below 25,000 cbm are typically either semi-refrigerated or pressurised with the capability to carry petrochemicals in addition to LPG and ammonia.

Larger than 60,000 cbm – Very Large Gas Carrier: Fully-refrigerated VLGCs represent around 60% of the LPG fleet by cubic capacity. They carry LPG on long-haul routes from the Arabian Gulf to Asia and occasionally to Europe/Mediterranean, from West Africa and North Africa to Europe/Mediterranean and the Americas and more recently from the U.S. to Europe and Asia. The current standard designs for VLGCs are 78,000 cbm or 82,000–84,000 cbm, and most discharge ports cannot accommodate larger vessel sizes due to the physical size of the vessels or limitations in the capacity of the storage tanks on land.

40,000-60,000 cbm - Large Gas Carrier: LGCs are the least numerous sector of the LPG fleet but represent around 5% of the fleet by cubic capacity. They are fully-refrigerated vessels that primarily transport LPG from West Africa to the Americas and Europe, North Africa to Europe, the Arabian Gulf to Brazil. They are also used to transport ammonia, typically from the Black Sea to the U.S. and also to Asia.

18,000-39,999 cbm – Medium Gas Carrier: Medium-sized Gas Carriers, or MGCs, represent around 13% of the LPG fleet by cubic capacity. They are primarily fully-refrigerated and transport LPG between the Arabian Gulf, India and the Mediterranean, as well as undertaking medium-distance cross-trades in the North Sea and Europe and exports from North Africa. They also carry ammonia from the Arabian Gulf to Asia, within Asia and Australasia, and from the Caribbean to the U.S.

12,000-23,000 cbm – Large Semi-Refrigerated: This segment primarily consists of LPG and ammonia transport vessels and represents around 6% of the overall fleet by cubic capacity. These vessels have the flexibility to carry up to 12 different cargoes and typically perform in coastal and inter-regional trades as they offer flexibility to load and discharge at refrigerated and pressurised storages alike. The main trading routes are within Europe and the Mediterranean, between the U.S. Gulf Coast and Central America and also within South East Asia.

3,000-11,999 cbm – Small Semi-Refrigerated: This sector represents around 7% of the LPG fleet by cubic capacity. The principal cargoes in this segment are petrochemical gases, including ethylene. The semi-refrigerated vessels under 6,500 cbm participate primarily in short-haul trading within Europe and Asia while the vessels over 6,500 cbm also operate in the medium- to long-haul markets. In petrochemicals, the main trading routes are transatlantic, Arabian Gulf-East, intra-Europe and intra-Asia. In LPG, the main routes are intra-regional Europe, Indonesia and North/West Africa.

0-11,600 cbm – Pressurised: The smallest class of vessels is the most numerous, but contributes less than 9% of overall fleet capacity. The trading patterns of these vessels generally consist of short-haul “cross-trading” or intra-regional and coastal routes, which include hauls throughout the Far East, the Mediterranean, Northwest Europe and the Caribbean.

7.4.3 Contract types

A ship owner can employ a vessel in a range of ways:

Time Charter: Contract for hire of a vessel for a certain period of time whereby the vessel owner is responsible for providing crew and paying operating costs. The charterer is responsible for fuel and other voyage costs.

Voyage Charter: Income is per voyage and earnings are dependent on market conditions. All costs are to owners' account.

Bareboat charter: The owner charters the vessel to another company (the charterer) for a pre-agreed period and a daily rate. The charterer is responsible for operating the vessel, including crewing, maintenance and insurance and for paying charter rates.

Contract of affreightment (CoA): An agreement to carry pre-agreed quantities of specific cargo on a particular route over a given period of time with particular ships or vessel type(s) within specified restrictions, rates and notice period. The owner is not required to use a specific vessel to transport the cargo, but instead may use any suitable vessel in the fleet.

Long-term time charters (5-10 years) are not common in the LPG industry. Most time charters in the VLGC market are done on a one year basis. The abundance of cargoes out of the AG has established liquidity in the market and has allowed for a larger spot trade for VLGCs in particular. The West of Suez region on the other hand mainly operates on a series of lifting programmes which are best accommodated either through time charters or through CoAs. As a result, charterers in the West favour a lower exposure to the less liquid spot market there, covering the majority of their requirements through CoA and/or time charters. Simultaneously, only owners with a large number of VLGCs are able to offer CoA agreements.

7.4.4 Fleet development

The fleet of LPG ships sized above 12,000 cubic meters, the fleet involved in regional and long haul trade increased 27% in total capacity terms from 2009 to 2012. Figure 18 shows the fleet age profile for vessels greater than 12,000 cbm, while Figure 19 shows the age profile of the VLGC fleet as at 1 August 2013.

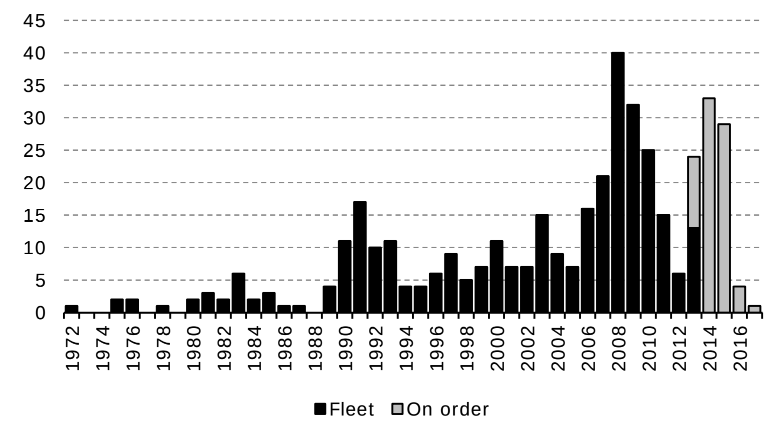


Figure 18: Global LPG carrier fleet by year built (vessels >12,000 cbm)
(Source: Poten & Partners)

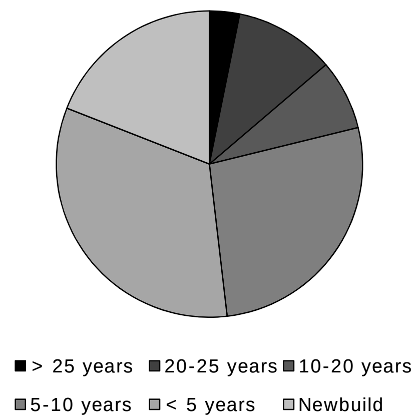


Figure 19: Global VLGC fleet age profile
(Source: Poten & Partners)

7.4.5 Gas carrier orderbook

The total available supply of LPG shipping capacity is primarily affected by the pace of newbuildings versus the removal of old vessels due to scrapping. The current total newbuild orderbook of 111 vessels represents 21% of the existing global fleet in capacity terms - 27 of these newbuilds are due for delivery during the remainder of 2013, 47 in 2014, 33 in 2015 and four scheduled for delivery in 2016. As at 1 August 2013, 53 vessels in the fully-refrigerated size range were on order worldwide with an aggregate capacity of 3.6 mm cbm. This represents 23% of the capacity of the currently-existing fully-refrigerated fleet. Since the start of 2013, the VLGC orderbook rose by an additional 24 VLGCs, adding a further 2.2 mm cbm capacity to the VLGC orderbook. Table 2 provides a detailed overview of the LPG carrier orderbook.

VESSEL		**2013**		**2014**		**2015**		**2016**	
Type	**Segment**	**Deliveries**	**'000 cbm**	**Deliveries**	**'000 cbm**	**Deliveries**	**'000 cbm**	**Deliveries**	**'000 cbm**
Fully refrigerated	VLGC	4	330	12	998	19	1,586	1	84
	LGC	-	-	-	-	2	120	-	-
	MGC	2	73	7	260	2	76	3	114
Semi-refrigerated	Large semi-ref	5	69	14	264	9	209	-	-
	Small semi-ref	2	12	4	27	-	-	-	-
Pressurised	Large pressurised	3	25	7	48	1	11	-	-
	Small pressurised	12	43	3	15	-	-	-	-
Total		**28**	**552**	**47**	**1,612**	**33**	**2,002**	**4**	**198**

Table 2: World LPG carrier deliveries and orderbook profile as at 1 August 2013[1]
(Source: Poten & Partners)

Vessels have been growing in size and efficiency, rendering older ships less commercially attractive for trading. To date, around 1 mm cbm of fleet capacity is generated by vessels over 25 years of age. The LPG fleet has historically been well maintained, from a technical standpoint, to enable vessels to survive past 30 years of age yet still be utilised for trading purposes.

The VLGC market has not witnessed any sales for recycling or demolitions since 2011. The period of 2008 to 2011 was a period characterised by low freight rates which required owners to dispose of 19 VLGCs with a capacity of 1.4 mm cbm to the scrapyards.

7.5 The VLGC Market: Charter Rates and Asset Values

South Korea and China are currently the largest shipbuilders of LPG carriers. Japanese yards have traditionally been strong players in this market, nevertheless more efficient and lower-cost South Korean yards have offered more favourable terms to shipowners. Chinese yards, which have a number of years of experience in the smaller segments such as semi-refrigerated vessels and ethylene carriers, made their debut in the VLGC newbuilding market in 2012, and currently have eight VLGCs under construction.

[1] Please note that the table excludes one MGC of 38,000 cbm scheduled for delivery in the first quarter of 2017.

VLGC newbuilding prices increased to very high levels on the back of charter rates and vessel asset values climbing up to their own peak in 2006-2007. During the financial turmoil from late 2008-2010, asset values decreased significantly and have only started to recover as at the start of the second half of 2013. There is no guarantee that current asset prices are sustainable, and history shows they can range widely. Recent stable prices for newbuildings matched with the strong freight rate developments seen in the VLGC sector have enticed new entrants into the market. The current VLGC orderbook stands at 36 vessels and represents 23% of the existing fleet. Figure 20 shows the development in VLGC and LGC newbuilding prices over the last ten years.

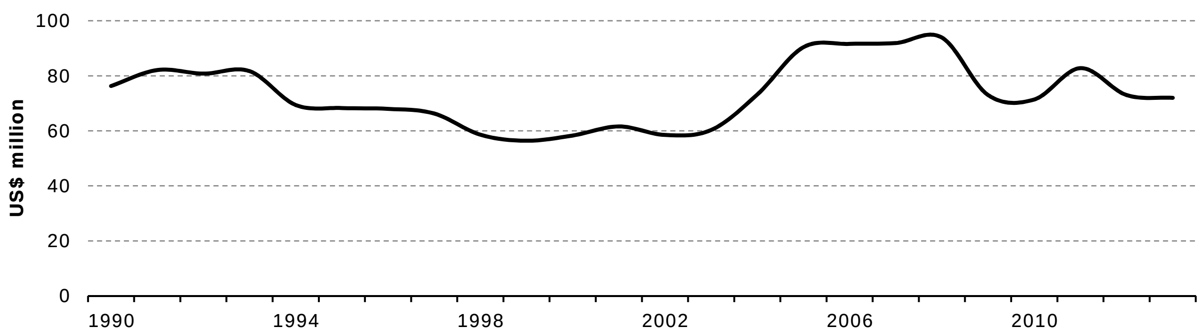


Figure 20: VLGC newbuilding prices
(Source: Poten & Partners)

Charter rates and vessel values for gas carriers are influenced by the supply of and demand for seaborne gas cargo carrying capacity, and are consequently volatile. The demand for gas carrier capacity is primarily determined by the supply of LPG, ammonia, petrochemical gases and derivative products, and the distance that such gases must be transported. Demand for LPG, ammonia, petrochemical gases and derivative products is, in turn, affected by general economic conditions, trends in domestic consumption and manufacturing, exports and imports and the capacity of chemical and ammonia plants, crackers and refineries worldwide. LPG production, and consequently trade, is also driven by crude oil and natural gas production and has over recent years also been affected by more stringent gas flaring and venting regulations. These regulations were introduced to reduce the burning off of natural gas and/or liquids from oil wells and refineries, as a way of lowering greenhouse gas emissions.

Although the different gas vessel sectors have displayed some independent rate behaviour from time to time, historically there has typically been a strong correlation between freight rates across the different types and sizes of the LPG carrier fleet for the following reasons:

- On a number of routes, there is a degree of inter-changeability between the different size categories, which tends to result in a high degree of correlation among those markets;
- Some vessels are able to carry LPG, ammonia and petrochemicals alike, which tends to bring sectors closer together; and
- Owners and charterers operate across the vessel size ranges, which are often affected by similar factors (i.e. demand/supply balances).

The shipping industry has historically been highly cyclical, demonstrating volatility in profitability, vessel values and charter rates as a result of changes in the supply of and demand for shipping capacity. The demand for ships is derived from the demand for the commodities they carry, which is influenced by, among other factors, general economic conditions, commodity prices, environmental concerns, weather and competition from alternative products. The LPG carrier industry in particular has been highly unpredictable, with volatility in charter rates and vessel values again resulting from changes in the supply of and demand for liquefied gases and vessel capacity, as well as changes in global trading patterns affecting ton-mile demand. Figure 21 shows the historical development in short-term LPG carrier charter rates.

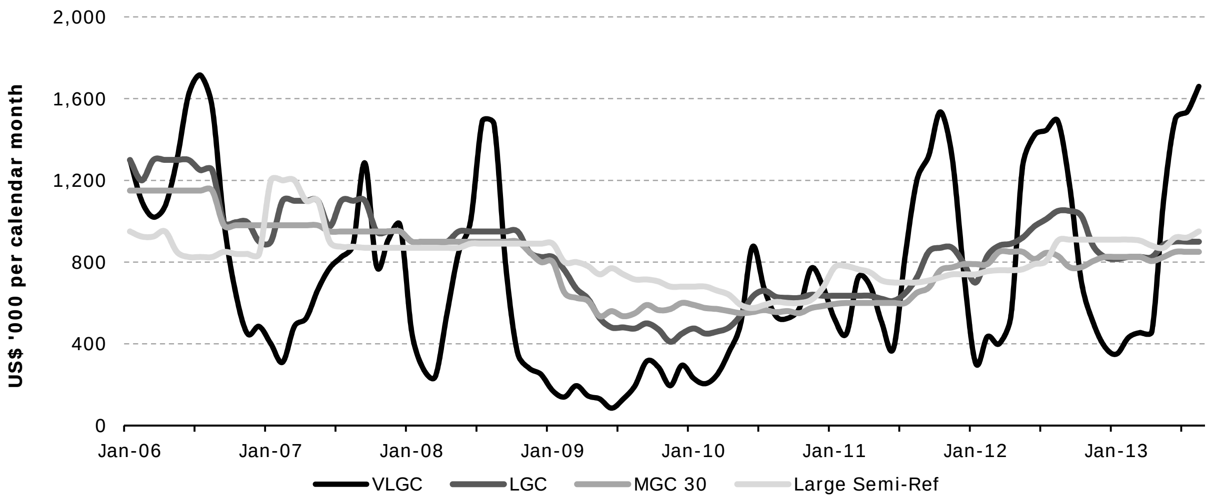


Figure 21: Short term LPG carrier time charter equivalent rates[2]
(Source: Poten & Partners)

Charter rates for the VLGC market have recovered since the start of Qatar's LNG projects in 2011. The VLGC market has always been volatile, however the change of the industry's trading patterns towards larger parcels and long haul shipping routes have prompted VLGC demand to rise and rates to strengthen. The expansion of Enterprise Products' terminal facilities, the largest U.S. exporter, in the U.S. was another turning point for the VLGC market. Monthly short-term charter rates for 2013 have thus far averaged close to USD 935,000/month and in recent months have reached as high as USD 1,500,000/month. Utilisation rates for VLGCs have, in the trough period of 2009 and 2010, been low due to an imbalance between the number of VLGCs in service and the low export supply from the AG. Higher fleet utilisation has been witnessed since 2011 as VLGC demand grows, supporting higher freight rates.

The LGC market is fairly small relative to the other LPG segments, and the fleet has not grown past the current 19 vessels in service as this segment has been squeezed both by larger VLGCs constructed on the promise of an expanded Panama Canal and ever-larger MGCs being built over time. As a result, there has only been a single deal concluded for two new LGCs since the last delivery in 2009. Nevertheless, being a small fleet, charter rates for LGCs have remained highly competitive, with monthly rates hovering between USD 800,000-1,050,000/month since the start of 2012.

7.6 Competitive Environment

The nature of the LPG trade as a niche market and the high costs involved for building gas carriers have historically discouraged new entrants, although there has been some proliferation in ownership lately, particularly with regards to newbuilding orders. The LPG sector further requires financial strength and the need for qualified personnel and crew and the illiquidity of the sale and purchase market for vessels further add to the risk new owners have to undertake.

Quality and experience of officers and crew is an essential part of maintaining the safety record in the LPG shipping industry. Experience requirements for officers in the LPG industry are stringent, sea time and competency standards training are required for working on LPG carriers. Charterers require that personnel have sufficient time in officer rank to have acquired necessary experience beyond Dangerous Cargo Endorsement qualification and that specific short term training has been attended in addition to experience from time at sea. Several major oil companies also require that officers have a significant amount of experience working for the ship-owning company in addition to general LPG shipping experience.

There are approximately 50 owners in the entire VLGC fleet, with the top ten owners possessing 43% of the total capacity in service, shown in Figure 22. The largest owner in this size range as judged by the combined capacity of existing fleet and orderbook is BW Gas, with 19 vessels in the fleet, and four on order. The second largest VLGC owner is the Japanese group JX Shipping, with 11 vessels in the fleet. Avance Gas currently owns six VLGCs, and will become the third largest VLGC owner as its new shareholding partner Frontline 2012 receives the eight VLGCs it currently has on order. On 28 October 2013, Scorpio Tankers Inc. and Dorian LPG Ltd. announced that Dorian LPG Ltd. has acquired Scorpio Tankers Inc.'s entire fleet of newbuilding VLGCs, including the newbuilding options, making it the second

[2] The time charter equivalent rate is a measure of the average daily revenue performance of a vessel, calculated by dividing voyage revenue less voyage expenses by the round-trip voyage duration in days.

largest VLGC owner after all committed newbuildings have been delivered. Around 35 other shipowners own up to two VLGCs each.

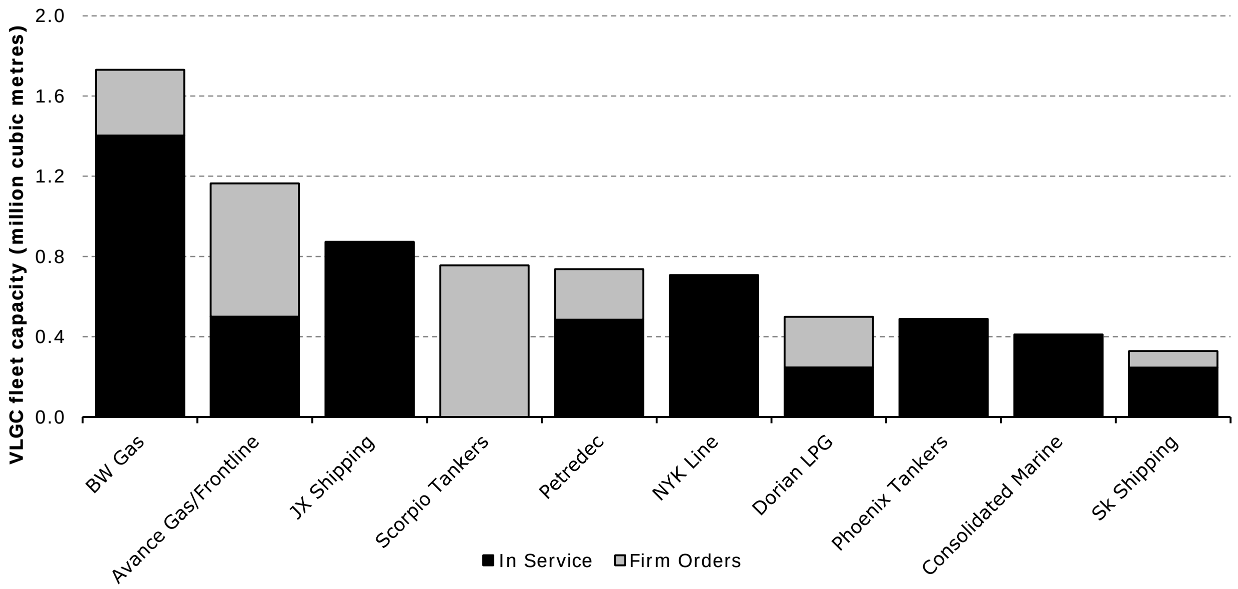


Figure 22: Top 10 VLGC owner fleets by capacity

(Source: Poten & Partners)

8 BUSINESS OF THE GROUP

8.1 Overview

The Group is the world's largest VLGC owner and operator based on number of VLGCs and LPG carrying capacity as at 1 August 2013 (source: Poten & Partners). As at the date of this Prospectus, the Group owned, partly owned and/or operated an existing fleet of 36 vessels, comprising 19 owned VLGCs, 12 chartered-in VLGCs and five owned LGCs, excluding BW Danuta, BW Hermes, six VLGC newbuildings which are expected to be delivered between 2014 and 2016. BW Danuta is scheduled for delivery to third party buyers in mid-November 2013 and BW Hermes has been committed for sale to BW Group upon expiry of current voyage commitments to Yara within 2013. The fleet operates globally, with a total carrying capacity of 2.8 million cbm as at the date of this Prospectus and a further 504,000 cbm of capacity currently on order in the form of six newbuildings of VLGCs from HHI, South Korea. The business is currently focused on the transportation of LPG for leading international oil companies (IOCs) and national oil companies (NOCs), as well as trading and utility companies.

BW LPG is incorporated in Bermuda and operated out of Singapore. It outsources certain functions, including ship management, through the use of service agreements, primarily with BW Group. See Section 15 "The Reorganisation" for information on the service agreements.

Since 2011 until June 2013, BW Group has strategically increased its LPG exposure in the VLGC segment through acquisitions of 14 VLGCs, one chartered-in vessel, resulting in a net increase of 15 VLGCs since 2011. The Group presently has six VLGC newbuildings that are scheduled for delivery between 2014 and 2016.

The Group recently completed an acquisition from Maersk (through Maersk Gas Carriers Pte Ltd and Maersk Tankers A/S) of five modern VLGCs, five VLGC charter-ins, and two CoAs (the Vessel Acquisition). Four out of the five acquired Maersk VLGCs were delivered in September/October 2013, while one VLGC (BW Pine formerly known as Maersk Tuas/Derby) is expected to be delivered in November 2013.

The Group believes that the quality of its vessels is one of the main reasons why the Group has been able to retain many of the world's largest oil and gas companies among its customers. The Group uses its resources to furnish its vessels with the most reliable equipment available at the time of building, and continues to maintain them and, when required, upgrade them to keep them competitive in the market. The Group has in place a maintenance program designed to ensure a high standard of maintenance throughout a vessel's lifetime. All of the vessels the Group owns or bareboat charters-in are managed by BW Fleet Management AS ("**BWFM**"), which is the fleet management company of BW Group, except for one vessel, which is managed by Wilhelmsen Maritime Services AS ("**WMS**").

As further described in Section 8.7 "Commercial Management of the Fleet", the Group's fleet operates a combination of spot voyages, CoAs and time charters. In 2012 and in the first six months of 2013, approximately 84% and 76%, respectively, of the revenues in the VLGC pool were derived from spot voyages and CoAs, and 16% and 24%, respectively, were derived from time charters. In 2012 and in the first six months of 2013, approximately 47% and 65%, respectively, of the revenues in the LGC pool were derived from spot voyages and CoAs, and 53% and 35%, respectively, were derived from time charters. For 2014, the Group has so far contracted 26% to 33% of the current fleet's vessel days on CoA's and 16% of the current fleet's vessel days on time charters, with the remaining available vessel days expected to be employed either in the spot voyage market or on additional CoAs and time charters.

Percentage of revenues	**Six months ended 30 June**	**Year ended 31 December**
	2013	**2012**
VLGC pool		
Spot voyages and CoAs	76%	84%
Time charters	24%	16%
LGC pool		
Spot voyages and CoAs	65%	47%
Time charters	35%	53%

At the date of this Prospectus, the Company is a wholly-owned subsidiary of BW Group, one of the world's leading shipping groups. Together, the BW Group of companies are involved in oil and gas transportation, floating gas infrastructure, environmental technologies and deep-water production. BW Group has a combined fleet of 108 vessels which includes VLGCs, refined oil tankers, LNG and LPG carriers, and floating production storage and offloading (FPSO) units. Following the completion of the Offering, BW Group will own approximately 45% to 55% of the Shares, assuming the Over-Allotment Option is exercised in full.

8.2 Competitive Strengths

The global market in LPG transportation is entering a phase of substantial change.

Significant increases in supply are being driven in particular by the U.S. shale gas boom, the development of LPG export terminal facilities in the U.S., the absence of U.S. export restrictions on LPG (as opposed to other hydrocarbons), and the attractive cost of U.S.-sourced LPG exports in comparison to the pricing of LPG ex-Arabian Gulf.

Demand is also increasing, driven by significant increases retail consumption in North Asia and South-East Asia, as well as strong growth in industrial-based demand driven by growth in China-based propane dehydrogenation ("**PDH**") plants for the production of propylene, and the competitiveness of propane as a substitute for naphtha as a petro-chemical feedstock.

The Group believes that it has a number of competitive strengths which provide it privileged access to benefit from this growth in LPG transportation demand, including:

- **The world's largest LPG fleet.** According to Poten & Partners, the Group is the world's largest VLGC owner and operator based on number of VLGCs and LPG carrying capacity. The Group believes that the size and composition of its LPG fleet, coupled with 35 years of LPG shipping experience, provide the Group with the capacity and flexibility to offer timely and reliable services anywhere in the world. This positions the Group well to take advantage of the expected growth in demand for LPG shipping, through early recognition of tonnage and ancillary requirements, and strong brand recognition which provides access to relevant customer relationships. Additionally, the size of the fleet and the global coverage of its historic operations position the Group particularly well to take advantage of ongoing geographic trends in LPG export – in particular increasing U.S. exports. For example, because VLGCs, which make up the vast majority of the Group's fleet, provide superior economies of scale compared to LGCs on long haul voyages, the Group believes that it is particularly well positioned to take advantage of the expected growth in demand for long-haul LPG transportation, such as deliveries between North America and Asia. According to Poten & Partners, the Group lifted approximately 35%, 65% and 15% of the VLGC-sized cargoes exported from the United States, West Africa and the Arabian Gulf, respectively, during the period from 1 January 2013 to 31 July 2013, including VLGC cargoes exported on the acquired Maersk VLGCs.

- **Strong utilisation potential through ability to provide flexible customer-oriented solutions such as CoAs.** Superior utilisation provides a competitive advantage in the immediate term, through improved profitability driven by higher earnings without a proportionate increase in operating expenses; and in the longer-term, driven by the potential to operate acquired assets at above market-average returns, enabling greater room to grow through value-accretive investments. The Group believes that the nature of the LPG transportation market, whereby LPG cargoes tend not to be stored for protracted periods at source but are delivered rapidly for transportation, lends itself to solutions other than long-term timecharters which are more prevalent in other energy shipping sectors. CoAs provide customers with flexibility, enabling them to optimize and increase their product trading flows by contracting the transportation of pre-defined delivery volumes on pre-defined routes, rather than contracting specific vessels to provide that transportation. The CoA provider is able to benefit from improved utilisation, so long as they have sufficient scale of fleet and logistical experience to meet the CoA requirements efficiently. BW LPG has been a provider of CoAs for LPG vessels for as long as that offering has existed, with certain existing CoAs running from 2004, and as such the Group believes it is a recognized leader in the market. The Group believes that it has a particular advantage in trade in North America and West Africa markets through its CoA, providing superior utilisation than would be achieved on voyage charters as a result of committed access to cargoes, and preferential access to loading terminals which is a feature of CoAs. The exporters are large, established oil and gas and trading companies, and the Group's scale and experience make it an attractive counterparty. Engaging a portion of the fleet on CoAs and time charter contracts helps to protect BW LPG from negative movements in the spot market, providing greater visibility and stability in cash flows and supporting average utilisation rates. As a result of this, among other factors such as long-term customer relationships, since the beginning of 2010 the Group's VLGC fleet utilisation rate has been higher than the market's VLGC utilisation rates.

- **Pre-existing customer relationships.** Having operated in the LPG transportation space for 35 years, the Group has long-standing customer relationships which support access to new and emerging opportunities with those customers. A strong customer relationship base in the U.S. and West Africa positions the Group to benefit by leveraging these pre-existing relationships to pursue the additional opportunities which the Group believes will emerge from these markets – the U.S. market in particular – in the coming years.

- **35 years of operating experience in LPG shipping.** Human resources at sea and on shore are critical to the efficient, safe and reliable operation of shipping assets. The Group has access to a large pool of experienced employees with extensive experience in the industry, many of those with long-standing experience within the BW Group. Access to experienced officers and crew, with that experience including time in-company and time in-industry, is a major competitive advantage in a market where charterers not only value, but in a number of the most important cases require, significant combined time in-company and in-industry among senior crew. The Group will contract fleet management services from BW Group thereby accessing the experienced officers, crew and shore-based technical leadership that have been instrumental in providing high quality, reliable and safe LPG fleet management at an efficient life-cycle cost. The Group's approach to vessel life cycle management is to maintain the LPG assets consistently to a high standard over their lives, without compromising on regular preventive maintenance for short-term gain, for example to access short-term positive charter rates. This approach increases reliability for customers, by avoiding unexpected ship repairs and reducing off-hire; optimises potential for extension of useful life (e.g. by applying well-maintained older vessels to end-of-life charters or storage projects); and potentially improves the residual value achievable on vessels' disposal.

- **Strong brand and relationships within the shipping and energy industries*.*** The Group believes that, as a result of its history of more than 75 years in energy transportation, including 35 years in LPG transportation, it has a long-standing reputation as a leading provider of safe, reliable, and efficient LPG transportation solutions.[3] This reputation provides an important advantage in building and maintaining strong relationships with leading oil and gas companies, and is reflected in the Group's existing customer base in LPG. These relationships are important not only in the VLGC market, but also in accessing LPG shipping and other related project opportunities available to experienced LPG transporters through energy majors. The Group intends to leverage the advantages afforded by the strength of the BW brand, by building close and cooperative relationships with existing customers and emerging participants in the LPG space.

- **Experienced management team and international board of directors with strong credentials in governance and strategy*.*** The Group's management team consists of seasoned executives with their own strong industry relationships, who have demonstrated their ability in managing the commercial, technical and financial areas of the Group's business. These executives have an average of more than 20 years each of operating experience in the shipping industry, including experience operating large and diverse fleets of energy transportation vessels, as well as other assets in the maritime energy space. The Group's management have an extensive network of relationships with major oil and gas companies, shipyards, global financial institutions and other key participants in the shipping and industries. The Group's management is complemented by a board of directors with extensive collective international experience in shipping, energy and capital markets; as well as a broad range of complementary functional competencies.

The Group believes that these competitive strengths have and will continue to collectively enhance its ability to develop and implement strategies to optimize shareholder returns, customer satisfaction, and to build and sustain recognised leadership as preferred suppliers of LPG transportation solution.

8.3 Strategy

We intend to be recognized as the leader in, and market-preferred provider of, maritime LPG transportation and related services and solutions.

Our strategic initiatives focus on seizing growth opportunities driven by the growing importance of LPG as a clean energy resource, by leveraging our deep knowledge, extensive experience and long lasting relationships in the maritime LPG transportation space.

Identify and capture the most attractive growth opportunities

With our expectations for sustained strong growth in the global LPG market, we see a range of valuable opportunities which play to our competitive strengths. We intend to grow by executing well-timed value-accretive investments,

[3] See figure 22 in Section 7.6 "Competetive Environment".

gaining enhanced access to those opportunities through our continued leadership in the LPG maritime space, which provides early insights and access to new developments.

With 35 years of LPG shipping experience, we have developed long-standing customer and industry stakeholder relationships, which provide privileged insights into developing customer and industry requirements. We plan to leverage these relationships by seizing the opportunity to act early in developing concepts and solutions, and as a result we aim to capture profitable growth through first mover advantage.

By maintaining active dialogue with a wide range of relevant stakeholders – for example charterers, shipyards, ports and terminals, regulators and Coast Guards – we aim to remain ahead of the information curve in the LPG industry, to maintain this advantage in accessing the most attractive opportunities in LPG logistics.

By understanding market dynamics on project and charter pricing, through experience-based knowledge of the cost build-up of relevant infrastructure, and as a result of superior supplier relationships driven by scale and history, we intend to deliver long-term growth by building value-added solutions which can be contracted at attractive returns. This includes not only well-timed and well-configured fleet renewal and expansion, but extends to LPG-related project opportunities beyond the core current LPG shipping.

We pursue a moderate approach to leverage and our long standing relationships with leading financial intuitions across the globe combined the strong reputation of BW Group enable us to secure attractive financing both in terms of structure and terms, enhancing our ability to move quickly to secure investment opportunities.

Optimize efficiency through strong asset utilization

Long-term planning is essential to achieving sustained attractive returns in a capital intensive industry such as energy shipping. Maintaining strong asset utilization is a key element of our long-term planning, and is driven by three major underlying themes.

Leverage fleet scale to deliver Contracts of Affreightment, which are competitive for customers yet deliver sustainable returns. With the largest fleet of owned & operated VLGCs, we are uniquely positioned to offer large-scale CoAs and other flexible commercial solutions. The benefit of CoAs to customers is flexibility on delivery scheduling and assurance of vessel availability. The Group benefits from higher utilization and superior efficiency which results from the priority access to cargoes.

Actively manage the contract portfolio to deliver an appropriate balance between strong utilization and access to premium rates in tight markets. At any given time our contract portfolio typically includes CoAs, voyage charters, and time-charters, as well as other long-term projects such as storage solutions. Contract portfolio management enables us to decide on the appropriate balance between the extent of secure cash flows appropriate to our committed expenditures, and maintaining availability of assets to benefit from revenue upside available in periods of tightening supply.

Sustain long-term mutually beneficial customer relationships by delivering superior offerings at competitive value, and developing business with a spirit of partnership. We are privileged to have existing long-standing relationships with leading energy majors and leading trading houses across the globe.

Deliver reliable services cost-effectively through operational excellence.

Operational excellence drives reliability, a key customer requirement in an industry where predictability of loading schedules is fundamental to customers' trading requirements. We aim to maintain a leading reputation for reliability – pursuing the expectation that a charter with BW LPG will consistently result in safe and on-time loading and delivery of cargo irrespective of location – to remain consistently the LPG transportation provider of choice. We will continue to develop our large pool of seafarers with deep experience in LPG and significant time in our company to meet customers' increasingly stringent requirements.

With life-cycle asset maintenance at the core of our thinking, we target superior economic performance measured from initial investment to disposal, whereby we aim to keep assets fully utilized as a result of superior reliability.

Successful development and implementation of strategic initiatives over the long-term requires skill and knowledge. An **experienced management team, with strong governance and a long-sighted approach to business** characterised by "acting for the future in everything we do", are hallmarks of our historic participation in the industry, and critical enablers of our strategy. Our Board of Directors has international breadth and depth of both industry and functional experience, providing a solid platform for corporate governance and a strong sounding board on strategy implementation and investments. We regard strength in board and management as essential in justifying the trust placed in us by shareholders and other business counterparties, and to maintaining and building the BW LPG brand.

8.4 History and Important Events

The origin of the Group dates back to 1935 when Mr Sigval Bergesen d.y. established Sig. Bergesen d.y. & Co, a tanker business in Stavanger, Norway.

In 1978, Sig. Bergesen d.y. & Co entered the gas transportation business with the acquisition of six LPG vessels. By then his grandsons, Mr Petter C.G. Sundt and Mr Morten Sig. Bergesen, had taken over the daily management of the business. Under their leadership, the company grew in the 1980s to become one of the largest operators of large LPG carriers by tonnage.

In 1986, Bergesen d.y. ASA ("**Bergesen**") became the holding company of the family's various shipping businesses, and had its shares listed on the Oslo Stock Exchange. Two years later, its shares were also listed on the London Stock Exchange.

In 1995, Bergesen merged with Havtor ASA, a shipping company focused on marine gas transportation. As a result of this merger, the Bergesen fleet numbered over 100 vessels and Bergesen became a market leader for crude oil, dry bulk and gas transportation.

In April 2003, Sohmen family interests acquired a majority of the shares of Bergesen and, subsequently, launched a public tender offer through World Nordic APS for the remaining shares. Bergesen's shares were delisted from the Oslo Stock Exchange and the London Stock Exchange in July 2003. Bergesen, together with the Sohmen family's World-Wide Shipping, were reorganised to form Bergesen Worldwide in 2004, and in 2005 it was listed on the Oslo Stock Exchange under the name Bergesen Worldwide Gas ASA. In 2007, Bergesen Worldwide Gas ASA was renamed BW Gas ASA as part of a re-branding exercise of the BW Group. In May 2008, as part of an exercise to re-domicile the parent listed entity from Norway to Bermuda, BW Gas Limited launched a voluntary share exchange offer for all the shares in BW Gas ASA. Following completion of the offer and the subsequent compulsory acquisition, the shareholders of BW Gas ASA received shares in BW Gas Limited, a newly listed company on the Oslo Stock Exchange, and the shares of BW Gas ASA were delisted from the Oslo Stock Exchange in July 2008.

In April 2009, BW Group launched, through its subsidiary World Nordic SE, a public offer for all the shares in BW Gas Limited followed by a compulsory acquisition in June 2009. Following completion of the compulsory acquisition, the shares of BW Gas Limited were delisted from the Oslo Stock Exchange in June 2009.

Since then, BW Group has strategically increased its LPG exposure in the VLGC segment through acquisitions of 14 VLGCs, five chartered-in vessels, resulting in a net increase of 19 VLGCs. The most recent transaction was an acquisition from Maersk (through Maersk Gas Carriers Pte Ltd and Maersk Tankers A/S) of five modern VLGCs, five VLGC charter-ins, and two CoAs (the Vessel Acquisition). Four out of the five acquired Maersk VLGCs were delivered in September/October 2013, while one VLGC (BW Pine formerly known as Maersk Tuas/Derby) is expected to be delivered in November 2013.

To prepare BW LPG for the Listing, the LPG business of BW Group was reorganised in order for BW LPG to be the parent company of the listed group. See Section 15 "The Reorganisation" below for a description of the Reorganisation.

8.5 Operating Segments

The Group operates its business in the maritime LPG transportation segment. The Group divides its LPG business further into VLGCs (capacities above 60,000 cbm) and LGCs (capacities ranging between 40,000 and 60,000 cbm).

The following table sets forth the amount and percentage of the Group's revenue derived from each of its segments for the six months ended 30 June 2013 and 2012 and for the years ended 31 December 2012, 2011 and 2010 derived from the Financial Information for these periods:

	Six months ended 30 June		Six months ended 30 June		Year ended 31 December			Year ended 31 December		
	2013	**2012**	**2013**	**2012**	**2012**	**2011**	**2010**	**2012**	**2011**	**2010**
	(USD)		(%)		(USD)			(%)		
LPG										
VLGC	146,259.9	155,160.4	79.9%	88.5%	321,021.2	218,637.9	70,115.4	85.0%	92.6%	82.8%
LGC	33,448.4	19,213.7	18.3%	11.0%	50,584.0	16,345.4	-	13.4%	6.9%	0.0%
MGC[1]	3,459.7	871.6	1.9%	0.5%	6,254.3	1,210.0	14,590.2	1.7%	0.5%	17.2%
Total	**183,168.0**	**175,245.7**	**100%**	**100%**	**377,859.4**	**236,193.3**	**84,705.6**	**100%**	**100%**	**100%**

1 For disclosure purposes in the Combined Financial Statements of BW LPG for December 2011 and December 2012, MGC segment is presented together with the LGC segment.

8.6 The Fleet

8.6.1 Introduction

As at the date of this Prospectus, the Group's fleet had a combined carrying capacity of approximately 2.8 million cbm and the Group's owned fleet had an average age of approximately ten years (excluding newbuildings and the vessels the Group operates, but does not own), compared to the world LPG fleet average age of approximately 16 years, according to Poten and Partner as at August 2013.

8.6.2 Very Large Gas Carriers (VLGCs)

As at 1 August 2013, the Group owned and operated 19 VLGCs (including the recently acquired Maersk vessels) and chartered-in 12 VLGCs. The operation of the Group's fleet of VLGCs, together with its LGCs, has historically been the Group's core activity. By operating a vessel, the Group is responsible for the commercial management of the vessel either through its ownership of the vessel or pursuant to a charter or pool arrangements. VLGCs account for the largest share of the world's LPG transport market. In the first six months of 2013, all of the Group's VLGC revenue related to the transportation of LPG. All of the VLGCs the Group operates are commercially managed by the Group under a pool arrangement. For more information on the VLGC pool, see Section 8.7.3 "VLGC pool" below. Except for seven long-term time charters, all of the VLGCs the Group has chartered-in are under short- to medium-term time charters.

In 2013, the Group entered into agreements with HHI for the building of six fully refrigerated VLGCs with the capacity of 84,000 cbm each. The vessels are scheduled for delivery between 2014 and 2016.

Taking into account the 19 owned VLGCs and the 12 chartered-in VLGCs, BW LPG has a current market share of 20% of the number of operated VLGCs worldwide (source: Poten & Partners).

The following table presents the utilisation with respect to the Group's VLGCs.

Utilisation[1]	**2010**	**2011**	**2012**	**YTD July 2013**
BW VLGC utilisation.	77%	88%	94%	95%
Market VLGC utilisation..	73%	79%	78%	

1 Utilisation rates calculated as (365 days less technical offhire-commercial waiting time days) / 365 days, where technical offhire is defined as non-availability of a vessel due to drydock, maintenance and repairs.

Source: Company information, Poten & Partners.

The following table presents certain information with respect to the VLGCs in the Group's fleet.

Name	**Year built**	**Shipyard**	**Capacity (cbm)**	**Flag**	**Ownership (%)**	**Classification society**
BW Austria	2009	Daewoo	84,603	Norway	100%	DNV GL
BW Borg	2001	Kawasaki H.I.	84,333	Bahamas	100%	ABS
BW Boss	2001	Kawasaki H.I.	84,300	Bahamas	100%	ABS
BW Confidence	2006	Mitsubishi H.I.	83,269	Isle of Man	100%	LRS
BW Denise	2001	Stocznia Gdynia	78,645	Norway	100%	BV
BW Empress[1]	2005	Mitsubishi H.I.	78,908	Isle of Man	100%	NKK
BW Energy	2002	Kawasaki H.I.	82,548	Isle of Man	100%	ABS
BW Loyalty	2008	Daewoo	84,600	Norway	100%	LRS

Name	Year built	Shipyard	Capacity (cbm)	Flag	Ownership (%)	Classification society
BW Lord	2008	Daewoo	84,614	Norway	100%	DNV GL
BW Liberty	2007	Daewoo	84,597	Norway	100%	LRS
BW Prince	2007	Hyundai H.I.	82,383	Norway	100%	DNV GL
BW Princess	2008	Hyundai H.I.	82,361	Norway	100%	DNV GL
BW Trader[3]	2006	Daewoo	80,236	Singapore	100%	BV
BW Vision	2001	Kawasaki H.I.	81,952	Bahamas	100%	ABS
BW Birch[2]	2007	Hyundai H.I.	82,302	Isle of Man	100%	DNV GL
BW Cedar[2]	2007	Hyundai H.I.	82,270	Isle of Man	100%	DNV GL
BW Maple[2]	2007	Hyundai H.I.	82,290	Isle of Man	100%	DNV GL
BW Oak[2]	2008	Hyundai H.I.	82,252	Isle of Man	100%	DNV GL
BW Pine[2]	2011	Kawasaki S.C.	80,156	Isle of Man	100%	ABS
Total (19 vessels)			**1,566,619**			

1 BW Empress is being technically managed by WMS.

2 These vessels were acquired from Maersk in 2013. All vessels were delivered as at the end of October 2013, except for BW Pine (formerly known as Maersk Tuas/Derby) which is expected to be delivered in November 2013.

3 BW Trader is presently accounted for as an owned vessel as the Group has given notice to cancel the charterparty in January 2014 and is in the process of acquiring the vessel. See below for further information regarding BW Trader.

In 2007, four assets were disposed 50% into a joint venture: the BW Trader, BW Odin, BW Havlur, and BW Havsol. Early 2011, a bareboat charterparty agreement was entered into whereby the joint venture finance leased the BW Trader to BW Group, with ownership transferring to charterer on termination. At the same time, BW Havlur and BW Havsol were chartered out on bare-boat to another party for 5 years with call and put structure implying termination of ownership at expiry of charter party. The BW Odin was in July 2011 transferred to commercial management by Exmar. In line with IFRS accounting for finance leases, the BW Trader was recognized as 100% owned by BW, and the other assets as disposed.

This bareboat charterparty agreement has passed into BW LPG through the Reorganisation, and on 16 October 2013, BW LPG exercised its right to terminate the bareboat charterparty agreement on 90 days' notice and exercising its purchase option, taking ownership of the BW Trader and the related outstanding debt balance of USD 54.7 million as at 30 June 2013. As part of the transaction, BW LPG has also committed to sell its 50% shareholding in BW Gas Tailwind Carriers Ptd Ltd and will be transferred at nominal value to Tailwind at the same time that the bareboat charterparty agreement terminates. This transaction completes in January 2014. As the BW Trader is already accounted for as a finance lease, this transaction will have no impact on the accounting for the BW Trader. As a consequence of the exercise of this option, and the related accounting treatment, BW Trader is disclosed in the fleet list as an owned vessel.

8.6.3 Large Gas Carriers (LGCs)

As at 1 August 2013, the Group owned five LGCs and operated them under pool arrangements. LGCs, which together with the VLGCs constitute the Group's core business in LPG transportation, carry LPG and ammonia. Over the years, the proportion of LGC fleet carrying LPG and ammonia remains relatively stable with around 60% of the LGC fleet carrying LPG while 40% carries ammonia. In July 2013, two LGCs switched from ammonia to LPG and currently all LGCs are trading in LPG only.

The following table presents the approximate share of LPG and ammonia carried by the LGCs in the Group's fleet.

	2010	2011	2012	YTD June 2013[1]
Ammonia	45%	40%	40%	43%
LPG	55%	60%	60%	57%

1 Assume vessel is carrying ammonia until the vessel actually loads LPG.

The following table presents certain information with respect to the LGCs in the Group's fleet.

Name	Year built	Shipyard	Capacity (cbm)	Flag	Ownership (%)	Classification society
BW Havfrost	1991	Kvaerner-Govan	57,180	Norway	86%	DNV GL
BW Havis	1993	Kvaerner-Govan	57,140	Norway	78%	DNV GL
BW Helios	1992	Kvaerner-Govan	57,160	Norway	100%	DNV GL
BW Nantes	2003	Kawasaki S.C.	59,399	Bermuda	100%	DNV GL

Name	Year built	Shipyard	Capacity (cbm)	Flag	Ownership (%)	Classification society
BW Nice	2003	Kawasaki S.C.	59,374	Bermuda	100%	DNV GL
Total (5 vessels)			**290,253**			

8.6.4 The newbuildings

The following table presents certain information with respect to the VLGC newbuildings on order in the Group's fleet.

Name	To be delivered	Shipyard	Capacity (cbm)	Flag	Ownership (%)	Classification society
NB (HHI 2705)	October 2014	Hyundai H.I.	84,000	Isle of Man	100%	DNV GL
NB (HHI 2706)	February 2015	Hyundai H.I.	84,000	Isle of Man	100%	DNV GL
NB (HHI 2707)	March 2015	Hyundai H.I.	84,000	Isle of Man	100%	DNV GL
NB (HHI 2722)	April 2015	Hyundai H.I.	84,000	Isle of Man	100%	DNV GL
NB (HHI 2723)	Q2 2016	Hyundai H.I.	84,000	N/A	100%	DNV GL
NB (HHI 2724)	Q3 2016	Hyundai H.I.	84,000	N/A	100%	DNV GL
Total (6 vessels)			**504,000**			

See Section 11.8.3 "Capital expenditures" for a description of the cost and financing of the VLGC newbuildings. The VLGC newbuildings are free of charters.

8.7 Commercial Management of the Fleet

8.7.1 General

LPG vessels are employed in the market through a number of different arrangements. The general terms typically found in these types of contracts are described below.

- **Voyage Charter.** A voyage charter is typically a single round trip that is priced on a current or spot market value. The owner of the vessel receives one payment derived by multiplying the tons of cargo loaded on board by the agreed upon freight rate expressed on a per cargo ton basis. The owner is responsible for the payment of all expenses including voyage expenses (including bunker fuel, agency, security and port costs), operating expenses and capital costs of the vessel.

- **Time Charter.** Under time charters, vessels are chartered to customers for fixed periods of time (which can range from a few months to more than fifteen years) at rates that are generally fixed. The charterer pays all voyage costs. The owner of the vessel receives monthly charter payments on a per day or per month basis and is responsible for the payment of all operating expenses (including manning, maintenance, repair and docking) and capital costs of the vessel.

- **Bareboat Charter.** Owner charters vessel to another company (the charterer) for a pre-agreed period and a daily rate. The charterer is responsible for operating the vessel, including crewing, maintenance and insurance and for paying charter rate.

- **Contract of Affreightment (CoA).** Under a CoA, the ship-owner provides capacity to transport a certain amount of cargo within a specified period from one place to a destination designated by the customer. All of the vessel's operating, voyage and capital costs are borne by the ship owner. The freight rate normally is agreed on a per cargo ton basis. The freight rate can be fixed or floating, or a combination of both.

The Group's LPG chartering department operates the LGC and VLGC pool arrangements described below, including the scheduling of vessels, budgeting and accounting for pool participants. The department is responsible for the development and marketing of the LPG vessels the Group operates, negotiating contracts directly with the Group's clients as well as through shipbrokers. Contracts are negotiated and concluded by the Group's chartering and commercial development department under instructions and authority from the Group's Chief Commercial Officer and Chief Executive Officer. The department is also responsible for chartering in tonnage for arbitrage profit as well as actively seeking opportunities to enlarge the fleet by placing newbuildings, or though other commercial arrangements. The Group's LPG chartering and commercial development department has five employees based in Singapore.

8.7.2 Pool arrangements

Almost all of the Group's LPG vessels are operated under pool arrangements, which facilitate the operation of the Group's fleet. The Group acts as the manager for the VLGC and LGC pools and receives a fee for all vessels that participate in these pools.

As a pool manager, the Group operates the pool vessels. Under a typical pool arrangement, the manager of the pool markets the vessels as a single, cohesive fleet, operating them on spot voyages, CoAs and time charters. All vessels in both VLGC and LGC pools are either owned, majority owned or operated by the Group (directly or indirectly), including vessel scheduling and reporting and the Group remains responsible for the commercial and operational management of its own vessels.

The pools the Group participates in are marketing and revenue sharing arrangements under which each participating vessel receives ''pool points". Earnings from the pool are distributed among the owners according to these pool points. The pool points are negotiated between the owners of the vessels participating in the relevant pool and are revised from time to time based on each vessel's speed, fuel consumption and other technical and operational parameters. A shipping pool thus acts as a single entity in the allocation of its vessels to meet the various contracts that it has entered into. The pool manager is responsible for all the voyage expenses for pool activities, such as bunker fuel costs, port charges and canal dues. Such costs are deducted from pool revenues prior to the calculation of pool points and distribution to pool members. All other operating costs, such as manning, insurance, loan repayments and maintenance are paid for by the respective owner.

Each pool manager prepares and distributes reports to the other participants every two weeks and/or monthly and at the end of the year. These reports contain information regarding the pool's revenues, costs, any off-hire days and cash to be distributed to the participants. Payment is normally made monthly to each owner. Participants can remove vessels from the pool, subject to a reasonable amount of notice period by providing prior written notice to the other participants, or upon expiry of an employment contract of the vessel, if entered into prior to such notice.

8.7.3 VLGC pool

The VLGC pool currently comprises all vessels owned and/or operated by the Group. Vessel size in the pool ranges from approximately 60,000 to 86,000 cbm. All vessels within the Revenue Sharing System (RSS) are owned or operated by BW LPG, except for two long term charter-in vessels, BW Kyoto and BW Tokyo, whereby two pool participants in addition to BW LPG each have an interest of 1/3 in such vessels.

The pool income is divided on the respective vessels' pool points reflecting each vessel's relative earnings potential. Pool income is distributed on a monthly basis to the respective Group controlled owning companies.

During the course of the remainder of 2013, it is likely that pursuant to negotiations between the pool participants, one of the pool participants will exit the pool and transfer its interest in the vessels to BW LPG and thus BW LPG and the other pool participant will then each have a 1/2 interest remaining in each of BW Kyoto and BW Tokyo. The consideration for the arrangement will likely consist of the settlement by the exiting pool participant of its outstanding contribution of USD 1.7 million to the pool's working capital fund by way of a payment of USD 0.7 million to each of BW LPG and the other remaining pool participant. In the event that such an arrangement is concluded, it will likely be followed by an agreement between BW LPG and the other remaining pool participant pursuant to the which the parties will swap their respective interests in the two vessels such that BW LPG will become the pool owner of one of the vessels and relinquish its 1/2 interest in the other vessel to the other remaining pool participant.

8.7.4 LGC pool

The LGC pool currently comprises five vessels, of which three are wholly-owned, and two are majority owned, by the Group. Vessel size ranges from approximately 40,000 to 60,000 cbm. The other owner who participates in the pool is Solvang, another LPG maritime transport operator, which owns minority holdings in two vessels. The Group acts as the manager for the LGC pool and receives 1.25% of the gross revenue from hire, freight and deadfreight received by the ships operating in the Revenue Sharing System (RSS), for the Group's services as the pool manager.

The pool income is divided among the pool members based on the respective vessel's pool points and vessel ownership proportion reflecting each vessel's relative earnings potential. Pool income is distributed on a monthly basis. The pool member must give a reasonable amount of notice subject to agreement by the majority of the parties to leave the pool.

8.7.5 Charter-ins and attached options

The following table presents certain information with respect to the charter-ins and attached options in the Group's fleet.

Name	Year built	Shipyard	Capacity (cbm)	Flag	Charter type	Charter In (in USD nearest thousand per month)	Expiry date	Extension option period	Purchase option	Time to next strike (year)[3]	Age at next strike (year)	Next strike price (USD million)	Time to last strike (year)[3]	Age at last strike (years)	Last strike price (U.S. million)
Berge Nantong	2006	Hyundai H.I.	82,244	Hong Kong	Time-charter	655	July 2018		Yes	0.7	8	50.3	4.7	12	40.9
Berge Ningbo	2006	Hyundai H.I.	82,252	Hong Kong	Time-charter	655	Feb 2018		Yes	0.3	8	50.3	4.3	12	40.9
Berge Summit	1990	Mitsubishi H.I.	78,488	Bahamas	Bareboat	310	June 2015		Yes	1.5	25	8	1.5	25	8
BW Broker	2007	Kawasaki H.I.	80,127	Liberia	Bareboat	703	June 2017		Yes	0.6	7	65.8	3.6	10	50
BW Kyoto[2]	2010	Mitsubishi H.I.	83,298	Singapore	Time-charter	907 932[4]	Sep 2025	2/2/2 years	Yes	7.0	10	54.5	12	15	36
BW Tokyo[2]	2009	Mitsubishi H.I.	83,270	Singapore	Time-charter	900 925[4]	Apr 2024	2/2/2 years	Yes	5.4	10	50.3	10.4	15	31.4
Reimei	2007	Kawasaki H.I.	80,196	Bahamas	Time-charter	800	Jan 2014								
Vermilion First[1&2]	2010	Mitsubishi H.I.	78,901	Panama	Time-charter	1st to 6th year: 920 7th to 12th year: 890 13th to 18th year: 860 640[4]	Jan 2028	2 years	Yes	1.2	5	83	14.2	18	18
Yuricosmos[1&2]	2010	Mitsubishi H.I.	78,907	Panama	Time-charter	880	July 2025		Yes	1.7	5	78	11.7	15	26.5
Yuyo Spirits[1]	2009	Mitsubishi H.I.	78,902	Panama	Time-charter	925	Aug 2017	1/1/1 years	Yes	0.8	5	81	6.8	11	61.8
G Symphony[1]	2011	Mitsubishi H.I.	83,000	Panama	Time-charter	925	May 2014								
Gas Capricorn[1]	2003	Mitsubishi H.I.	78,935	Liberia	Time-charter	700	Feb 2014								
Total (12 vessels)			**968,520**												

1 Acquired from Maersk.
2 The purchase option strike price for BW Kyoto, BW Tokyo, Yuricosmos and Vermillion First are based on an exchange rate of J¥100 to USD 1.
3 The time to strike is assumed to be from 25 November 2013.
4 Charter rates for optional period.

8.8 Operations and Charter Party Administration Department

The Group's operations department and charter party administration department are responsible for monitoring the performance of the vessels the Group operates and that these vessels are employed in compliance with the terms and conditions of the applicable charter contracts. Each vessel that the Group operates is assigned a designated operator and demurrage claims analyst to ensure that voyage orders, cargo documentation, freight and demurrage payments are as agreed and settled in a timely manner. The designated operators are responsible for communicating on a daily basis with agents, charterers and vessels as well as monitoring the vessels' bunker situation and obtaining bunker fuel.

Operational and technical quality is an integral part of the Group's operations. The operations is responsible for overseeing the vetting and inspection program for the Group's vessels, which the Group operates in a manner intended to protect the safety and health of its employees, the general public and the environment. The Group actively manages the risks inherent in its business and is committed to eliminating incidents that threaten safety, such as groundings, fires, collisions and petroleum spills. The Group's total quality management system has been fully electronically operated onboard all vessels since over ten years ago.

The Group's operations and charter party administration department has 11 employees who are all located in Singapore.

8.9 Customers/Charterers

The Group's assessment of a customer's financial condition and reliability is a key factor in negotiating employment for the Group's vessels. Counterparties are revalidated on a quarterly basis, with new customers appraised before embarking upon commercial relations. The Group seeks to charter its vessels to IOCs and NOCs, as well as trading and utility companies. The Group's customers include BP PLC, Chevron Inc, ExxonMobil, Shell, Statoil ASA, Trafigura SA, Vitol SA, Indian Oil Corporation, BHP, E1, Eneos Global, Glencore International AG, Sonatrach Petroleum Corporation, Petredec Services (Asia) Pte Ltd, Petrobras (through Petróleo Brasileiro S.A. and Petrobras Global Trading), Total SA, Sumitomo Corp, Geogas Trading SA, Hindustan Petroleum Corp Ltd, Itochu, Kuwait Petroleum Corporation, PTT (Thailand), Reliance, SHV, SK Gas and Vilma. In the first six months of 2013, the Group's top five customers by revenue were Petrobras, Vitol SA, Petredec Limited, Indian Oil Corporation and Chevron Marine, representing an aggregate of approximately 51% of the Group's revenues from customers. In 2012, the Group's top five customers were Vitol SA, Petrobras, Petredec, Trafigura and Dynergy representing an aggregate of 45% of the Group's revenues.

In 2011, the Group's top five customers were Vitol SA, Petredec, Petrobras, Koch Industries Inc and ESSO, representing an aggregate of 62% of the Group's revenues.

8.10 Competition

The Group's business performance fluctuates in line with the main patterns of trade of LPG cargo and varies according to changes in the supply of and demand for transportation of this cargo. The LPG market is highly competitive and based primarily on supply of cargo and vessel availability. The Group competes for charters on the basis of price, vessel location, size, age and condition of the vessel, as well as on its reputation as an owner and operator. The Group's main competitors include Avance Gas, JX Shipping, NYK, Petredec, Mitsui OSK, Latsis and Solvang. Operators in the VLGC and LGC markets compete with each other for business across these segments.

8.11 Property

The Group shares occupancy with BW Group in Singapore and Oslo under the Corporate Services Agreement. See Section 16.3 "Continuing Agreements—Corporate Services Agreement" for a description of the Corporate Services Agreement.

8.12 Information Technology

BW LPG operates with a modern and cost-efficient portfolio of finance, commercial, technical and other software applications and supporting infrastructure to enable effective and responsive shore-based operations, and to support timely, relevant, and reliable information for business decision-making. Outsourcing arrangements for IT solutions and services are purchased from BW Group under arms' length terms and conditions. BW Group obtains its IT solutions from reliable and stable industry participants, such as Oracle, and where appropriate from suppliers specialized in providing solutions tailored towards the shipping industry.

BWFM, which acts as the outsourced fleet manager for the Group, operates with an IT enterprise architecture tailored to support safe, efficient, and reliable delivery of fleet management services, closely integrating their shore and fleet information systems for transparency and responsiveness.

8.13 Legal Proceedings

From time to time, the Company and other companies in the Group are involved in litigation, disputes and other legal proceedings arising in the normal course of business, principally personal injury, property casualty and cargo claims. The Group expects that these claims would be covered by insurance, subject to customary deductibles. Those claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources.

Neither the Company nor any other company in the Group is, nor has been, during the course of the preceding twelve months involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

One of the charterers of the Group's vessels has presented the Group with a claim for losses allegedly caused by technical issues on two of the Group's vessels, which the charterer claims resulted in damages under two of the Group's charter contracts. The aggregate amount claimed by the charterer is approximately USD 1.3 million. The Group is disputing any liability for the claims and does not believe the claims will have any significant effect on the Company's and/or the Group's financial position or profitability.

8.14 Material Contracts

Neither the Group nor any member of the Group has entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Prospectus. Further, the Group has not entered into any other contract outside the ordinary course of business which contains any provision under which any member of the Group has any obligation or entitlement.

8.15 Environmental and Other Regulations

8.15.1 Introduction

Government regulation significantly affects the ownership and operation of the Group's vessels. The Group is subject to international conventions and national, state and local laws and regulations in force in the countries in which the Group's vessels may operate or are registered.

A variety of government and private entities subject the Group's vessels to both scheduled and unscheduled inspections. These entities include local port authorities (e.g., local coast guard, port state control, harbour master or equivalent), classification societies, flag state administrations (country of registry), charterers and terminal operators. A number of these entities require the Group to obtain permits, licenses and certificates for the operation of its vessels. Failure to maintain necessary permits or approvals could lead to substantial costs or temporarily suspend the operation of one or more of the Group's vessels.

The Group believes that the heightened level of environmental and quality concerns among insurance underwriters, regulators and charterers is leading to enhanced inspection and safety requirements on all vessels. Increasing environmental concerns have created a demand for vessels that conform to the stricter environmental standards. The Group is required to maintain operating standards for all of its vessels that emphasize operational safety, quality maintenance, continuous training of its officers and crews and compliance with international regulations. The Group believes that the operation of its vessels is in substantial compliance with the international conventions and environmental laws and regulations applicable to the Group as at the date of this Prospectus.

8.15.2 International Convention on Civil Liability for Bunker Oil Pollution Damage

The International Convention on Civil Liability for Bunker Oil Pollution Damage (the "**Bunker Convention**") entered into force in November 2008 applies to spillages of "bunker oil", defined as "any hydrocarbon mineral oil, including lubricating oil, used or intended used for the operation or propulsion of the vessel, and any residues of such oil". The Bunker Convention imposes strict liability on shipowners subject to certain defences. Liability under the Bunker Convention is limited pursuant to applicable national or international limitation regimes. The Group maintains compulsory insurance required by the Bunker Convention.

8.15.3 International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious substances by Sea

The International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious substances by Sea (the ''**HNS Convention**") was adopted by the International Maritime Organization ("**IMO**") in 1996 and was amended by a 2010 Protocol. It aims to ensure adequate, prompt and effective compensation for damage that may result from shipping accidents involving hazardous and noxious substances. The HNS Convention has not yet entered into force.

8.15.4 The U.S. Oil Pollution Act of 1990

The U.S. Oil Pollution Act of 1990 ("**OPA**") established an extensive regulatory and liability regime for the protection and clean-up of the environment from oil spills. OPA affects all owners and operators whose vessels trade in the United States, its territories and possessions or whose vessels operate in United States waters, which includes the United States' territorial sea and its 200 nautical mile exclusive economic zone.

Under OPA, vessel owners, operators and bareboat charterers are ''responsible parties'' and are jointly, severally and strictly liable (unless the spill results solely from the act or omission of a third party, an act of God or an act of war) for all containment and clean-up costs and other damages arising from discharges or threatened discharges of oil from their vessels. OPA defines these other damages broadly to include:

- natural resources damage and the costs of assessment thereof;
- real and personal property damage;
- net loss of taxes, royalties, rents, fees and other lost revenues;
- lost profits or impairment of earning capacity due to property or natural resources damage; and
- net cost of public services necessitated by a spill response, such as protection from fire, safety or health hazards, and loss of subsistence use of natural resources.

OPA limits the liability of responsible parties to USD 2,000 per gross ton for vessels of the type that the Group owns and operates. These limits of liability do not apply if an incident was directly caused by a violation of applicable United States federal safety, construction or operating regulations or by a responsible party's gross negligence or wilful misconduct, or if the responsible party fails or refuses to report the incident or to cooperate and assist in connection with oil removal activities. In addition, the U.S. Comprehensive Environmental Response, Compensation, and Liability Act ("**CERCLA**"), which applies to owners and operators of vessels, contains a similar liability regime and provides for clean-up, removal and natural resource damages associated with discharges of hazardous substances (other than oil).

Liability under CERCLA is limited to USD 300 per gross ton.

OPA requires owners and operators of vessels to establish and maintain with the U.S. Coast Guard evidence of financial responsibility sufficient to meet their potential liabilities under the OPA. The U.S. Coast Guard has implemented regulations requiring evidence of financial responsibility in the amount of USD 2,300 per gross ton, which includes the OPA limitation on liability of USD 2,000 per gross ton and the CERCLA liability limit of USD 300 per gross ton. Under the regulations, vessel owners and operators may evidence their financial responsibility by showing proof of insurance, surety bond, self-insurance or guaranty. Under OPA, an owner or operator of a fleet of vessels is required only to demonstrate evidence of financial responsibility in an amount sufficient to cover the vessels in the fleet having the greatest maximum liability under OPA. The limitation limits are subject to periodic increases.

The U.S. Coast Guard's regulations concerning certificates of financial responsibility provide, in accordance with OPA, that claimants may bring suit directly against the insurer or guarantor that furnishes certificates of financial responsibility. In the event that such insurer or guarantor is sued directly, it is prohibited from asserting any contractual defence that it may have had against the responsible party and is limited to asserting those defences available to the responsible party and the defence that the incident was caused by the wilful misconduct of the responsible party. Certain organisations, which had typically provided certificates of financial responsibility under pre OPA laws, including the major protection and indemnity organisations, have declined to furnish evidence of insurance for vessel owners and operators if they are subject to direct actions or are required to waive insurance policy defences.

Under the self-insurance provisions of the U.S. Coast Guard's financial responsibility regulations, the ship owner or operator must have a net worth and working capital measured in assets located in the United States against liabilities located anywhere in the world that exceeds the applicable amount of financial responsibility. The Group has complied with the U.S. Coast Guard regulations by providing a certificate of responsibility from third party entities that are acceptable to the U.S. Coast Guard evidencing sufficient self-insurance.

OPA specifically permits individual U.S. states to impose their own liability regimes with regard to oil pollution incidents occurring within their boundaries, and some states have enacted legislation providing unlimited liability for oil spills. In some cases, states that have enacted such legislation, have not yet issued implementing regulations defining vessels owners' responsibilities under these laws. The Group intends to comply with all applicable state regulations in the ports where the Group's vessels call.

8.15.5 Maritime Labour Convention

The Maritime Labour Convention, 2006 (MLC) is an international labour convention adopted by ILO. MLC is widely known as the "seafarers' bill of rights", and was adopted by government, employer and workers representatives at a special ILO International Labour Conference in February 2006. The MLC aims both to achieve decent work for seafarers and to secure economic interests through fair competition for quality vessel owners.

The convention is comprehensive and sets out, seafarers' rights to decent working conditions. It covers most aspects of their work and life on board including:

- minimum age;
- seafarers' employment agreements;
- hours of work or rest;
- payment of wages;
- paid annual leave;
- repatriation at the end of contract;
- onboard medical care;
- the use of licensed private recruitment and placement services;
- accommodation, food and catering;
- health and safety protection and accident prevention; and

- seafarers' complaint handling.

The MLC was designed to be applicable globally, easy to understand, readily amendable and uniformly enforced. It was designed to become the "fourth pillar" of the international regulatory regime for quality shipping, complementing the key conventions of IMO dealing with safety and security of vessels and protection of the marine environment.

The MLC entered into force on 20 August 2013, and became binding international law for the "first 30" - the 30 countries with registered ratifications by 20 August 2012. For all other countries that have ratified, it will enter in force 12 months after their respective ratifications are registered.

As at 20 August 2013, all commercially operated vessels of 500 gross tonnage or more that fly the flag of any of the 30 countries that brought the MLC into force will, if they operate on international voyages, be required to carry, among other things, two specific documents: the Maritime Labour Certificate (MLCert) and the Declaration of Maritime Labour Compliance (DMLC).

These documents will provide prima facie evidence that the vessels are in compliance with the requirements of the MLC, including those relating to minimum age of seafarers, seafarers' employment agreements, hours of work or rest, payment of wages, onboard medical care, the use of licensed private recruitment and placement services, accommodation, and food and catering and health and safety protection and accident prevention.

The MLCert and DMLC will be subject to inspection by port state control when vessels enter the ports of other countries that have ratified the MLC.

In addition, vessels flying the flag of countries that have not ratified the MLC are also subject to inspection with respect to working and living conditions for seafarers when those vessels enter in port of countries where the MLC is in force. This inspection, called "no more favourable treatment", is an important aspect of the convention, aimed at helping to ensure fair competition for vessel owners who comply with the MLC by providing decent work for seafarers. There are costs associated with complying with the MLC and the methods to be used by port state control to check and ensure compliance is currently unclear. The Group believes it is in compliance with the MLC but, given the recency of the binding nature of the MLC and the uncertainty around interpretation of the MLC and the local legislation that enacts it in various countries, there are risks associated with ensuring proper compliance.

8.15.6 Recycling

Convention for the Safe and Environmentally Sound Recycling of Ships, 2009

The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (the "**Hong Kong Convention**"), was adopted at a diplomatic conference held in Hong Kong, China, in May 2009, which was attended by delegates from 63 countries. The convention is aimed at ensuring that vessels, when being recycled after reaching the end of their operational lives, do not pose any unnecessary risks to human health, safety or the environment. Upon entry into force of the Hong Kong Convention, vessels to be sent for recycling will be required to carry an inventory of hazardous materials, which will be specific to each vessel. Vessels will be required to have an initial survey to verify the inventory of hazardous materials, additional surveys during the life of the vessel, and a final survey prior to recycling.

The convention is open for accession by any state and will enter into force 24 months after the date on which 15 states, representing 40% of world merchant shipping by gross tonnage, have either signed it without reservation as to ratification, acceptance or approval or have deposited instruments of ratification, acceptance, approval or accession with the IMO Secretary-General. Furthermore, the combined maximum annual vessel recycling volume of those states must, during the preceding ten years, constitute no less than 3% of their combined merchant shipping tonnage. As at 25 September 2013, only Norway has ratified the convention and it is possible that the convention will never come into force but if it does, the effect will be increased costs of vessel owners in order to ensure compliance. See also Section 2.3 "Risks Related to the Group's Operation—Compliance with environmental laws or regulations may have an adverse effect on the Group's results of operations".

EU Regulations on Recycling of Ships

On 27 June 2013, the European Council endorsed a compromise text of the new Ship Recycling Regulation ("**SR Regulation**") agreed with the European Parliament. The SR Regulation is expected to be formally adopted during the autumn of 2013, and to be published in the Official Journal of the EU and enter into force by the end of 2013.

The objective of the SR Regulation is to reduce the negative impacts linked to the recycling, especially in South Asia, of vessels flagged in EU member states without creating unnecessary economic burdens. It will implement certain requirements of the Hong Kong Convention. The SR Regulation will apply to large commercial seagoing vessels flying the flag of the EU Member States or operating under its authority In order to ensure legal clarity and avoid administrative burdens, vessels covered by the new legislation would be excluded from the scope of the Waste Shipment Regulation (EC) 1013/2006.

The SR Regulation sets out a number of requirements for EU flagged vessels, EU vessel owners, vessel recycling facilities willing to recycle EU vessels, and the relevant competent authorities and administrations. It also requires the EU Commission to adopt a number of acts implementing the SR Regulation (in particular the European List of vessels recycling facilities authorised to recycle vessels flying an EU flag). There are likely to be costs associated with complying with the SR Regulation. See also Section 2.3 "Risks Related to the Group's Operation—Compliance with environmental laws or regulations may have an adverse effect on the Group's results of operations".

8.15.7 Vessel security regulations – IMO ISPS Code

Since the terrorist attacks of 11 September 2001, there have been a variety of initiatives intended to enhance vessel security. On 25 November 2002, the Maritime Transportation Security Act of 2002 (the "**MTSA**") came into effect in the United States. To implement certain portions of the MTSA, in July 2003, the U.S. Coast Guard issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States. Similarly, in December 2002, amendments to the IMO's International Convention for the Safety of Life at Sea ("**SOLAS**") created a new chapter of the convention dealing specifically with maritime security. The new chapter came into effect in July 2004 and imposes various detailed security obligations on vessels and port authorities, most of which are contained in the newly created IMO's International Ship and Port Facilities Security Code ("**ISPS Code**"). Among the various requirements are:

- on board installation of automatic information systems to enhance vessel to vessel and vessel to shore communications;
- on board installation of vessel security alert systems;
- the development of vessel security plans; and
- compliance with flag state security certification requirements.

The U.S. Coast Guard regulations, intended to align with international maritime security standards, exempt non-U.S. vessels from MTSA vessel security measures provided such vessels have on board a valid International Ship Security Certificate ("**ISSC**") that attests to the vessel's compliance with SOLAS security requirements and the ISPS Code. The Group has implemented the various security measures addressed by the MTSA, SOLAS and the ISPS Code, and has obtained an ISSC for each of its owned vessels in operation.

8.15.8 International Convention for the Control and Management of Ships' Ballast Water and Sediments and similar U.S. legislation

The International Convention for the Control and Management of Ships' Ballast Water and Sediments (the "**Ballast Water Convention**"), adopted in 2004, aims to prevent the spread of harmful aquatic organisms from one region to another, by establishing standards and procedures for the management and control of ships' ballast water and sediments.

Under the Ballast Water Convention, all ships in international traffic are required to manage their ballast water and sediments to a certain standard, according to a vessel-specific ballast water management plan. All ships will also have to carry a ballast water record book and an international ballast water management certificate. The ballast water management standards will be phased in over a period of time. As an intermediate solution, ships should exchange ballast water mid-ocean. However, eventually most ships will need to install an on-board ballast water treatment system and the costs relating to this could be significant.

The Ballast Water Convention will enter into force 12 months after ratification by 30 States, representing 35% of world merchant shipping tonnage. As at 31 July 2013, 37 states representing 30.32% of world merchant shipping tonnage had ratified the Ballast Water Convention. It is expected that the Ballast Water Convention will be ratified in the near future.

The USA applies its own regulations to ballast water pursuant to the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 and the Clean Water Act 1972. These impose stringent requirements on, and the necessity to obtain permits with respect to, the discharge of ballast water. The legislation also mandates that vessels constructed after 1 December 2013 must on delivery have an approved ballast water management systems installed and that vessels constructed before that date must install such a system at its first scheduled drydocking after 1 January 2016.

8.15.9 Prevention of Pollution from Ships – MARPOL

The IMO has negotiated the international conventions for the prevention of pollution from ships that impose liability for oil pollution of the marine environment (MARPOL 73/78). Annex I to V of the convention concerns pollution to the sea by oil, noxious/harmful substances, sewage and garbage from ships. In September 1997, the IMO adopted Annex VI to address air pollution from ships. Annex VI was ratified in May 2004, and became effective in May 2005, with more stringent amendments adopted in 2008. Annex VI sets a global cap on the sulphur content of fuel oil to limit sulphur oxide emission from ship exhausts and stipulates an upper limit to nitrogen oxide and particulate matter emissions from engines and prohibits deliberate emissions of ozone depleting substances, such as chlorofluorocarbons. Annex VI also provides for the establishment of special emission control areas (ECAs) with more stringent controls requirements on sulphur, nitrogen oxides and particulate matter emissions. To date four ECAs have been designated: the Baltic Sea ECA, the North Sea ECA, the North American ECA, and effective from 1 January 2014, the U.S. Caribbean ECA.

In addition to MARPOL Annex VI, there are regional mandates in ports and certain territorial waters within the EU, Turkey and Norway regarding reduced SOx emissions. These requirements establish maximum allowable limits for sulphur content in fuel oils use by vessels when operating within certain areas and waters and while “at berth”.

8.15.10 Carbon dioxide emissions

In January 2013, as a result of agreement at the IMO, a new Chapter 4 to MARPOL Annex VI was adopted entitled “Regulations on energy efficiency for ships”. This made it mandatory for all ships to comply with specified technical and operational measures to reduce carbon dioxide emissions and comply with an Energy Efficiency Design Index and Ship Energy Efficiency Plan. However, it is recognized by the IMO that these efforts will not be sufficient to satisfactorily reduce carbon dioxide emissions and other mechanisms such as market based mechanisms are being considered to address this. In addition the EU is considering introducing its own regulations relating to carbon dioxide emissions and has announced that ships calling at EU ports will have to measure and report their annual carbon dioxide emissions from 2018. Legislation imposing restrictions on carbon dioxide emissions can be expected to be enacted in the future and the costs associated with this could be significant.

8.15.11 International Safety Management (ISM) Code

The operation of the Group’s vessels is also affected by the requirements set forth in the ISM’s Code, being the International Standard for Safe Management and Operation of Ships and Pollution Prevention (the “**ISM Code**”). The ISM Code requires shipowners or the entity who has assumed the responsibility for operation of a ship from the ship owner to develop, implement and maintain a “Safety Management System”, which includes the following functional requirements:

- a safety and environmental-protection policy;
- instructions and procedures to ensure safe operation of ships and protection of the environment in compliance with relevant international and flag State legislation;
- defined levels of authority and lines of communication between, and amongst, shore and shipboard personnel;
- procedures for reporting accidents and non-conformities;
- procedures to prepare for and respond to emergency situations; and
- procedures for internal audits and management reviews.

Failure to comply with the ISM Code may subject the ship owner or the person responsible for the operation of a vessel to increased liability, may decrease available insurance coverage for the affected vessels and may result in detention or denial of access to ports.

The various classification societies with which the Group's vessels are entered have, on behalf of the flag states under which each of the Group's vessels is registered, issued Documents of Compliance to certify that the Group complies with the provisions of the ISM Code. In addition, each of the Group's vessels has a valid Safety Management Certificate proving the Group's compliance with the ISM Code and the Group's Safety Management System. Commercially managed vessels that are not technically managed by BWFM are ISM certified under their respective management companies' safety management systems.

8.15.12 Inspection by classification societies

Every seagoing vessel must be "classed" by a classification society. The classification society certifies that the vessel is "in class", signifying that the vessel has been built and maintained in accordance with the rules of the classification society. In most cases, the classification society is authorized by the flag state to certify that the vessel also complies with applicable rules and regulations of the vessel's country of registry and the international conventions of which that country is a member. In addition, where surveys are required by international conventions and corresponding laws and ordinances of a flag state, the classification society may undertake them on application or by official order, acting on behalf of the authorities concerned.

The classification society also undertakes on request other surveys and checks that are required by regulations and requirements of the flag state. These surveys are subject to agreements made in each individual case and/or to the regulations of the country concerned.

For maintenance of the class, regular and extraordinary surveys of hull, machinery, including the electrical plant, and any special equipment classed are required to be performed as follows:

- Annual Surveys. For seagoing vessels, annual surveys are conducted for the hull and the machinery, including the electrical plant and where applicable for special equipment classed, at intervals of 12 months from the date of commencement of the class period indicated in the certificate;

- Intermediate Surveys. Extended annual surveys are referred to as intermediate surveys and typically are conducted two and one-half years after commissioning and each class renewal. Intermediate surveys may be carried out on the occasion of the second or third annual survey; and

- Class Renewal Surveys. Class renewal surveys, also known as special surveys, are carried out for the vessel's hull, machinery, including the electrical plant and for any special equipment classed, at the intervals indicated by the character of classification for the hull. During a special survey, the vessel is thoroughly examined, including by ultrasonic gauging, in order to determine the thickness of the steel structures. Should the thickness be found to be less than class requirements, the classification society would require steel renewals. Substantial amounts of money may have to be spent for steel renewals to pass a special survey if the vessel experiences excessive wear and tear. In lieu of the special survey every five years, a ship owner has the option of arranging with the classification society for the vessel's hull or machinery to be on a continuous survey cycle, in which every part of the vessel would be surveyed within a five-year cycle. At an owner's application, the surveys required for class renewal may be split according to an agreed schedule to extend over the entire period of class. This process is referred to as continuous class renewal.

All areas subject to survey as defined by the classification society are required to be surveyed at least once per class period, unless shorter intervals between surveys are prescribed elsewhere. The period between two subsequent surveys of each area must not exceed five years.

A vessel's underwater parts are required to be inspected every 24 to 36 month intervals by the classification society. Drydocking of vessels is done, at the maximum, every 60 months. If any defects are found, the classification surveyor will issue a condition of class that must be rectified by the vessel owner.

Most insurance underwriters make it a condition for insurance coverage that a vessel be certified as "in class" by a classification society that is a member of the International Association of Classification Societies. All the Group's vessels are certified as being "in class". All new and secondhand vessels that the Group purchases must be certified prior to their delivery under the Group's standard purchase contracts and memoranda of agreement. If the vessel is not certified on the date of closing, the Group has no obligation to take delivery of the vessel.

8.15.13 Permits and regulatory approvals

The Group is required by various governmental and quasi-governmental agencies to obtain certain permits, licenses and certificates for its vessels. The types of permits, licenses and certificates required depend on several factors, including the commodity transported, the waters in which the vessel operates, the nationality of the vessel's crew and the age of the vessel. The Group has been able to obtain all permits, licenses and certificates currently required to permit its vessels to operate. Additional laws and regulations, environmental or otherwise, may be adopted which could limit the Group's ability to do business or increase the cost of the Group doing business.

8.16 Insurance

The operation of any ocean-going vessel represents a potential risk of major losses and liabilities, death or injury of persons, as well as property damage caused by adverse weather conditions, mechanical failures, human error, war, terrorism, piracy and other circumstances or events. In addition, the transportation of gas is subject to the risk of pollution and to business interruptions due to political unrest, hostilities, labour strikes and boycotts. The occurrence of any of these events may result in loss of revenues or increased costs. See also Section 2.1 "Risks Related to the Industry in which the Group Operates—Shipping is a business with inherent risks and the Group's own insurance may not be adequate to cover the Group's losses".

As an integral part of operating the Group's gas carriers, the Group maintains "Hull and Machinery", "Hull and Freight Interest" and "Protection and Indemnity" insurance with first class international insurances providers to protect against the majority of accident-related risks in connection with the Group's marine operations. Hull and Machinery insurance covers loss of or damage to a vessel due to, among other things, marine perils such as collisions (including third party liability), grounding, damage caused by crew negligence and adverse weather conditions. With the Hull and Machinery, Freight Interest and Hull Interest insurances, the Group's vessels are each covered against total loss situations at an average of 108% of the market value of the vessel with deductibles for a particular damage of USD 250,000 per vessel per event. Protection and Indemnity insurance indemnifies the Group against liabilities not covered under the Hull and Machinery insurance incurred in connection with the operation of its vessels, including injury to the Group's crew or third parties, cargo loss and pollution. The current limit for pollution cover is USD 1 billion per vessel per incident reduced to USD 300 million if pollution is caused by war or similar actions. The Group also carries insurances covering war risks, including piracy and terrorism.

The Group believes that its current insurance program, as described above, is adequate to protect the Group against the majority of accident-related risks involved in the conduct of its business and that an appropriate level of protection and indemnity against pollution liability and environmental damage is maintained. However, there can be no assurance that the range of risks the Group is exposed to is adequately insured against, that any particular claim will be paid or that the Group in the future will be able to procure similar adequate insurance coverage at the terms and conditions equal to those the Group currently has. More stringent environmental and passenger liability regulations have resulted in increased exposures and insurance costs and may in certain circumstances be difficult to insure or even become uninsurable. The Group's goal is to maintain an adequate insurance coverage required by its marine operations and to actively monitor any new regulations and threats that may require the Group to revise its coverage.

8.17 Environmental, Health and Safety Matters

The Group's corporate values and ethical guidelines make health, safety and environment ("**HSE**") responsibility an integral facet of its business. The Group aspires to Zero Harm to people, environment, cargo and vessel and work continuously to raise both personal safety and process safety awareness. The Group's Quality Management System's approach is therefore to safeguard people, environment, cargo and vessel through implementation of the Group's values, policies, processes and procedures. The Quality Management System shall be in accordance with applicable laws and regulations in addition to industry and the Group's own best practices. This will change and develop; the Group's Management System is therefore dynamic and will be continually improved.

The Group runs a complex operation and risk awareness both on individual and company level is critical for success. Further, the Group will strive to establish safeguards against identified risks, but it must always rely upon each individual's professional judgment. To achieve the Group's aspiration of Zero Harm and to ensure continual improvement, the Group will motivate each individual to maintain and further develop their professional skills and continue to focus on programs to develop competence. The Group has established a set of HSEQ performance indicators with targets which are regularly monitored and followed up. See also Section 2.3 "Risks Related to the Group's Operation—Compliance with environmental laws or regulations may have an adverse effect on the Group's results of operations".

8.18 Dependency on Contracts, Patents, Licenses etc.

It is the Company's opinion that the Group's existing business or profitability is not dependent upon any contracts other than the Corporate Services Agreement, as further described in Section 16.3 "Continuing Agreements—

Corporate Services Agreement", and the Facility, as further described in Section 11.8.1 "Material borrowings".

It is further the opinion of the Company that the Group's existing business or profitability is not dependent on any patents or licences.

9 CAPITALISATION AND INDEBTEDNESS

This Section provides information about the Company's capitalisation and net financial indebtedness on an actual basis as at 30 June 2013 and, in the "As Adjusted – 30 June 2013" columns, the Company's capitalisation and net financial indebtedness on an adjusted basis to show the estimated effects of the following items only, which result from the consummation of the Offering as planned, on the Company's capitalisation and net financial indebtedness. This information is based on the Company's actual capitalisation and net financial indebtedness figures as at 30 June 2013 as shown in the "Actual – 30 June 2013" columns:

- *The consummation of the Offering will result in estimated net proceeds to the Company of either:*

  (a) USD 266.3 million if the Offer Price is at the high-point of the Indicative Price Range, with an issuance of 33,244,400 Offer Shares in the Offering;

  (b) USD 266.3 million if the Offer Price is at the mid-point of the Indicative Price Range, with an issuance of 37,399,950 Offer Shares in the Offering;

  (c) USD 266.3 million if the Offer Price is at the low-point of the Indicative Price Range, with an issuance of 41,555,500 Offer Shares in the Offering.

  In each case after deducting the estimated commissions and expenses to the Managers and other advisors, as well as other costs associated with the listing of the Shares on the Oslo Stock Exchange.

- *The acquisition of five vessels from Maersk over the period between 30 June 2013 and listing, under an agreement signed 22 May 2013, paid by BW Gas Ltd, and the resultant recognition of USD 311.5 million in Trade and Other Payables, as set out in Section 12 "Unaudited Pro Forma Financial Information" as Adjustment No. 1.*

- *The payment by BW Gas Ltd to Hyundai Heavy Industries in July 2013 of deposits on four newbuildings, captured in BW LPG in Trade and Other payables, as set out in Section 12 "Unaudited Pro Forma Financial Information" as Adjustment No. 2.*

- *The acquisition, as part of the Reorganization, of (i) the 100% equity interest in BW Cyan Limited; (ii) a 100% equity interest in AS Havgas Partners); (iii) a 62.5% equity interest in KS Havgas Partners; and (iv) an 86.17% equity interest in PR Bergesen d.y. Shipping DA (a Norwegian Limited Partnership), as set out in Section 12 "Unaudited Pro Forma Financial Information" as Adjustment No. 3.*

- *The netting off of amounts due to / from BW Gas Ltd in the amount of USD 26.4 million, as set out in Section 12 "Unaudited Pro Forma Financial Information" as Adjustment No. 4(i).*

- *The provision of a shareholder loan from BW Gas Ltd to the Company, to finance vessel acquisitions, newbuilding acquisitions, and the reorganization, as set out in Section 12 "Unaudited Pro Forma Financial Information" as Adjustment No. 4(ii).*

- *The capitalisation of USD 686.9 million of amounts due to BW Gas Ltd as share capital of the Company, as set out in Section 12 "Unaudited Pro Forma Financial Information" as Adjustment No. 4(iii).*

- *The draw-down of USD 700 million under the Facilities, to be drawn-down concurrent with IPO, and applied in full (after raising costs) to repay amounts due to BW Group Ltd and its subsidiaries, as set out in Section 12 "Unaudited Pro Forma Financial Information" as Adjustment No. 5*

Investors are cautioned that the "As adjusted" figures included in the tables below are estimates and associated with significant uncertainties, and that the actual proceeds from the Offering may deviate from the amounts indicated. The information presented below should be read in conjunction with the other parts of this Prospectus, in particular Section 10 "Selected Financial and Other Information", Section 11 "Operating and Financial Review", Section 12 "Unaudited Pro Forma Financial Information", and the Company's Financial Statements and the notes related thereto included in Appendix C.

9.1 Capitalisation

USD million	Unaudited			
	Actual	As Adjusted – 30 June 2013		
	30 June 2013	Low-Point Price	Mid-Point Price	High-Point Price
Total current debt:				
Guaranteed and secured	-	48.7	48.7	48.7
Guaranteed but unsecured	-	-	-	-
Secured but unguaranteed	-	8.9	8.9	8.9
Unguaranteed and unsecured	1,062.9	362.9	362.9	362.9
Total current debt	1,062.9	420.5	420.5	420.5
Total non-current debt:				
Guaranteed and secured	-	642.4	642.4	642.4
Guaranteed but unsecured	-	-	-	-
Secured but unguaranteed	-	-	-	-
Unguaranteed and unsecured	60.7	60.7	60.7	60.7
Total non-current debt	60.7	703.1	703.1	703.1
Shareholders' equity:				
Share capital	-	1.4	1.4	1.3
Share premium account	-	279.6	279.6	279.7
Retained earnings	(51.3)	(51.3)	(51.3)	(51.3)
Other reserves	67.7	630.7	630.7	630.7
Total shareholders' equity	16.4	860.4	860.4	860.4
Total capitalisation	**1,139.9**	**1,984**	**1,984**	**1,984**

The "As Adjusted – 30 June 2013" columns illustrate the Company's capitalisation on an adjusted basis to show the estimated effects of the following items only, which result from the consummation of the Offering as planned, as if those transactions occurred on 30 June 2013.

Section 12 "Unaudited Proforma Financial Information" provides commentary on the accounting treatment for the introduction of the Facility and repayment of pre-existing debt in the same amount, which is taken up in the above table consistent with the treatment in the 30 June 2013 Proforma Financial Information.

Between 30 June 2013 and 31 August 2013, the following material changes have occurred to information included in the above table:

- Unguaranteed and unsecured current debt has increased from USD 1,062.9 million to USD 1,080.4 million.
- Retained losses have decreased from 51.3 million to 0.3 million.

Apart from the above movements, there are no material changes to the numbers shows as Actual – 30 June 2013.

The Guaranteed and Secured component of Current Debt and Non-Current Debt in the "as adjusted" columns refer to the current and non-current components of the Facility, as described in Section 11.8 "Borrowings and Other Contractual Obligations".

See Section "Operating and Financial Review – Liquidity and Capital Resources – Borrowings" for commentary.

9.2 Net Financial Indebtedness

USD million	Unaudited			
	Actual	As Adjusted – 30 June 2013		
	30 June 2013	Low-Point Price	Mid-Point Price	High-Point Price
A. Cash	18.4	264.7	264.7	264.7
B. Cash equivalents	-	-	-	-
C. Restricted cash deposits	-	20.0	20.0	20.0
D. Liquidity (A + B + C)	***18.4***	***284.7***	***284.7***	***284.7***
E. Current financial receivables	**98.7**	**98.7**	**98.7**	**98.7**
F. Current bank debt	-	-	-	-
G. Current portion of non-current debt	-	57.6	57.6	57.6
H. Other current financial debt	1,062.9	362.9	362.9	362.9
I. Current financial debt (F + G + H)	***1,062.9***	***420.5***	***420.5***	***420.5***
J. Net current financial indebtedness (I – E – D)	***945.7***	***37.1***	***37.1***	***37.1***
K. Non-current bank loans	-	642.4	642.4	642.4
L. Bonds issued	-	-	-	-
M. Other non-current loans	60.7	60.7	60.7	60.7
N. Non-current financial indebtedness (K + L + M)	***60.7***	***703.1***	***703.1***	***703.1***
O. Net financial indebtedness (J + N)	**1,006.4**	**740.2**	**740.2**	**740.2**

The "As Adjusted – 30 June 2013" columns illustrate the Company's net financial indebtedness on an adjusted basis to show the estimated effects of the following items only, which result from the consummation of the Offering as planned, as if those transactions occurred on 30 June 2013.

Between 30 June 2013 and 31 August 2013, the following material changes have occurred to information included in the above table:

- Current financial receivables have increased from USD 98.7 million to USD 151.9 million;
- Other current financial debt has increased from USD 1,062.9 million to USD 1,080.4 million.

Apart from the above movements, there are no material changes to the numbers shows as Actual – 30 June 2013.

Section 12 "Unaudited Proforma Financial Information" provides commentary on the accounting treatment for the introduction of the Facility and repayment of pre-existing debt in the same amount, which is taken up in the above table consistent with the treatment in the 30 June 2013 Proforma Financial Information.

Restricted Cash Deposits in the "As Adjusted" columns refer to the minimum cash balance requirement under the Facility, as described in Section 11.8 "Borrowings and Other Contractual Obligations".

No amounts have been included in net financial indebtedness for the counter indemnities referred to in Section 16.4 "Counter Indemnity Agreement", as there are no known or anticipated actual liabilities arising as a result of these counter indemnities.

9.3 Working Capital Statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

9.4 Contingent and Indirect Indebtedness

As at 30 June 2013 and as at the date of the Prospectus, except for the claim set out in Section 8.13 "Legal Proceedings" which the Group has disputed and for which the Group does not expect to have any significant impact on the Group's financial position, the Group did not have any contingent or indirect indebtedness at such date.

10 SELECTED FINANCIAL AND OTHER INFORMATION

10.1 Introduction and Basis for Preparation

The following selected financial information has been extracted from the Group's unaudited interim combined financial statements as at, and for the six months ended, 30 June 2013 (the Combined Interim Financial Statements), the Group's audited combined financial statements as at, and for the years ended, 31 December 2012 and 2011 (the Combined Financial Statements) and the Group's audited consolidated financial statements as at, and for the year ended, 31 December 2010 (the Consolidated Financial Statements).

The Group's Combined Financial Statements, included in Appendix B1 to this Prospectus, have been prepared in accordance with IFRS. The Group's Combined Interim Financial Statements, included in Appendix C to this Prospectus, have been prepared in accordance with IAS 34. The Group's Consolidated Financial Statements, included in Appendix B2 to this Prospectus, has been prepared in accordance with IFRS based on the existing legal group of the Company.

The Combined Financial Statements and the Combined Interim Financial Statements (together, the Combined Financial Information) have been prepared specifically for the purposes of this Prospectus and are presented on a combined basis for all periods prior to the date at which the Reorganisation, as described in Note 2 to the Combined Financial Statements, was established on 4 November 2013 and on a consolidated basis for all periods thereafter. The Combined Financial Information has been derived from consolidated financial statements and historical accounting records, employing the methods and assumptions discussed in Note 2 and Note 3 of the Combined Financial Statements. The Management believes the assumptions underlying the Combined Financial Information are reasonable. However, the Combined Financial Information as presented is not comparable to the Consolidated Financial Statements due to the basis of preparation as described in Note 2 of the Combined Financial Statements, and may not reflect the results of operations, financial position and cash flows that the Group would have had if it had been run as a separate legal group during the periods presented and may not be indicative of future performance.

Combined financial information for the financial year ended 31 December 2010 has not been prepared due to the following reasons:

- Combined financial statements for the year ended 31 December 2010 are less relevant and not comparable with the Combined Financial Statements relating to 2011 and 2012 as only eight of the vessels currently owned by the Group were owned in the financial year 2010, out of which five vessels were owned by BW LPG and its subsidiaries;

- The ability for investors to make an educated view of the Group is not impacted by not providing the combined financial information for the year ended 31 December 2010 as the Combined Interim Financial Statements have been included; and

- The basis of the Combined Financial Statements comprises the acquisition of six vessels from entities within BW Group. As some of these vessels have been transferred through various entities within BW Group between 2010 and 2011, it would be complex and onerous for BW LPG to capture the financial information to prepare combined financial statements for the year ended 31 December 2010.

As the combined financial information for the year ended 31 December 2010 have not been prepared, the historical financial statements for KS Havgas Partners and PR Bergesen d.y. Shipping DA for the year ended 31 December 2010 are presented separately and incorporated by reference hereto, see Section 22.4 "Incorporation by Reference".

The selected combined financial information and the selected consolidated financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the Combined Financial Statements, the Consolidated Financial Statements and Combined Interim Financial Statements included in Appendix B1, Appendix B2 and Appendix C, respectively, of this Prospectus and should be read together with Section 11 "Operating and Financial Review".

10.2 Summary of Accounting Policies and Principles

For information regarding accounting policies and the use of estimates and judgements, please refer to Note 3 of the Combined Financial Statements, included in this Prospectus as Appendix B1.

10.3 Selected Statement of Comprehensive Income

The table below sets out selected data from BW LPG's combined condensed interim statement of comprehensive income for the six month periods ended 30 June 2013 and 2012, its combined statement of comprehensive income for the years ended 31 December 2012 and 2011 and its consolidated statement of comprehensive income for the year ended 31 December 2010.

In USD thousand	**Combined six months ended 30 June**		**Combined year ended 31 December**		**Consolidated year ended 31 December**
	2013 *(unaudited)*	**2012** *(unaudited)*	**2012** *(audited)*	**2011** *(audited)*	**2010** *(audited)*
Revenue	183,168	175,246	377,859	236,193	84,705
Voyage expenses	(72,114)	(78,013)	(153,941)	(104,978)	(91,188)
TCE income	**111,054**	**97,233**	**223,918**	**131,215**	**(6,483)**
Other operating income	248	360	602	807	1,458
Other operating expenses	(62,931)	(63,620)	(128,114)	(120,670)	(13,425)
Operating profit / (loss) before depreciation, amortisation and impairment	**48,371**	**33,973**	**96,406**	**11,352**	**(18,450)**
(Loss)/Gain on disposal of vessels	(882)	-	-	4,238	-
Gain on disposal of joint venture	-	-	-	15,777	-
	47,489	**33,973**	**96,406**	**31,367**	**(18,450)**
Amortisation charge	(3,528)	(3,547)	(7,095)	(7,094)	(5,513)
Depreciation charge	(25,558)	(23,485)	(50,395)	(26,291)	(6,721)
Write-back of impairment charge/(impairment charge) – net	4,447	(9,700)	(55,630)	3,547	(1,825)
Operating profit / (loss)	**22,850**	**(2,759)**	**(16,714)**	**1,529**	**(32,509)**
Foreign currency exchange (loss)/gain – net	(28)	(26)	(21)	720	(1,437)
Interest income	1	2	8	5	10
Interest expense	(2,021)	(1,433)	(3,467)	(6,789)	(4,761)
Derivative loss – net	-	-	-	(441)	-
Other finance income/(expense)	80	(2)	45	(8)	(6)
Finance expense – net	**(1,968)**	**(1,459)**	**(3,435)**	**(6,513)**	**(6,194)**
Profit / (loss) before income tax for the financial period	**20,882**	**(4,218)**	**(20,149)**	**(4,984)**	**(38,703)**
Income tax expense	-	-	-	-	-
Profit / (loss) for the financial period	**20,882**	**(4,218)**	**(20,149)**	**(4,984)**	**(38,703)**
Other comprehensive income for the financial period					
Hedging reserve					
Fair value gain on cash flow hedges	-	-	-	2,132	(2,178)
Reclassification to profit or loss	-	-	-	-	2,102
Other comprehensive income for the financial period, net of tax	-	-	-	**2,132**	**(76)**
Net profit / (loss) and total comprehensive income / (loss) for the financial period	**20,882**	**(4,218)**	**(20,149)**	**(2,852)**	**(38,779)**

10.4 Selected Balance Sheet

The table below sets out selected data from BW LPG's combined condensed interim balance sheet as at 30 June 2013, its combined balance sheet as at 31 December 2012 and 2011 and its consolidated balance sheet as at 31 December 2010.

In USD thousand	**Combined as at 30 June**	**Combined as at 31 December**		**Consolidated as at 31 December**
	2013 *(unaudited)*	**2012** *(audited)*	**2011** *(audited)*	**2010** *(audited)*
Charter-hire contracts acquired	28,965	42,429	49,524	56,618
Intangible assets	**28,965**	**42,429**	**49,524**	**56,618**
Vessels	922,307	944,493	851,617	141,414
Drydocking	18,214	17,892	16,134	4,089

In USD thousand	Combined as at 30 June	Combined as at 31 December		Consolidated as at 31 December
	2013 *(unaudited)*	2012 *(audited)*	2011 *(audited)*	2010 *(audited)*
Total property, plant and equipment	**940,521**	**962,385**	**867,751**	**145,503**
Total non-current assets	**969,486**	**1,004,814**	**917,275**	**202,121**
Inventories	10,023	19,432	13,631	7,685
Trade and other receivables	98,738	73,154	39,741	24,718
Cash and cash equivalents	18,423	22,221	14,783	5,451
Total current assets	**127,184**	**114,807**	**68,155**	**37,854**
Disposal group classified as held-for-sale	54,177	-	-	-
Total assets	**1,150,847**	**1,119,621**	**985,430**	**239,975**
Share capital	10	10	10	10
Other reserves	67,687	67,687	67,687	(2,132)
Accumulated losses	(51,339)	(72,382)	(45,515)	(70,877)
	16,358	**(4,685)**	**22,182**	**(72,999)**
Non-controlling interest	8,944	9,105	8,784	-
Total shareholder's equity	**25,302**	**4,420**	**30,966**	**(72,999)**
Derivative financial instruments	-	-	-	3,901
Borrowings	60,658	64,751	72,573	191,333
Deferred income	1,489	1,737	2,233	2,730
Long-term tax liability	-	-	101	-
Total non-current liabilities	**62,147**	**66,488**	**74,907**	**197,964**
Derivative financial instruments	-	-	-	466
Borrowings	137,566	136,039	7,360	10,669
Current income tax liabilities	-	108	101	-
Trade and other payables	875,552	912,566	872,096	103,875
Total current liabilities	**1,013,118**	**1,048,713**	**879,557**	**115,010**
Liabilities directly associated with disposal group classified as held-for-sale	50,280	-	-	-
Total liabilities	**1,125,545**	**1,115,201**	**954,464**	**312,974**
Total equity and liabilities	**1,150,847**	**1,119,621**	**985,430**	**239,975**

10.5 Selected Statement of Cash Flow

The table below sets out selected data from BW LPG's combined condensed interim statement of cash flows for the six month periods ended 30 June 2013 and 2012, its combined statement of cash flows for the years ended 31 December 2012 and 2011 and its consolidated statement of cash flows for the year ended 31 December 2010.

In USD thousand	Combined six months ended 30 June		Combined year ended 31 December		Consolidated year ended 31 December
	2013 *(unaudited)*	2012 *(unaudited)*	2012 *(audited)*	2011 *(audited)*	2010 *(audited)*
Cash flows from operating activities					
Profit/(Loss) for the financial period	20,882	(4,218)	(20,149)	(4,984)	(38,703)
Adjustments for:					
- amortisation charge	3,528	3,547	7,095	7,094	5,513
- amortisation of deferred income	(248)	(248)	(496)	(496)	(1,285)
- depreciation charge	25,558	23,485	50,395	26,291	6,721
- (write back of impairment charge)/impairment charge – net	(4,447)	9,700	55,630	(3,547)	1,825
- loss/(gain) on disposal of property, plant and equipment	882	-	-	(4,238)	-
- gain on disposal of joint venture	-	-	-	(15,777)	-
- foreign exchange currency loss/(gain) on long-term tax liability	-	8	8	(6)	-
- interest income	(1)	(2)	(8)	(5)	(10)
- interest expense	2,021	1,433	3,467	6,789	4,761
- other finance (income)/expense	(80)	2	(45)	8	6

In USD thousand	Combined six months ended 30 June		Combined year ended 31 December		Consolidated year ended 31 December
	2013 *(unaudited)*	**2012** *(unaudited)*	**2012** *(audited)*	**2011** *(audited)*	**2010** *(audited)*
Operating cash flow before working capital changes	**48,095**	**33,707**	**95,897**	**11,129**	**(21,172)**
Changes in working capital:					
- inventories	9,409	(5,132)	(5,801)	(5,329)	(6,155)
- trade and other receivables	(18,040)	(14,015)	(19,550)	(14,217)	(19,539)
- trade and other payables	(19,771)	10,436	(26,915)	166,157	81,209
Cash generated from operations	**19,693**	**24,996**	**43,631**	**157,740**	**34,343**
Taxes paid	(108)	(101)	(101)	(124)	-
Net cash provided by operating activities	**19,585**	**24,895**	**43,530**	**157,616**	**34,343**
Cash flow from investing activities					
Purchases of property, plant and equipment	(43,590)	(139,651)	(200,659)	(669,338)	(2,707)
Disposal of property, plant and equipment	2,247	-	-	32,841	-
Disposal of joint venture, net of cash disposed	-	-	-	(2,322)	-
Payments for purchases of charter-hire contracts	-	-	-	-	(51,951)
Proceeds from purchases of charter-hire contracts	-	-	-	-	3,433
Interest received	1	2	8	5	10
Net cash used in investing activities	**(41,342)**	**(139,649)**	**(200,651)**	**(638,814)**	**(51,215)**
Cash flows from financing activities					
Funding from immediate holding corporation for purchase of property, plant & equipment	33,037	8,750	67,385	602,206	-
Proceeds from borrowings	-	126,500	126,500	54,604	27,283
Funding provided to fellow subsidiary	(10,571)	(1,388)	(13,863)	(268)	-
Repayments of borrowings	(3,851)	(3,624)	(7,361)	(165,030)	(3,258)
Dividends paid	-	-	(5,421)	-	-
Interest paid	(736)	(894)	(1,750)	(6,789)	(4,433)
Other finance income received/(expenses paid)	80	(2)	45	(8)	(6)
Payment to non-controlling interests	-	-	(976)	-	-
Net cash provided by financing activities	**17,959**	**129,342**	**164,559**	**484,715**	**19,586**
Net (decrease) / increase in cash and cash equivalents	(3,798)	14,588	7,438	3,517	2,714
Cash and cash equivalents at beginning of the financial period	22,221	14,783	14,783	11,266	2,737
Cash and cash equivalents at end of the financial period	**18,423**	**29,371**	**22,221**	**14,783**	**5,451**

10.6 Selected Statement of Changes in Equity

The table below sets out selected data from BW LPG's combined statement of changes in equity for the years ended 31 December 2011 and 2012 and its combined condensed interim statement of changes in equity for the six month period ended 30 June 2013.

In USD thousand	Attributable to equity holders of the Company						
	Share capital	**Hedging reserve**	**Capital reserve**	**Accumul-ated losses**	**Total**	**Non-controlling interests**	**Total**
Balance at 1 January 2011 (Audited)	**10**	**(2,132)**	**67,687**	**(41,340)**	**24,225**	**9,593**	**33,818**
Hedging reserve:							
Fair value gain on cash flow hedges	-	2,132	-	-	2,132	-	2,132
Loss for the financial period	-	-	-	(4,175)	(4,175)	(809)	(4,984)
Balance at 31 December 2011 (Audited)	**10**	**-**	**67,687**	**(45,515)**	**22,182**	**8,784**	**30,966**
(Loss)/profit for the financial period	-	-	-	(21,446)	(21,446)	1,297	(20,149)
Dividends paid	-	-	-	(5,421)	(5,421)	(976)	(6,397)
Balance at 31 December 2012 (Audited)	**10**	**-**	**67,687**	**(72,382)**	**(4,685)**	**9,105**	**4,420**

Profit for the financial period	-	-	-	21,043	21,043	(161)	20,882
Balance at 30 June 2013 (Unaudited)	**10**	**-**	**67,687**	**(51,339)**	**16,358**	**8,944**	**25,302**

The table below sets out selected data from BW LPG's consolidated statement of changes in equity for the year ended 31 December 2010.

In USD thousand	**Share capital**	**Hedging reserve**	**Accumulated losses**	**Total**
Balance at 1 January 2010 (Audited)	10	(2,056)	(32,174)	(34,220)
Loss for the financial period	-	(76)	(38,703)	(38,779)
Balance at 31 December 2010 (Audited)	**10**	**(2,132)**	**(70,877)**	**(72,999)**

10.7 Key Financial Information by Segment

The table below sets out key financial information by segment for the years ended 31 December 2012 and 2011, as extracted from the Combined Financial Statements.

In USD thousand	**VLGC**	**LGC**	**Total**
Combined year ended 31 December 2012			
Revenue	**321,021**	**56,838**	**377,859**
Operating EBITDA[1]	74,699	23,628	98,327
Finance expense	(1,708)	(1,727)	(3,435)
Depreciation charge	(36,842)	(13,553)	(50,395)
Amortisation charge	(7,095)	-	(7,095)
Impairment charge on vessels - net	(54,960)	(670)	(55,630)
Unallocated items			(1,921)
Loss before income tax			**(20,149)**
Income tax expense			-
Loss for the financial period			**(20,149)**
Segment assets	**891,127**	**178,818**	**1,069,945**
Segments assets include:			
Additions to:			
Vessels	54,965	133,036	188,001
Drydocking	8,161	4,497	12,658
Segment liabilities	**700,042**	**130,177**	**830,219**
Combined year ended 31 December 2011			
Revenue	**218,638**	**17,555**	**236,193**
Operating EBITDA	15,536	2,030	17,566
Gain on disposal of a joint venture			15,777
Finance expense	(6,509)	(4)	(6,513)
Gain on disposal of property, plant and equipment	4,238	-	4,238
Depreciation charge	(20,674)	(5,617)	(26,291)
Amortisation charge	(7,094)	-	(7,094)
Write-back of Impairment charge on vessels - net	2,947	600	3,547
Unallocated items			(6,214)
Loss before income tax			**(4,984)**
Income tax expense			-
Loss for the financial period			**(4,984)**
Segment assets	**913,284**	**51,794**	**965,078**
Segments assets include:			
Additions to:			
Vessels	725,390	-	725,390
Drydocking	13,088	4,860	17,948
Segment liabilities	**704,056**	**1,990**	**706,046**

In USD thousand	VLGC	LGC	Total

1 Management assesses the performance of the operating segments based on operating profit before depreciation, write-back/impairment, amortisation, disposals of property, plant and equipment and disposal of joint venture.

The table below sets out key financial information by segment for the year ended 31 December 2010, as extracted from the Consolidated Financial Statements.

In USD thousand	VLGC	LGC	Total
Consolidated year ended 31 December 2010			
Revenue	**70,256**	**14,449**	**84,705**
Operating EBITDA	(23,864)	5,791	(18,073)
Finance expense	(3,622)	(2,572)	(6,194)
Depreciation charge	(4,591)	(2,130)	(6,721)
Amortisation charge	(5,513)	-	(5,513)
Impairment charge on vessels - net	(622)	(1,203)	(1,825)
Unallocated items			(377)
Loss before income tax			**(38,703)**
Income tax expense			-
Loss for the financial period			**(38,703)**
Segment assets	**191,145**	**41,751**	**232,896**
Segments assets include:			
Additions to:			
Vessels	19,204	-	19,204
Drydocking	3,289	526	3,815
Segment liabilities	**169,937**	**48,622**	**218,559**

10.8 Sales Revenues by Geographic Area

The table below sets out BW LPG's sales revenues by geographic area for the years ended 31 December 2012 and 2011, as extracted from the Combined Financial Statements, and for the year ended 31 December 2010, as extracted from the Consolidated Financial Statements.

In USD thousand	**Combined year ended 31 December**		**Consolidated year ended 31 December**
	2012	**2011**	**2010**
Switzerland	119,100	99,300	35,400
United Kingdom	50,400	24,000	17,400
Brazil	47,200	17,100	1,800
United States	14,000	18,300	300
Japan	26,600	13,400	5,100
Bermuda	25,200	26,200	2,200
Singapore	22,300	-	7,000
Others*	73,000	37,900	15,500
Total	**377,800**	**236,200**	**84,700**

10.9 Auditor

The Company's auditor is PricewaterhouseCoopers LLP. PricewaterhouseCoopers LLP is a member of the Institute of Singapore Chartered Accountants. PricewaterhouseCoopers LLP has been the Company's auditor since 2010. Accordingly, no auditor of the Group has resigned, been removed or failed to be re-appointed during the period covered by the historical financial information attached hereto. The auditor's reports on the Combined Financial Statements and the Consolidated Financial Statements are included together with the Combined Financial Statements and the Consolidated Financial Statements in Appendix B1 and Appendix B2, respectively. PricewaterhouseCoopers LLP has issued a review report of the Combined Interim Financial Information which is included together with the Combined Interim Financial Information in Appendix C. PricewaterhouseCoopers LLP has issued a report on the pro forma financial information which is included in this Prospectus. PricewaterhouseCoopers LLP has not audited, reviewed or produced any report on any other information provided in this Prospectus.

11 OPERATING AND FINANCIAL REVIEW

This operating and financial review should be read together with Section 10 "Selected Financial and Other Information" and the Combined Financial Statements, the Consolidated Financial Statements and the Combined Interim Financial Statements and related notes included in Appendix B1, Appendix B2 and Appendix C, respectively, of this Prospectus. The following discussion contains forward-looking statements. These forward-looking statements are not historical facts, but are rather based on the Group's current expectations, estimates, assumptions and projections about the Group's industry, business and future financial results. Actual results could differ materially from the results contemplated by these forward-looking statements because of a number of factors, including those discussed in Section 2 "Risk Factors" of this Prospectus and Section 4.3 "Cautionary Note Regarding Forward-Looking Statements" as well as other Sections of this Prospectus.

11.1 Overview

11.1.1 General overview

The Group is a leading global provider of maritime transportation of liquefied petroleum gas and related products, and the world's largest VLGC owner and operator.[4] At 30 June 2013 and 31 December 2012, the Group owned, partly owned and/or operated a fleet of 27 vessels and 28 vessels, respectively, which excludes one MGC (BW Hermes), committed for sale to BW Group upon expiry of current voyage commitments to Yara within 2013. Since 30 June 2013, ten vessels have joined the fleet and the Group has disposed one VLGC (BW Danuta), resulting in a total fleet size of 36 vessels (excluding six newbuildings) at the date of this Prospectus.

The LPG industry has been experiencing growth in recent years. Increased production of natural gas has generated significant fresh supplies of associated LPG. As a result, the volume of seaborne traded LPG has risen 15% between 2009 and 2012. Increasing gas production and processing in the AG and the United States, in particular, is expected to lift volumes of seaborne traded LPG in the coming years. The increasingly global trade is being driven by the gap between U.S. LPG prices, which have decreased due to the shale oil and gas boom there, and LPG prices in the AG, which are traditionally linked to crude oil prices. Seaborne LPG exports and the associated trade routes are the primary indicators of the health of the LPG shipping market. The new long haul trades from the U.S. to Asia now being established are likely to become among the most important routes in the seaborne LPG trade.

With an industry shifting to long haul and large volume trade - on the back of increased LPG supply out of the U.S. and growing demand in Asia - 50% of the current LPG carriers' orderbook is represented by the "fully refrigerated" segment best-suited to these requirements, particularly VLGCs. The fleet of LPG ships sized above 12,000 cubic meters (cbm) – the fleet involved in regional and long haul trade – increased 27% in total capacity terms during the 2009-2012 period. This growth in shipping capacity has not been sufficient to keep pace with the growth in LPG supply seen between 2011 and 2012, resulting in a strengthening of rates. This scenario has attracted several new entrants into the LPG shipping industry, placing newbuild vessel orders to capitalise from the expected growth of the seaborne LPG industry.

Since 2011 until June 2013, the Group has strategically increased its LPG exposure in the VLGC segment through acquisitions of 14 VLGCs, one chartered-in vessel, resulting in increase of 15 VLGCs since 2011. The Group presently has six VLGC newbuildings that are scheduled for delivery between 2014 and 2016.

The Group recently completed an acquisition from Maersk (through Maersk Gas Carriers Pte Ltd and Maersk Tankers A/S) of five modern VLGCs, five VLGC charter-ins and two CoAs. Four out of the five acquired Maersk VLGCs were delivered in September/October 2013, while one VLGC (BW Pine formerly known as Maersk Tuas/Derby) is expected to be delivered in November 2013.

11.1.2 Reporting segments

The Group operates its business in two main segments, namely the VLGC (capacity above 60,000 cbm) and LGC (capacities ranging between 40,000 and 60,000 cbm) segments.

- **VLGCs:** At 30 June 2013, the Group operated 15 owned VLGCs, one finance lease accounted as owned and six chartered-in VLGCs. At 31 December 2012, the Group operated 14 owned VLGCs, one finance lease accounted as owned and seven chartered-in VLGCs. The Group has six new VLGCs on firm order, which are scheduled for delivery between October 2014 and the third quarter of 2016. The Group also participates with a 33% interest in an agreement that charters in two VLGCs with purchase options.

[4] See figure 22 in Section 7.6 "Competetive Environment".

- **LGCs:** At 30 June 2013 and 31 December 2012, the Group owned and operated five LGCs and six LGCs respectively, excluding one MGC, BW Hermes, which has been committed for sale to BW Group upon expiry of current voyage commitments to Yara within 2013. Currently, the Group has no LGC newbuildings on order.

11.1.3 Presentation of financial information

The audited Combined Financial Statements for the years ended 31 December 2012 and 2011 and the audited Consolidated Financial Statements for the year ended 31 December 2010 have been prepared in accordance with IFRS and the unaudited Combined Interim Financial Statements for the six month period ended 30 June 2013 have been prepared in accordance with IAS 34. The Combined Financial Statements have been audited by PricewaterhouseCoopers LLP and PricewaterhouseCoopers LLP has issued a report on their review on the Combined Interim Financial Statements.

11.1.4 Recent acquisitions and disposals of vessels

Acquisitions

The following table sets forth information on the LPG vessels the Group has acquired between 1 January 2010 and the date of this Prospectus:

Name	Size (cbm)	Year built	Ownership (%)	Year acquired
BW Borg[1]	84,333	2001	100%	2011
BW Captain[1]	78,530	1991	100%	2011
BW Danuta[1]	78,552	2000	100%	2011
BW Prince[1]	82,383	2007	100%	2011
BW Princess[1]	82,361	2008	100%	2011
BW Lord[1]	84,614	2008	100%	2011
BW Austria[1]	84,603	2009	100%	2011
BW Energy[1]	82,548	2002	100%	2011
BW Vision[1]	81,952	2001	100%	2011
BW Loyalty[1]	84,600	2008	100%	2011
BW Liberty[1]	84,597	2007	100%	2011
BW Trader[1,2]	80,236	2006	100%	2011
BW Confidence[1]	83,269	2006	100%	2012
BW Hermes[1,3]	24,977	1983	100%	2012
BW Havlys[1]	17,640	1983	100%	2012
BW Helios[1]	57,160	1992	100%	2012
BW Nice[1]	59,374	2003	100%	2012
BW Nantes[1,4]	59,399	2003	100%	2012
BW Empress[1]	78,908	2005	100%	2013
BW Birch	82,302	2007	100%	2013
BW Cedar	82,270	2007	100%	2013
BW Maple	82,290	2007	100%	2013
BW Oak	82,252	2008	100%	2013
BW Pine	80,156	2011	100%	2013

1 These vessels were acquired as secondhand vessels.

2 The Group sold the vessel to a joint venture 50% owned by the Group and 50% owned by Tailwind and subsequently chartered-in through a finance lease arrangement. BW Trader is presently accounted for as an owned vessel as the Group has given notice to cancel the charterparty in January 2014 and is in the process of acquiring the vessel. See Section 8.6.2 "Very Large Gas Carriers (VLGCs)" for further information regarding BW Trader.

3 This vessel has been committed for sale to BW Group upon expiry of current voyage commitments to Yara between December 2013 and January 2014.

4 BW Nantes was originally purchased by BW Gas Cyprus Limited and is sold to the Group under a Memorandum of Agreement dated 9 September 2013. The vessel will be delivered to the Group upon discharge of its present cargo which is expected to take place around 10 November 2013.

The Group's total investment was USD 43.6 million during the six months ended 30 June 2013, USD 200.7 million during 2012, USD 743.3 million during 2011 and USD 23.0 million during 2010. The Group's investment in 2010 was largely related to Berge Summit under a finance lease arrangement, as well as capitalized drydocking for vessels owned prior to 2010. Apart from the finance lease related to Berge Summit, there was no other vessel acquisition in 2010 since no attractive investment opportunities arose, or where the Group was not the highest bidder on such opportunities.

The six vessels, BW Confidence, BW Hermes, BW Havlys, BW Helios, BW Nice and BW Nantes, which were acquired in

2012 contributed revenue of USD 33.5 million and TCE income of USD 27.5 million during the financial year ended 31 December 2012. See Section 11.5.1 "Six months ended 30 June 2013 compared with six months ended 30 June 2012—VLGC segment and LGC segment" for information relating to which months the vessels were acquired.

Disposals

The following table sets forth information on the vessels the Group has sold between 1 January 2010 and the date of this Prospectus.

Name	Size (cbm)	Year built	Ownership (%)	Year sold
BW Odin[1]	38,501	2005	50%	2011
BW Havlur[1]	18,152	1997	50%	2011
BW Havsol[1]	18,152	1997	50%	2011
BW Trader[1]	80,236	2006	50%	2011
BW Captain	78,530	1991	100%	2011
BW Havlys	17,640	1983	100%	2013
BW Danuta	78,552	2000	100%	2013

1 These vessels were sold to a joint venture 50% owned by the Group. Three vessels (BW Odin, BW Havlur and BW Havsol) were subsequently finance leased out to the joint venture partner in return for the BW Trader to be finance leased to the Group (essentially an asset swap). See Section 8.6.2 "Very Large Gas Carriers (VLGCs)" for further information regarding BW Trader.

Two vessels were sold in 2013 and no vessel was sold in 2012. Five vessels were sold in 2011 and the total gain recognised upon the sale of the vessels in 2011 was USD 4.2 million.

Time charter-in vessels

The following table sets forth information on the vessels the Group has started and ended the time chartered-in between 1 January 2010 and the date of this Prospectus.

Name	Size (cbm)	Year built	Ownership (%)	Year commenced	Year ceased
Tower Bridge.	75,352	1991	100%	2005	2010
Chelsea Bridge	77,749	1987	100%	2005	2010
Yushan	78,929	2002	100%	2006	2010
Berge Summit[1]	78,488	1990	100%	2010	-
Berge Nantong	82,244	2006	100%	2006	-
Berge Ningbo	82,252	2006	100%	2006	-
BW Kyoto	83,298	2010	33.3%	2010	-
BW Tokyo	83,270	2009	33.3%	2009	-
Dynamic Energy	82,548	2002	100%	2008	2011
Dynamic Vision	81,952	2001	100%	2008	2011
Gas Friend	78,914	2005	100%	2008	2012
Lotus Gas	79,200	2008	100%	2009	2012
Lucina Providence	78,000	2008	100%	2010	2013
Yuyo Berge	78,908	2005	100%	2005	2013
Reimei	80,196	2007	100%	2013	-
Vermillion First	78,901	2010	100%	2013	-
Yuricosmos	78,907	2010	100%	2013	-
Yuyo Spirits	78,902	2009	100%	2013	-
G Symphony	83,000	2011	100%	2013	-
Gas Capricorn	78,935	2003	100%	2013	-

1 Berge Summit is presently accounted for as an owned vessel as it is a finance lease and therefore classified as an owned vessel for accounting purposes.

11.2 Factors Affecting the Group's Results of Operations

Overview

The management of the Group believes that the important measures for analysing trends in the results of operations of the Group include income on time charter equivalent basis (or "**TCE income**"), TCE income per calendar day, TCE income per voyage day and operating expenses per calendar day. Components of these measures include the following:

- ***TCE income.*** The Group defines TCE income as the income from its time charters, spot voyages and CoAs for owned, partly owned, bareboated and chartered-in vessels. TCE income is calculated as gross freight income net of broker commissions less voyage expenses.

- ***Voyage expenses.*** Voyage expenses are expenses related to a spot voyage or a CoA, including bunker fuel expenses, port fees, cargo loading and unloading expenses, canal tolls and agency fees.

- ***TCE income per calendar day.*** The Group defines TCE income per calendar day as TCE income per vessel per calendar day, including waiting days and technical off-hire days. TCE income per calendar day is a measure of how well the Company manages the fleet technically and commercially.

- ***TCE income per voyage day.*** The Group defines TCE income per voyage day as TCE income per vessel per voyage day. TCE income per voyage day is a measure of how well the Group manages the fleet commercially.

- ***Vessel operating expenses per calendar day.*** The Group defines vessel operating expenses as per vessel per calendar day. These expenses include insurance, repairs and maintenance, spares and consumable stores, lube oils and communication. Vessel operating expenses is a component of other operating expense.

- ***Technical off-hire.*** The Group defines technical off-hire as the time lost due to off-hire days associated with major repairs, drydockings or special or intermediate surveys. Technical off-hire per vessel is calculated as an average for owned, partly owned, bareboat and chartered-in vessels (not weighted by ownership share in each vessel).

- ***Calendar days.*** The Group defines calendar days as the total number of days in a period during which each vessel is owned, partly owned or chartered-in is in its possession, including technical off-hire days and waiting days. Calendar days are an indicator of the size of the Fleet over a period and affect both the amount of revenue and the amount of expense that the Company records during that period.

- ***Waiting days.*** The Group defines waiting days as the number of days its vessels are unemployed for market reasons, excluding technical off-hire days. Ballast voyages, positioning voyages prior to deliveries on time charters and time spent on cleaning of tanks when vessels are switching from one cargo type to another are not considered waiting time. Waiting days per vessel are calculated as total waiting days for owned, partly owned, bareboat and chartered-in vessels divided by the number of owned, partly owned, bareboat and chartered-in vessels (not weighted by ownership share in each vessel). For vessels that participated in the LGC pools before their termination, the figure represents the average waiting days in the pool.

- ***Voyage days.*** The Group defines voyage days as the total number of days (including waiting time) in a period during which each vessel is owned, partly owned, operated under a bareboat arrangement or chartered-in, net of technical off-hire days. The Company uses voyage days to measure the number of days in a period during which vessels actually generate or are capable of generating revenue.

- ***Average number of owned vessels.*** The Group defines average number of vessels in a period as the number of vessels included in the consolidated accounts according to the accounting principles for such period. Accordingly, this excludes vessels owned by associated companies, which are accounted for using the equity method for financial reporting purposes. Vessels owned by joint ventures are included using the Group’s ownership share. Vessels sold or purchased during the relevant period are weighted by the number of days owned.

- ***Average number of chartered-in vessels.*** The Group defines average number of chartered-in vessels as the number of vessels chartered-in, weighted by the participating share in the contract and the number of days the time charter contracts are effective during the period. Vessels chartered-in directly into the pools are not included in the calculation.

The following table sets forth, for the periods indicated, certain financial and operating information in respect of the Group's LPG fleet:

	Six months ended 30 June		Year ended 31 December	
	2013	**2012**	**2012**	**2011**
VLGC				
TCE income/calendar day (USD thousand)[1]	22.5	22.3	24.0	19.7
TCE income/voyage day (USD thousand)[2]	23.3	22.6	24.5	20.4
Vessel Operating expenses/calendar day (USD thousand)[3]	9.7	10.2	9.8	10.5
Average number of owned, partly owned and bareboat vessels (calendar days)	16.5	15.0	15.1	9.1
Average number of owned, partly owned and bareboat vessels (voyage days)	15.8	14.8	14.7	8.6
Average number of chartered-in vessels	4.5	5.7	5.7	7.7
LGC				
TCE income/calendar day (USD thousand)[1]	21.8	16.4	20.2	11.9
TCE income/voyage day (USD thousand)[2]	24.6	17.6	20.9	13.0
Vessel Operating expenses/calendar day (USD thousand)[3]	9.1	9.6	8.9	10.8
Average number of owned, partly owned and bareboat vessels (calendar days)	6.4	4.4	5.7	2.1
Average number of owned, partly owned and bareboat vessels (voyage days)	5.7	4.1	5.5	1.9
Average number of chartered-in vessels	-	-	-	-

1 (TCE income)*1,000/(Average number of owned, partly owned and bareboat vessels (calendar days) + Average number of chartered-in vessels on TCE)/(Number of days in period).

2 (TCE income)*1,000/(Average number of owned, partly owned and bareboat vessels (voyage days) + Average number of chartered-in vessels on TCE) /(Number of days in period) Voyage days = Calendar days – Technical Offhire days.

3 (Vessel Operating expenses)*1,000/(Average number of owned, partly owned and bareboat vessels (calendar days)/ (Number of days in period). Vessel operating expenses is a part of Other operating expenses.

Operating revenue

General

The Group's operating revenue is earned from revenue received from LPG vessels that operate on spot voyages, CoAs and time charters.

The Group's revenue is driven primarily by the number of vessels in its fleet, the number of days during which the vessels in the fleet operate and the freight rates that the Group's vessels earn under charters, which, in turn, are affected by a number of factors discussed in Section 2 "Risk Factors" and, in particular, Section 2.1 "Risks Related to the Industry in which the Group Operates", Section 2.2 "Risks Related to the Group" and Section 2.3 ""Risks Related to the Group's Operations".

LPG fleet operating revenue

The vessels in the Group's fleet operate on spot voyages, CoAs and short to medium-term time charters, which the Group considers to include all time charters for a period of five years or less:

- a spot voyage is typically a single round trip that is priced on a current or spot market rate;
- under time charters vessels are chartered to customers for fixed periods of time at rates that are generally fixed; and
- under a CoA, the ship-owner provides capacity to transport a certain amount of cargo within a specified period from one place to a destination designated by the customer.

During the last few years, the Group has been increasing the volume of LPG business under CoAs. Under CoAs, customers benefit from access to a large fleet, rather than a single vessel. This increases customer flexibility to choose when cargoes are transported and reduces risk of not having a vessel available when needed, while the Group benefits from increased volumes and more efficient fleet utilisation. The management of the Group believes that ship-owners need to have a sizeable fleet to provide satisfactory service to customers under CoAs. This has limited the number of shipping companies that can compete effectively for CoAs and the management of the Group believes that this is a competitive advantage for the Group. The freight rate for CoAs is normally agreed on a per cargo ton basis. The freight rate can be fixed or floating, or a combination of both.

The majority of the Group's LPG vessels were operated under pool arrangements, which facilitate the operation of the

Group's fleet. These pools were marketing and revenue sharing arrangements under which each participating vessel was given "pool points". Earnings from the pool were distributed between the owners according to these pool points. The pool points were negotiated between the owners of the vessels participating in the relevant pool and revised from time to time based on each vessel's size, speed, fuel consumption and other technical and operational parameters. Pool managers received a percentage of the pool's revenue as fee for managing the pool. The Company acted as the manager for the VLGC and LGC pools and received a commission for all vessels that participated in this pool.

The VLGC pool currently comprises all vessels owned and/or operated by the Group. Vessel size in the pool ranges from approximately 60,000 to 86,000 cbm. There are currently no external pool members and all vessels within the Revenue Sharing System (RSS) are owned or operated by BW LPG, except for two vessels where two pool members each have an interest of 1/3 in two long term charter in vessels.

Freight rates

The Group's operating revenue is based on the mix of spot, charter and CoA rates for the maritime transportation of LPG and related products, which are determined by market forces based upon various factors, such as the supply and demand for VLGC and LGC vessels and the number of available vessels. The operating revenue depends on freight rates, the distance that cargoes must be transported and the number of vessels expected to be available at the time such cargoes need to be transported.

Time charter rates reflect, among other things, the prevailing spot market rates and expectations of future time charter rates at the time of entry into the relevant time charter agreement.

The Group's CoAs have been entered into both on fixed and floating rates, or a combination of the terms. Therefore, the prevailing spot market rates and expectations of future time charter rates at the time of entry into the relevant CoA are also reflected in the rates the Group charges under CoAs.

Interest rate fluctuations

At 30 June 2013 and 31 December 2012, the Group's net interest-bearing floating rate debt was approximately USD 130 million and USD 128 million, respectively. As a result of the net floating rate borrowings, an increase in interest rates would cause an increase in the amount of interest payments affecting the results of operations of the Group, see Section 2.4 "Risks Related to Financing and Market Risk—Derivative contracts used to hedge the Group's exposure to fluctuations in interest rates could result in reductions in its shareholder's equity as well as charges against its profit".

Seasonality

The markets in which the Group operates have historically experienced seasonal variations in demand. This seasonality may result in quarter-to-quarter volatility in the results of operations of the Group. The marine gas transportation market is typically stronger in the late spring and summer months in the Northern hemisphere due to stockbuilding in anticipation of increased consumption during those periods. As a result, the Group's revenues have historically been stronger during the quarters ended 30 June and 30 September and have been weaker during the quarters ended 31 December and 31 March, see Section 2.3 "Risks Related to the Group's Operations—The Group's operating results are subject to seasonal fluctuations".

Cyclicality

In the past, the market for shipping LPG has been highly cyclical and volatile. For a discussion of certain factors that affect supply and demand for gas transportation, see Section 2.1 "Risks Related to the Industry in Which the Group Operates—The highly cyclical nature of the LPG shipping industry may lead to volatility in the Group's results of operations".

Commissions

Currently, the Group pays commissions of between 0.5% and 3.5% of the total daily charter hire rate of each charter to ship brokers associated with the charters, depending on the number of brokers involved with arranging the charter. The commission is presented as one of the expense items classified under Voyage expense.

Voyage expenses

Voyage expenses represent expenses that are related to a spot voyage or a CoA, including bunker fuel expenses, port fees, cargo loading and unloading expenses, canal tolls and agency fees. Under a time charter, the charterer is responsible for these costs. Therefore, in accordance with the general industry practice, the Group incurs these voyage expenses only with respect to its spot voyages and CoAs.

Historically, bunker fuel expenses have amounted to more than one-half of the Group's total voyage expenses. The Group's bunker fuel expenses accounted for approximately 77%, 79% and 80% of the Group's voyage expenses for the six months ended 30 June 2013 and for the years ended 31 December 2012 and 2011, respectively.

The following table sets forth the average bunker fuel prices for the periods indicated:

	Six months ended 30 June		Year ended 31 December	
In USD	**2013**	**2012**	**2012**	**2011**
Average bunker fuel price per ton[1]	624	696	665	649

1 380cst bunker in Fujairah.

The price of bunker fuel correlates largely with the price of crude oil and, therefore, fluctuations in the price of crude oil have a direct impact on the Group's bunker fuel expenses. The average bunker price had dropped to USD 624 per ton for the six months ended 30 June 2013, and this explain the lower bunker expenses of the Group in this period as compared with corresponding period of the six months ended 30 June 2012. Average bunker prices remained stable in the year ended 31 December 2012 with an average price of USD 665 per ton, marginally above than that of the preceding year. The increase in the Group's bunker expenses in the year ended 31 December 2012 was primarily due to the enlarged LPG fleet. Bunker price was on a gradual rising trend in the year ended 31 December 2011. The average bunker price was approximately USD 600 per ton in the first quarter of 2011, as compared with approximately USD 670 per ton in the last quarter of 2011, with the average bunker fuel price for the year at USD 649 per ton. See Section 2.1 "Risks Related to the Industry in Which the Group Operates—Increases in bunker fuel prices may significantly increase the Group's voyage expenses relating to the operation of its LPG vessels on the spot market and under CoAs".

Port charges represent the second largest component of the Group's total voyage expenses. Historically, port charges accounted for approximately 15.1%, 12.9% and 14.1% of the Group's total voyage expenses for the six months ended 30 June 2013 and for the years ended 31 December 2012 and 2011, respectively.

Charter hire expenses

Charter hire expenses include charter rates the Group pays for chartered-in vessels. The number of vessels chartered-in may vary from period to period. Time charter rates reflect, among other things, the prevailing spot market rates and expectations of future time charter rates at the time of entry into the relevant time charter agreement.

Rate per day (USD)	Six months ended 30 June		Year ended 31 December	
	2013	**2012**	**2012**	**2011**
VLGC				
Berge Nantong	21,746	21,626	21,508	21,567
Berge Ningbo	21,746	21,626	21,508	21,567
BW Kyoto[(1)]	30,133	29,967	29,803	29,885
BW Tokyo[(1)]	29,884	29,720	29,557	29,638
Dynamic Energy	-	-	-	24,119
Dynamic Vision	-	-	-	24,946
Gas Friend	-	-	-	28,767
Lotus Gas	-	20,852	20,744	17,507
Lucina Providence	18,333	17,473	17,705	16,397
Yuyo Berge	22,857	22,545	22,421	22,483
Reimei	26,723	-	-	-

1 The Group has 33.3% interests in the chartered-in contracts on these vessels.

General & administrative expenses

General & administrative expenses comprised external statutory and professional fees, as well as fees paid to related companies for the provision of corporate service functions (such as Finance, Tax, Legal, Insurance, Information Technology, Human Resources and Facilities) to the Group. While general & administrative expenses per vessel per day generally do not fluctuate significantly, the Group is exposed to inflation on expenses. For general & administrative expenses following the Reorganisation, see Section 15.4 "General & Administrative Expenses Following the Reorganisation".

Other operating expenses

Other operating expenses include vessel operating expenses (such as insurance, expenses relating to repairs and maintenance, the cost of spares and consumable stores, lube oils and communication expenses), tonnage taxes and other miscellaneous expenses. Insurance costs are affected by general pricing trends in the insurance market, the size, age and composition of the fleet and the Group's claims track record. The Group's maintenance costs tend to increase or decrease as the average age of its vessels increases or decreases. Actual costs for regular maintenance are expensed as incurred. In general, most of the Group's other operating expenses are non-variable.

Depreciation

The cost of the Group's vessels is depreciated on a straight-line basis over the estimated remaining economic useful life of each vessel. Depreciation is based on the cost of the vessel less its estimated residual value. To comply with industry certification or governmental requirements, the Group's vessels are required to undergo planned drydockings for major repairs and maintenance, which cannot be carried out while the vessels are operating. The Group recognises costs associated with drydockings and upgrades expenses in the carrying amount of vessels, and depreciates this element on a straight-line basis over the duration of the drydocking cycle or based on the Group's assessment of the useful lives of the upgrades. Regular maintenance, repairs and replacements are expensed as incurred.

Impairment

Vessel values can fluctuate substantially over time. Due to the current improved market conditions for the VLGC vessels, the estimated fair value of the Group's VLGC fleets has increased by approximately 6% over the six months ended 30 June 2013. However, the estimated fair value of the Group's LGC fleet has decreased by approximately 6% for the same period. In the current market conditions and with a limited number of vessel sale transactions, the vessels fair value is difficult to estimate.

The Group assesses at each balance sheet date whether there is any indication that a vessel's value may be impaired. If any such indication exists, the Group will estimate the recoverable amount of the asset, and write down the vessel to the recoverable amount through the income statement. For the six months ended 30 June 2013, the Group recorded a net write-back of impairment charge of USD 4.6 million – impaired the value of one VLGC and four LGCs by USD 0.7 million and USD 2.7 million respectively, and wrote-back the value of ten VLGCs and one LGC by USD 8.0 million. In 2012, the Group impaired 11 VLGCs and three LGCs by an aggregate amount of USD 58.0 million due to weak market conditions that impacted the vessels value negatively. The Group wrote-back the value of two LGCs by USD 2.4 million in the same year. In 2011, favourable market conditions that drove vessel values in an upward trend resulted in a net write-back in impairment charge of USD 3.5 million - impaired the value of one VLGC and one LGC by USD 0.5 million and USD 0.2 million, respectively and wrote-back the value of two VLGCs and one LGC by USD 3.4 million and USD 0.8 million, respectively. The Group impaired USD 1.8 million in 2010.

Net gain on sale of tangible fixed assets

Tangible fixed assets consist of vessels. The net gain consists mainly of gains or losses from the sale of vessels. Gains or losses from vessel sales are recognized at time of delivery. Proceeds from vessel disposals are recognized net of commission and sales costs (legal fees, port expenses and voyage expenses to delivery place).

Income tax

General

The tax expense for each period comprises current and deferred tax. Tax is recognised as income or expense in profit or loss, except to the extent that it relates to items recognised in other comprehensive income in which case the tax is also recognised in other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Positions taken in tax returns are evaluated periodically, with respect to situations in which applicable tax regulations is subject to interpretation, and provisions are established where appropriate, on the basis of amounts expected to be paid to the tax authorities.

The Group operates in several jurisdictions and under several tax regimes.

Bermuda

At the present time, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company or by its shareholders in respect of the Shares.

Norway

Part of the Group's business is owned and operated from Norway, and is being taxed under either the Norwegian ordinary corporate tax regime or under the Norwegian tonnage tax regime and the description below discusses the taxation of the Group's business in Norway.

Ordinary taxed companies in Norway

In Norway, companies are currently taxed at nominal tax rate of 28% on the net result. Due to losses carried forward, these companies are not in a tax position and there is currently no tax payable as the losses are being utilized. Deferred tax is calculated based on temporary differences and losses carried forward at the balance sheet date. Losses carried forward can be utilized within the group of ordinary taxed companies through group contribution transfer.

Tonnage taxed companies under the Norwegian Tonnage Tax Regime

Under the tonnage tax regime introduced in 2007, operating profit of companies participating in the tonnage tax regime will be fully exempt from taxation on a permanent basis.

The companies are taxed at a nominal tax rate of 28% on net financial items only, which normally are insignificant. Losses on net financial items can be carried forward. Deferred tax is calculated based on temporary differences on financial items (mainly related to unrealized foreign exchange gains/losses) and losses carried forward. Losses carried forward can only be utilized to off-set taxable profits in the same company.

Singapore

Singapore currently has a single-tier territorial based flat-rate corporate income tax system. While the headline corporate tax rate has been 17% since the Year of Assessment 2010, the effective tax rate is normally lower due to applicable tax exemptions and tax incentives. For example, to help companies cope with rising business costs, the Minister for Finance has announced in his Budget 2013 that, for the Years of Assessment (YA) 2013, 2014 and 2015, all companies will receive a 30% Corporate Income Tax (CIT) Rebate that is subject to a cap of SGD 30,000 per YA. This rebate will be computed on the tax payable after deducting tax set-offs (e.g. foreign tax credit).

Currently, subject to meeting certain criteria, unabsorbed trade losses and unutilized capital allowances may be carried back for one year and carried forward indefinitely.

11.3 Recent Developments and Trends

Since 30 June 2013 the LPG export markets have continued to develop favourably, particularly exports from the United States.

During the third quarter of 2013, there have been continued positive developments in United States export capacity. Targa announced that its International Export project came on line and that further expansion is in process.

Enterprise Products Partners L.P. announced an additional expansion of its LPG export terminal in the Houston Ship Canal which is expected in the first quarter of 2015. This is in addition to the completion of the expansion of its LPG terminal in March 2013 that increased propane loading capacity.

In October, Enterprise Product Partners L.P. announced the construction of a new LPG export terminal on the Gulf Coast.

The Group has contracted to load 12 VLGC cargoes from the U.S. in the third quarter of 2013, which exceeds the total VLGC cargoes for the first and second quarter of 2013 combined, when four and seven VLGC cargoes were lifted, respectively. The charter rates that the Group has obtained in the global market have increased as compared to the second quarter of 2013, and remain firm at the time of the Prospectus, despite that this is typically a weaker time of year for charter rates due to seasonality. The average charter rate earned by the Group's vessels, with the exception of vessels on long-term time charters, was USD 31,300 per day for the period between 30 June 2013 and 31 August 2013, compared with USD 27,800 per day for the same period in the previous year. This positive rate environment has persisted up to the date of this Prospectus and operating expenses have remained in line with the Group's past experience, without any material exceptional costs having been incurred. The financial statement impact of rate improvements experienced in the market is typically delayed by approximately 30-45 days due to the delay between the conclusion of a charter and the commencement of voyage.

On 29 May 2013, the Group announced its acquisition of the Maersk VLGCs. As part of the larger Vessel Acquisition, the acquired fleet comprised five owned VLGCs, and at the same time, the Group committed to take over five existing time charter contracts and two CoAs. The acquired vessels have been delivered on a charter-free basis to the Group between September 2013 and November 2013 as they fulfil their existing charter commitments. The five time chartered-in vessels are at charter hire expense daily rates between USD 23,000 and USD 30,400 with time charter expiries between January 2014 to January 2028, while the two CoAs expire in January 2014 and March 2014, respectively.

On 25 September 2013, the Company took delivery of Maersk Virtue (to be named BW Birch). The vessel has successfully delivered on charter to one of the Group's top five customers with no waiting time incurred.

On 7 October 2013, the Company took delivery of Maersk Venture (to be named BW Oak). On completion of delivery the vessel proceeded to Houston to load a spot cargo for one of our top five customers with no waiting time incurred.

On 22 October 2013, the Company took delivery of Maersk Visual (to be named BW Cedar). The BW Cedar has been contracted to load at Houston to deliver cargo to the Far East with a major Japanese customer with no waiting time incurred. The Group took delivery of Maersk Value (to be renamed BW Maple) and Maersk Tuas (to be renamed BW Pine) on 18 October 2013 and in the early part of November 2013, respectively.

On 29 July 2013, the Group entered into a contract with HHI for the construction of four new VLGCs. The first new vessel is scheduled for delivery in the fourth quarter of 2014, the second and third vessels are scheduled for delivery in the first quarter of 2015 and the fourth vessel is scheduled for delivery in the second quarter of 2015. Details of these newbuildings are provided in Section 8.6.4 "The newbuildings". HHI is one of the world's leading builders of VLGCs, and the Group has a longstanding relationship with the shipyard. Of the Group's current fleet, six vessels have so far been built at HHI, with strong delivery performance in terms of timeliness and quality. The contracts with HHI represent an important part of the Group's fleet renewal strategy, and the Group believes that the new vessels will further enhance its offering to its customers. As at 31 August 2013, USD 28.6 million in deposits has been paid in relation to these contracts. On 4 November 2013, the shipyard has confirmed that steel cutting on one of the Group's newbuilds commenced earlier than planned and therefore the third instalment amounting to USD 7.1 million will be paid out in November 2013.

In addition to these four newbuildings, the Group has obtained options for the construction of two additional VLGCs, available to be exercised in December 2013. If exercised, the first vessel would be scheduled for delivery in the second quarter of 2016 and the second vessel would be scheduled for delivery by the third quarter of 2016. On 1 November 2013, the Group exercised these options for the construction of two additional VLGCs with HHI. Details of these newbuildings are provided in Section 8.6.4 "The newbuildings". As a result of the exercise of these options, instalment payments of USD 7.4 million will be payable in relation to each vessel during late 2013.

During October 2013, the Group received updated valuation reports as at 30 September 2013 against its fleet of VLGCs and LGC, indicating improvements in values across both fleets. The aggregate improvement in value in the VLGC fleet (excluding the five acquired Maersk VLGCs) from 30 June 2013 to 30 September 2013 is USD 57 million, and the aggregated improvement in value in the LGC fleet from 30 June 2013 to 30 September 2013 is USD 11 million. The valuation reports, which include the assumptions on which the valuations are based, are attached as Appendix E. See Note 3 (e) to the Combined Financial Statements for the year ended 31 December 2012 for further information on the Group's valuation on its vessels for financial reporting purposes. At 30 June 2013, the five vessels acquired from Maersk were not yet included in the Group's balance sheet as they have not yet been acquired. The aggregate acquisition cost of these vessels is disclosed in Section 11.8.2 "Contractual obligations and contingent liabilities". The valuation of these five vessels as at 30 September 2013 was USD 345 million.

On 16 October 2013, the Group (as charterers) gave notice to cancel the bareboat charterparty with BW Gas Tailwind Carriers Pte Ltd (as owners) for the charter-in BW Trader, and the Group is currently in the process of acquiring the vessel. The Group expects to pay the outstanding loan amount of USD 52.1 million as at the date of listing and complete the acquisition by January 2014. In conjunction with the acquisition, the Group is also in the process of disposing its 50% interest in BW Gas Tailwind Carriers Pte Ltd to Tailwind and expects to complete the acquisition of BW Trader and the disposal of shares in BW Gas Tailwind Carriers Pte Ltd by January 2014.

On 17 October 2013, the Group received a firm offer from a syndicate of banks consisting of a 7-year senior secured facility (the Facility) in the aggregate principal amount of USD 700 million which comprises an amortising term loan facility of USD 500 million (the "**Term Loan**") and a revolving credit facility of USD 200 million (the "**RCF**"). The amounts borrowed under the Facility will be applied to refinance the existing shareholders' loan upon the successful initial public offering on the Oslo Stock Exchange and for the general corporate and working capital purposes of the Group following the Offering and the Listing.

The Group has prepared combined condensed interim financial statements for the period ended 31 August 2013 in accordance with IAS 34. The Group has operated profitably between 30 June 2013 and 31 August 2013. A summary of results is provided below. Write-backs of impairment charges on vessels contributed approximately USD 35.5 million to the net profit of USD 53.7 million achieved in the period 30 June 2013 to 31 August 2013.

In USD thousand	**Eight months ended 31 August**	**Eight months ended 31 August**	**Six months ended 30 June**
	2013 *(unaudited)*	**2012** *(unaudited)*	**2013** *(unaudited)*
TCE Income #	162,358	147,477	111,054
Operating Profit before depreciation, amortisation and impairment	77,810	63,528	48,371
Operating profit	77,450	17,014	22,850
Profit for the financial period	74,542	14,921	20,882

On 4 November 2013, the Group signed a Facilities Agreement for the Term Loan and the RCF, with a syndicate of Banks, comprising DNB Asia Ltd, Skandinaviska Enskilda Banken AB (publ), Swedbank AB (publ), BNP Paribas, Danske Bank A/S, ING Bank N.V. Singapore Branch, Nordea Bank Norge ASA and Oversea-Chinese Banking Corporation Limited as Mandated Lead Arrangers for the Facility. The Facility bears an interest rate of 1.9% over LIBOR until maturity in 2020. The Term Loan will be amortised to a balloon amount of USD 125.0 million to be fully repaid at the final maturity date. The RCF is not amortising and any amount drawn can be repaid, and any amount undrawn can be drawn / re-drawn, throughout the term of the facility, subject to terms of the Facilities Agreement.

The Company expects to publish its Q3 2013 financial report on or about 29 November 2013.

11.4 Explanation of IFRS Income Statement Line Items

- ***TCE income.*** TCE income relates to income from its time charters, spot voyages and CoAs for owned, partly owned, bareboated and chartered-in vessels. TCE income is calculated as gross freight income net of broker commissions less voyage expenses.

- ***Voyage expenses.*** Voyage expenses are expenses related to a spot voyage or a CoA, including bunker fuel expenses, port fees, cargo loading and unloading expenses, canal tolls and agency fees.

- ***Charter hire expenses.*** Charter hire expenses include charter rates the Group pays for chartered-in vessels. The number of vessels chartered-in may vary from period to period.

- ***Other operating expenses.*** Other operating expenses include vessel running expenses (such as insurance, expenses relating to repairs and maintenance, the cost of spares and consumable stores, lube oils and communication expenses), tonnage taxes and other miscellaneous expenses.

- ***General & administrative expenses.*** General & administrative expenses comprised external statutory and professional fees, as well as fees paid to related companies for the provision of corporate service functions (such as Finance, Tax, Legal, Insurance, Information Technology, Human Resources and Facilities) to the Group.

- ***Gain/Loss on disposal of vessels.*** Gain/Loss on disposal of vessels refers to the net gains or losses arising from sale of vessels, net of commission and sales costs (legal fees, port expenses and voyage expenses to delivery place).

- ***Amortisation expenses.*** Amortisation expenses are the apportionment of the cost of an intangible asset, typically associated with charter-hire contracts acquired, over the asset's estimated useful life.

- ***Depreciation expenses.*** Depreciation expenses are based on the cost of the vessel less its estimated residual value, on a straight line basis over the estimated remaining economic useful life of each vessel. Costs associated with drydockings and upgrade expenses are included in the carrying amount of vessels and depreciated on a straight-line basis over the duration of the drydocking cycle or based on the Group's assessment of the useful lives of the upgrades.

- ***Write-back of impairment charge/(impairment charge).*** Impairment charge is the loss recognised in the profit or loss when the carrying value of a vessel exceeds the higher of the prevailing market valuations and the value-in-use. Write back of the impairment charge refers to the reversal of loss previously recognised based on updated prevailing market valuations or value-in-use amounts.

- ***Finance expense - net.*** Finance expense – net include the cost of foreign currency gain/(loss) – net, interest income, interest expense and other finance income/(expense) such as bank charges.

11.5 Results of Operations

11.5.1 Six months ended 30 June 2013 compared with six months ended 30 June 2012

The Group's TCE income for the entire LPG fleet increased by USD 13.9 million, or 14.3%, from USD 97.2 million for the six months ended 30 June 2012 to USD 111.1 million for the six months ended 30 June 2013. This was primarily attributable to the acquisition of five LGC vessels in 2012 with TCE income accounted in full for the six months ended 30 June 2013.

TCE income per voyage day for the entire fleet was USD 23,600 per day for the six months ended 30 June 2013, an increase of 8.3% from USD 21,800 per day for the six months ended 30 June 2012. The increase was largely due to higher TCE income contribution from the enlarged LGC fleet, which benefited from increased demand for transportation of ammonia with volumes spilling over from MGCs into larger LGCs.

The table below sets forth the Group's operating revenue by segment for the six months ended 30 June 2013 and 2012.

In USD million	Six months ended 30 June			
	2013	**2012**	**Variance**	**% change**
	(Unaudited)	(Unaudited)		
Operating revenue				
VLGC	146.3	155.2	-8.9	-5.7%
LGC	36.9	20.0	16.9	84.5%
Total operating revenue	**183.2**	**175.2**	**8.0**	**4.6%**
Voyage expenses				
VLGC	(60.6)	(71.2)	-10.6	-14.8%
LGC	(11.5)	(6.8)	4.7	69.1%
Total voyage expenses	**(72.1)**	**(78.0)**	**5.9**	**-7.6%**
TCE income				
VLGC	85.7	84.0	1.7	2.0%
LGC	25.4	13.2	12.2	92.4%
Total TCE income	**111.1**	**97.2**	**13.9**	**14.3%**

Operating data	Six months ended 30 June			
	2013	**2012**	**Variance**	**% change**
	(Unaudited)	(Unaudited)		
Voyage days				
VLGC	3,671	3,712	-41	-1.1%
LGC	1,035	750	285	38.0%
Total voyage days	**4,706**	**4,462**	**244**	**5.5%**
Calendar days				
VLGC	3,804	3,761	43	1.1%
LGC	1,166	809	357	44.1%
Total calendar days	**4,970**	**4,570**	**400**	**8.8%**

VLGC segment

The VLGC segment's calendar days increased by 1.1% from 3,761 days for the six months ended 30 June 2012 to 3,804 days for the six months ended 30 June 2013. The increase in calendar days was primarily due to:

- the acquisition of BW Confidence in December 2012;
- a new time-charter arrangement on Reimei commencing in January 2013;

partially offset by:

- the redelivery of Lotus Gas and Lucina Providence to their owners in December 2012 and March 2013, respectively.

During the six months ended 30 June 2013, there were a total of 133 off-hire days, which was an increase of 84 off-hire days, or 171.4%, from the 49 off-hire days for the six months ended 30 June 2012. The increase in off-hire days was primarily due to:

- 47 additional offhire days including three scheduled drydockings (Berge Summit, BW Loyalty and BW Princess) in the six months ended 30 June 2013, compared with only two drydockings (BW Boss and BW Broker) in the same period last year;
- 21 off-hire days relating to boiler repairs on BW Confidence;
- 8 off-hire days for the loss of Main Engine propulsion on the BW Boss;
- 5 off-hire days for hull cleaning on the BW Lord (after completion of a long storage commitment).

TCE income – TCE income per voyage day was USD 23,300 per day for the six months ended 30 June 2013, a marginal 3.1% increase as compared to USD 22,600 per day for the six months ended 30 June 2012. TCE income for the VLGC fleet increased by USD 1.7 million, or 2.0%, from USD 84.0 million for the six months ended 30 June 2012 to USD 85.7 million for the six months ended 30 June 2013, primarily as a result of:

- an increase of USD 5.3 million relating to the charter-in of Reimei and the acquisition of BW Confidence;
- an increase of USD 3.3 million from BW Kyoto mainly due to two voyages with average daily TCE of approximately USD 44,000 for 110 days;
- an increase of USD 2.2 million from BW Austria as she is on time charter to Petrobras for the entire six months ended 30 June 2013 with a daily TCE rate of USD 30,000;

partially offset by:

- a decrease of USD 6.9 million due to redelivery of the Lotus Gas and Lucina Providence;
- a decrease of USD 2.1 million due to additional scheduled drydockings days.

LGC segment

The LGC segment's calendar days increased by 44.1% to 1,166 days for the six months ended 30 June 2013 from 809 days for the six months ended 30 June 2012. This was primarily due to the acquisition of the following vessels in 2012, which contributed to TCE income for the six months ended 30 June 2013:

- BW Helios in February 2012
- BW Hermes and BW Nice in March 2012
- BW Havlys in April 2012
- BW Nantes in May 2012

During the six months ended 30 June 2013, there were 131 off-hire days as compared with 59 off-hire days for six months ended 30 June 2012. The increase in off-hire days was primarily due to:

- 34 off-hire days on BW Havis relating to maintenance and scheduled drydocking;

- 23 off-hire days on BW Helios due to upgrading of compressors and associated equipment to switch trading to LPG;

- 18 days of off-hire days to position BW Havlys from redelivery location under long-term time charter to the recycling yard.

TCE income – TCE income/voyage day was USD 24,600 per day for the six months ended 30 June 2013, an increase of 39.8% from USD 17,600 per day for the six months ended 30 June 2012. The increase was largely due to increased demand in the ammonia sector. TCE income for the LGC fleet increased by USD 12.2 million, or 92.4%, from USD 13.2 million for the six months ended 30 June 2012 to USD 25.4 million for the six months ended 30 June 2013, primarily due to revenue generated by the five vessels acquired in 2012 for the full six months ended 30 June 2013, as compared with revenue generated by these same vessels for only a partial period in six months ended 30 June 2012.

Other operating income

The Group's other operating income decreased by USD 0.2 million, or 50.0%, from USD 0.4 million for the six months ended 30 June 2012 to USD 0.2 million for the six months ended 30 June 2013.

The table below sets forth the Group's other operating income by segment for the six months ended 30 June 2013 and 2012.

In USD million	**Six months ended 30 June**			
	2013	**2012**	**Variance**	**% change**
	(Unaudited)	(Unaudited)		
Other operating income				
VLGC	0.2	0.4	-0.2	-50.0%
LGC	-	-	-	-
Total other operating income	**0.2**	**0.4**	**-0.2**	**-50.0%**

VLGC segment

Other operating income for the VLGC fleet decreased by USD 0.2 million, or 50%, from USD 0.4 million for the six months ended 30 June 2012 to USD 0.2 million for the six months ended 30 June 2013 arising from the recovery of operating expenditures in May 2012 relating to Berge Summit for years 2010 and 2011 when the vessel was under CoA to Sumitomo.

LGC segment

There was no other operating income on the LGC segment for the six months ended 30 June 2013 and 30 June 2012.

Other operating expenses

Other operating expenses comprise vessel operating expenses, charter hire expenses and general & administrative expenses.

The Group's other operating expenses decreased by USD 0.7 million, or 1.1%, from USD 63.6 million for the six months ended 30 June 2012 to USD 62.9 million for the six months ended 30 June 2013. This is primarily attributable to the reduction of charter hire activity.

The table below sets forth the Group's other operating expenses by segment for the six months ended 30 June~~,~~ 2013 and 2012.

In USD million	**Six months ended 30 June**			
	2013	**2012**	**Variance**	**% change**
	(Unaudited)	(Unaudited)		
Other operating expenses				
Vessel operating expenses	(39.5)	(35.6)	3.9	11.0%
Charter hire expenses	(23.6)	(27.0)	-3.4	-12.6%
General & administrative expenses	0.2	(1.0)	n.m	n.m
Total other operating expenses	**(62.9)**	**(63.6)**	**-0.7**	**-1.1%**

Vessel operating expenses

Vessel operating expenses comprise of vessel related maintenance and repairs expenses, crew manning expenses, insurance and vessel administration expenses.

The Group's vessel operating expenses increased by USD 3.9 million, or 11.0%, from USD 35.6 million for the six months ended 30 June 2012 to USD 39.5 million for the six months ended 30 June 2013, primarily due to the addition of two VLGC vessels and five LGC vessels with the full six months of activity for the six months ended 30 June 2013 compared with less than six months of activity for the six months ended 30 June 2012.

The table below sets forth the Group's vessel operating expenses by segment for the six months ended 30 June 2013 and 2012.

In USD million	**Six months ended 30 June**			
	2013	**2012**	**Variance**	**% change**
	(Unaudited)	(Unaudited)		
Vessel operating expenses				
VLGC	(28.9)	(27.8)	1.1	4.0%
LGC	(10.6)	(7.8)	2.8	35.9%
Total vessel operating expenses	**(39.5)**	**(35.6)**	**3.9**	**11.0%**

VLGC segment

Vessel operating expenses for the VLGC fleet increased by USD 1.1 million, or 4.0%, from USD 27.8 million for the six months ended 30 June 2012 to USD 28.9 million for the six months ended 30 June 2013, primarily as a result of:

- an increase of USD 2.1 million in operating costs due to the addition of BW Confidence in December 2012;
- an increase USD 0.8 million in operating costs due to the addition of BW Empress in March 2013;

partially offset by:

- a decrease of USD 0.7 million in crew manning expenses due to the replacement of some Western European officers with Far East officers;
- a decrease of USD 0.8 million due to lower maintenance and repair expenses for BW Prince, BW Broker and BW Vision.

LGC segment

Vessel operating expenses for the LGC fleet increased by USD 2.8 million, or 35.9%, from USD 7.8 million for the six months ended 30 June 2012 to USD 10.6 million for the six months ended 30 June 2013, primarily as a result of:

- an increase of USD 1.4 million in operating expenses due to the addition of BW Helios in late February 2012 with less than five months of activity in the six months ended 30 June 2012. In 2013, the vessel has six months of activity;
- an increase of USD 1.0 million in operating expenses due to the addition of BW Nantes in May 2012 with less than two months of activity in the six months ended 30 June 2012. In 2013, the vessel has six months of activity;
- an increase of USD 0.3 million in operating expenses due to the addition of BW Hermes in late March 2012 with less than five months of activity in the six months ended 30 June 2012. In 2013, the vessel has six months of activity;
- an increase of USD 0.4 million in operating expenses due to the addition of BW Nice in late March 2012 with less than four months of activity in the six months ended 30 June 2012. In 2013, the vessel has six months of activity;
- an increase of USD 0.5 million due to increased maintenance and repair costs for BW Havis as the vessel went into drydock in May 2013;
- an increase of USD 0.2 million in ship management fees for related company charges;

partially offset by:

- a decrease of USD 1.1 million in insurance costs due to an insurance claim settlement for BW Hermes relating to the auxiliary engine failure back in 2011.

Charter hire expenses

The Group's charter hire expenses decreased by USD 3.4 million, or 12.6%, from USD 27.0 million for the six months ended 30 June 2012 to USD 23.6 million for the six months ended 30 June 2013 due to fewer chartered-in vessels in 2013.

The table below sets forth the Group's charter hire expenses by segment for the six months ended 30 June 2013 and 2012.

In USD million	**Six months ended 30 June**			
	2013	**2012**	**Variance**	**% change**
	(Unaudited)	(Unaudited)		
Charter hire expenses				
VLGC	(23.6)	(27.0)	-3.4	-12.6%
LGC	-	-	-	-
Total charter hire expenses	**(23.6)**	**(27.0)**	**-3.4**	**-12.6%**

VLGC segment

Charter hire expenses for the VLGC fleet decreased by USD 3.4 million, or 12.6%, from USD 27.0 million for the six months ended 30 June 2012 to USD 23.6 million for the six months ended 30 June 2013. The decrease was due to:

- a decrease of USD 3.8 million on Lotus Gas as the vessel was redelivered to owner in late December 2012;
- a decrease of USD 2.1 million on Yuyo Berge as the Group exercised the purchase option on the charter-in contract and acquired the vessel in late March 2013;
- a decrease of USD 1.8 million on Lucina Providence as the vessel was redelivered to its owner in March 2013;

partially offset by:

- an increase of USD 4.5 million on Reimei charter-in by the Group in January 2013.

General & administrative expenses

General & administrative expenses comprise of external statutory and professional fees, as well as fees paid to related companies for the provision of corporate service functions (such as Finance, Tax, Legal, Insurance, Information Technology, Human Resources and Facilities) to the Group.

The table below sets forth the Group's general & administrative expenses for the six months ended 30 June 2013 and 2012.

In USD million	Six months ended 30 June			
	2013	**2012**	**Variance**	**% change**
	(Unaudited)	(Unaudited)		
General & administrative expenses				
Total general & administrative expenses	**0.2**	**(1.0)**	**n.m**	**n.m**

The Group's general & administrative expenses decreased by USD 1.2 million from USD 1.0 million for the six months ended 30 June 2012 to an expense credit of USD 0.2 million for the six months ended 30 June 2013. This was primarily attributable to a write back of expenses over-accrued in 2010.

Amortisation expenses

The Group's amortisation expenses remained the same at USD 3.5 million for the six months ended 30 June 2013 compared with the six months ended 30 June 2012. These amortisation expenses relate to the amortisation of capitalised marked-to-market gain on the value of the time charter contracts, which are amortised on a straight line basis over the life of the charter-in contracts.

The table below sets forth the Group's amortisation expenses by segment for the six months ended 30 June 2013 and 2012.

In USD million	Six months ended 30 June			
	2013	**2012**	**Variance**	**% change**
	(Unaudited)	(Unaudited)		
Amortisation expenses				
VLGC	(3.5)	(3.5)	-	-
LGC	-	-	-	-
Total amortisation expenses	**(3.5)**	**(3.5)**	**-**	**-**

Depreciation expenses

The Group's depreciation expenses increased by USD 2.2 million, or 9.4%, from USD 23.4 million for the six months ended 30 June 2012 to USD 25.6 million for the six months ended 30 June 2013, which was primarily attributable to the addition of two VLGC vessels and five LGC vessels with less than six months of activity for the six months ended 30 June 2012.

The table below sets forth the Group's depreciation expenses by segment for the six months ended 30 June 2013 and 2012.

In USD million	Six months ended 30 June			
	2013	**2012**	**Variance**	**% change**
	(Unaudited)	(Unaudited)		
Depreciation expenses				
VLGC	(18.8)	(18.1)	0.7	3.9%
LGC	(6.8)	(5.3)	1.5	28.3%
Total depreciation expenses	**(25.6)**	**(23.4)**	**2.2**	**9.4%**

VLGC segment

Depreciation expenses for the VLGC fleet increased by USD 0.7 million, or 3.9%, from USD 18.1 million for the six months ended 30 June 2012 to USD 18.8 million for the six months ended 30 June 2013, primarily as a result of:

- an increase of USD 1.2 million due to the addition of BW Confidence in December 2012;
- an increase of USD 0.6 million due to the addition of BW Empress in March 2013;

partially offset by:

- a decrease of USD 1.1 million due to impairments to the VLGC fleet in 2013.

LGC segment

Depreciation expenses for the LGC fleet increased by USD 1.5 million, or 28.3%, from USD 5.3 million for the six months ended 30 June 2012 to USD 6.8 million for the six months ended 30 June 2013, primarily as a result of:

- an increase of USD 0.3 million with the addition of BW Helios in late February 2012 with less than five months of activity in the six months ended 30 June 2012 compared with a full six months of activity for the same period in 2013;
- an increase of USD 0.8 million due to the addition of BW Nantes in May 2012 with less than two months of activity in the six months ended 30 June 2012 compared with a full six months of activity for the same period in 2013;
- an increase of USD 0.5 million with the addition of BW Nice in late March 2012 with less than four months of activity in the six months ended 30 June 2012 compared with a full six months of activity for the same period in 2013;

partially offset by:

- a decrease of USD 0.1 million due to BW Havis as she went into drydock in May 2013. During this period, there were no drydock amortisation costs as the costs relating to the new drydock are not amortised until completion of the drydock period.

Impairment charge

The Group's impairment charge was USD 9.7 million for the six months ended 30 June 2012 as compared to a net impairment writeback of USD 4.6 million for the six months ended 30 June 2013 primary due to an improvement in the market values of the LPG vessels.

The table below sets forth the Group's impairment charge by segment for the six months ended 30 June 2013 and 2012.

In USD million	Six months ended 30 June			
	2013	**2012**	**Variance**	**% change**
	(Unaudited)	(Unaudited)		
Impairment charge				
VLGC	7.3	(9.7)	n.m	n.m
LGC	(2.7)	-	n.m	n.m
Total impairment charge	**4.6**	**(9.7)**	**n.m**	**n.m**

VLGC segment

For the six months ended 30 June 2013, the net write-back of impairment charge was USD 7.3 million relating to 11 VLGCs. For the six months ended 30 June 2012, the impairment charge was USD 9.7 million relating to seven VLGCs. This is primarily due to improvement in the VLGC market which has positively impacted the vessel values.

LGC segment

For the six months ended 30 June 2013, the impairment charge was USD 2.7 million, relating to the LGCs (four LGCs and one MGC). This was primarily due to a softer ammonia market in the first half of 2013 for LGCs. For the six months ended 30 June 2012, there was no impairment taken on the LGC fleet.

Gain / (Loss) on disposal of vessels

The Group's loss on disposal of vessels was USD 0.9 million for the six months ended 30 June 2013 arising from the disposal of the BW Havlys. There was no sale of vessels during the six months ended 30 June 2012.

The table below sets forth the Group's loss on disposal of vessels by segment for the six months ended 30 June 2013 and 2012.

In USD million	Six months ended 30 June			
	2013	**2012**	**Variance**	**% change**
	(Unaudited)	(Unaudited)		
Gain / (loss) on disposal of vessels				
VLGC	-	-	-	-
LGC	(0.9)	-	n.m	-
Total gain / (loss) on disposal of vessels	**(0.9)**	**-**	**n.m**	**-**

Finance expense – net

The Group's finance expense - net increased by USD 0.6 million, or 42.9%, from USD 1.4 million for the six months ended 30 June 2012 to USD 2.0 million for the six months ended 30 June 2013, primarily due to the interest costs related to the financing of two vessels.

The table below sets forth the Group's finance expense - net for the six months ended 30 June 2013 and 2012.

In USD million	Six months ended 30 June			
	2013	**2012**	**Variance**	**% change**
	(Unaudited)	(Unaudited)		
Finance expense – net				
Interest expense	(2.0)	(1.4)	0.6	42.9%
Total finance expense – net	**(2.0)**	**(1.4)**	**0.6**	**42.9%**

Interest expense increased by USD 0.6 million, or 42.9%, from USD 1.4 million for the six months ended 30 June 2012 to USD 2.0 million for the six months ended 30 June 2013, primarily as a result of:

- The full six months interest expense incurred on the BW Nice and BW Nantes loan refinancing being incurred in the six months ended 30 June 2013 compared with less than the full six months of interest costs for the same period in 2012 as the vessels were acquired in March and May 2012, respectively.

11.5.2 Year ended 31 December 2012 compared with year ended 31 December 2011

The Group's TCE income for the entire LPG fleet increased by USD 92.7 million, or 70.7%, from USD 131.2 million for the year ended 31 December 2011 to USD 223.9 million for the year ended 31 December 2012. This was primarily attributable to the progressive acquisition of VLGC vessels during 2011 contributing TCE income for part of the year compared to a full year of TCE income for these acquired assets in 31 December 2012.

TCE income per voyage day for the entire LPG fleet was USD 23,800 per day for the year ended 31 December 2012, an increase of 22.1% from USD 19,500 per day for the year ended 31 December 2011, due to increased market rates from both VLGC and LGC segments.

The table below sets forth the Group's operating revenue by segment for the years ended 31 December 2012 and 2011.

In USD million	Year ended 31 December			
	2012	**2011**	**Variance**	**% change**
Operating revenue				
VLGC	321.0	218.6	102.4	46.8%
LGC	56.8	17.6	39.2	222.7%
Total operating revenue	**377.8**	**236.2**	**141.6**	**59.9%**
Voyage expenses				
VLGC	(139.4)	(97.8)	41.6	42.5%
LGC	(14.5)	(7.2)	7.3	101.4%
Total voyage expenses	**(153.9)**	**(104.9)**	**49.1**	**46.8%**
TCE income				
VLGC	181.6	120.8	60.8	50.3%
LGC	42.3	10.4	31.9	306.7%
Total TCE income	**223.9**	**131.2**	**92.7**	**70.7%**

Operating data

	Year ended 31 December			
	2012	**2011**	**Variance**	**% change**
Voyage days				
VLGC	7,403	5,931	1,472	24.8%
LGC	2,023	799	1,224	153.2%
Total voyage days	**9,426**	**6,730**	**2,696**	**40.1%**
Calendar days				
VLGC	7,584	6,147	1,437	23.4%
LGC	2,097	874	1,223	139.9%
Total calendar days	**9,681**	**7,021**	**2,660**	**37.9%**

VLGC segment

The VLGC segment's calendar days increased by 23.4% to 7,584 days from 6,147 days for the year ended 31 December 2012. The series of acquisitions of secondhand vessels (see below) had increased the fleet size of owned and chartered-in vessels of the Group from 15 (three owned, 12 chartered-in) as at 1 January 2011 to 22 (15 owned, seven chartered-in) vessels as at 31 December 2012:

- three vessels (BW Energy, BW Vision and BW Danuta) were acquired in July 2011
- four vessels (BW Prince, BW Loyalty, BW Austria and BW Princess) were acquired in August 2011
- two vessels (BW Liberty and BW Borg) were acquired in September 2011
- one vessel (BW Lord) was acquired in October 2011
- one vessel (BW Captain) was acquired in July 2011 but was subsequently disposed of in December 2011

During the year ended 31 December 2012, there were 181 off-hire days, which was a decrease of 35 off-hire days as compared with 216 off-hire days for year ended 31 December 2011. The higher number of off-hire days for year ended 31 December 2011 was largely due to:

- 25 off-hire days for Berge Summit due to maintenance and repairs;
- 38 off-hire days for BW Lord due to maintenance and repairs;

partially offset by:

- 17 additional scheduled drydocking days due to five drydockings in 2012 (for BW Broker, BW Boss, BW Prince, BW Energy and BW Liberty) compared with only four drydockings in 2011 (BW Captain, BW Borg, BW Denise and BW Trader).

TCE income - TCE income per voyage day was USD 24,500 per day for the year ended 31 December 2012, an increase of 20.1% from USD 20,400 per day for the year ended 31 December 2011. The increase in market rates was largely due to new and increased exports from the United States during 2012, coupled with increased product flow from the West to the East, increasing ton miles and utilisation of vessels. TCE income for the VLGC fleet increased by USD 60.8 million, or 50.3%, from USD 120.8 million for the year ended 31 December 2011 to USD 181.6 million for the year ended 31 December 2012, primarily as a result of:

- an increase of USD 5.4 million due to incremental TCE income from the addition of three vessels (BW Danuta, BW Energy and BW Vision) in July 2011;
- an increase of USD 21.3 million due to incremental TCE income from the addition of four vessels (BW Prince, BW Princess, BW Austria and BW Loyalty) in August 2011;
- an increase of USD 22.2 million due to incremental TCE income from the addition of three vessels (BW Liberty, BW Borg and BW Lord) in September and October 2011;

- an increase of USD 3.8 million from BW Boss, with an average TCE of above USD 53,000 earned on three spot voyages spanning across 136 days;
- an increase of USD 2.7 million from BW Trader, with an average TCE of above USD 44,000 earned on four spot voyages spanning across 180 days;
- an increase of USD 2.6 million from Berge Nantong, with an average TCE of above USD 50,000 earned on three spot voyages spanning across 105 days;
- an increase of USD 13.0 million due to better spot charter rates earned by other vessels with improved market rates;

partially offset by:

- a decrease of USD 11.1 million in TCE income due to the disposal of BW Captain in December 2011 and the cessation of chartered-in arrangement for Gas Friend in January 2012.

LGC segment

The LGC segment's calendar days increased by 139.9% to 2,097 days in the year ended 31 December 2012 from 874 days for the year ended 31 December 2011 due to the acquisition of five vessels from 2011 to 2012 as follows:

- one vessel (BW Helios) was acquired in February 2012
- two vessels (BW Hermes and BW Nice) were acquired in March 2012
- one vessel (BW Havlys) was acquired in April 2012
- one vessel (BW Nantes) was acquired in May 2012

During the year ended 31 December 2012, there were 74 off-hire days, which was a decrease of one off-hire day as compared with 75 off-hire days for the year ended 31 December 2011. The higher number of off-hire days in 2011 was largely due to 60 off-hire days relating to the scheduled drydockings of two vessels (BW Havfrost and BW Havis).

TCE income - TCE income per voyage day for the LGC fleet was USD 20,900 per day for the year ended 31 December 2012, an increase of 60.8% from USD 13,000 per day for year ended 31 December 2011, as the segment, being an adjacent market to the VLGC market benefited from a spill-over effect from the strengthening VLGC market. TCE income for the LGC fleet increased by USD 31.9 million, or 305.9%, from USD 10.4 million for the year ended 31 December 2012 to USD 42.3 million for the year ended 31 December 2012, primarily as a result of:

- an increase of USD 16.9 million in TCE income with the acquisition of BW Helios, BW Hermes and BW Nice in February and March 2012;
- an increase of USD 8.5 million in TCE income with the acquisition of BW Havlys and BW Nantes in April and May 2012 respectively;
- an increase of USD 7.7 million as a result of improved spot charter rates earned by BW Havis and BW Havfrost due to stronger market rates;

partially offset by:

- a decrease of USD 1.2 million due to the disposal of two vessels (BW Havlur and BW Havsol) with effect from January 2011.

Other operating income

The Group's other operating income decreased by USD 0.2 million, or 25.0%, from USD 0.6 million for the year ended 31 December 2012.

The table below sets forth the Group's other operating income by segment for years ended 31 December 2012 and 2011.

In USD million	Year ended 31 December			
	2012	2011	Variance	% change
	(Audited)	(Audited)		
Other operating income				
VLGC	0.6	0.8	-0.2	-25.0%
LGC	-	-	-	
Total other operating income	**0.6**	**0.8**	**-0.2**	**-25.0%**

VLGC segment

Other operating income for the VLGC fleet decreased by USD 0.2 million, or 25.0%, from USD 0.8 million for the year ended 31 December 2011 to USD 0.6 million for the year ended 31 December 2012, primarily as a result of:

- a one-time gain of USD 0.2 million from BW Captain arising from the sale of lubrication oil remaining on board to the new owners upon the disposal of the vessel in December 2011.

LGC segment

There was no other operating income for the LGC fleet for the years ended 31 December 2012 and 2011.

Other operating expenses

Other operating expenses comprise vessel operating expenses, charter hire expenses and general & administrative expenses.

The Group's other operating expenses increased by USD 7.3 million, or 6.0%, from USD 120.7 million for the year ended 31 December 2011 to USD 128.0 million for the year ended 31 December 2012, which was primarily attributable to the additional vessels partially offset by the reduction of charter hire activities.

The table below sets forth the Group's other operating expenses by major expense categories for the years ended 31 December 2012 and 2011.

In USD million	Year ended 31 December			
	2012	2011	Variance	% change
	(Audited)	(Audited)		
Other operating expenses				
Vessel operating expenses	(72.8)	(43.4)	29.4	67.7%
Charter hire expenses	(53.3)	(71.1)	-17.8	-25.0%
General & administrative expenses	(1.9)	(6.2)	-4.3	-69.4%
Total other operating expenses	**(128.0)**	**(120.7)**	**7.3**	**6.0%**

Vessel operating expenses

Vessel operating expenses comprise vessel related maintenance and repair expenses, manning crew expenses, and vessel administration expenses.

The Group's vessel operating expenses increased by USD 29.4 million, or 67.7%, from USD 43.4 million for the year ended 31 December 2011 to USD 72.8 million for the year ended 31 December 2012, primarily attributable to the addition of ten VLGC vessels in the second half of 2011, one VLGC vessel and five LGC vessels in 2012.

The table below sets forth the Group's vessel operating expenses by segment for the years ended 31 December 2012 and 2011.

In USD million	Year ended 31 December			
	2012	2011	Variance	% change
	(Audited)	(Audited)		
Vessel operating expenses				
VLGC	(54.2)	(35.0)	19.2	54.9%
LGC	(18.6)	(8.4)	10.2	121.4%
Total vessel operating expenses	**(72.8)**	**(43.4)**	**29.4**	**67.7%**

VLGC segment

Vessel operating expenses for the VLGC fleet increased by USD 19.2 million, or 54.9%, from USD 35.0 million for the year ended 31 December 2011 to USD 54.2 million for the year ended 31 December 2012, primarily as a result of:

- an increase of USD 19.7 million due to the addition of ten VLGC vessels during the second half of 2011 and fully operating in 2012;
- an increase of USD 0.9 million due to the addition of BW Confidence in December 2012;
- an increase of USD 0.3 million due to the option exercised on BW Trader from 50% owned to 100% owned in 2011;

partially offset by:

- a decrease of USD 1.7 million due to the disposal of BW Captain in 2011.

LGC segment

Vessel operating expenses for the LGC fleet increased by USD 10.2 million, or 121.4%, from USD 8.4 million for the year ended 31 December 2011 to USD 18.6 million for the year ended 31 December 2012, primarily as a result of:

- an increase of USD 12.2 million in vessel operating expenses relating to the addition of five LGC vessels in 2012;

partially offset by:

- a decrease of USD 0.3 million in vessel operating expenses with the disposals of three LGC vessels in 2011;
- a decrease of USD 0.9 million with BW Havfrost in drydock in June 2011, subsequently requiring less maintenance and repairs in the months after;
- a decrease of USD 0.8 million with BW Havis in drydock in April 2011, subsequently requiring less maintenance and repairs in the months after.

Charter hire expenses

The Group's charter hire expenses decreased by USD 17.8 million, or 25.0%, from USD 71.1 million for the year ended 31 December 2011 to USD 53.3 million for the year ended 31 December 2012.

The table below sets forth the Group's charter hire expenses by segment for the years ended 31 December 2012 and 2011.

In USD million	**Year ended 31 December**			
	2012	**2011**	**Variance**	**% change**
	(Audited)	(Audited)		
Charter hire expenses				
VLGC	(53.3)	(71.1)	-17.8	-25.0%
LGC	-	-	-	-
Total charter hire expenses	**(53.3)**	**(71.1)**	**-17.8**	**-25.0%**

VLGC segment

Charter hire expenses for the VLGC fleet decreased by USD 17.8 million, or 25.0%, from USD 71.1 million for the year ended 31 December 2011 to USD 53.3 million for the year ended 31 December 2012. The decrease was due to:

- a decrease of USD 10.3 million on Gas Friend as the vessel was redelivered to owners in January 2012;
- a decrease of USD 4.5 million on BW Energy as the Group acquired the vessel on 15 July 2011;
- a decrease of USD 4.1 million on BW Vision as the Group acquired the vessel on 15 July 2011;

partially offset by:

- an increase of USD 1.1 million on Lotus Gas due to higher charter rates.

General & administrative expenses

General & administrative expenses comprise of external statutory or professional fees, as well as fees paid to related companies for the provision of corporate service functions (such as Finance, Tax, Legal, Insurance, Information Technology, Human Resources and Facilities) to the Group.

The Group's general & administrative expenses decreased by USD 4.3 million, or 69.4%, from USD 6.2 million for the year ended 31 December 2011 to USD 1.9 million for the year ended 31 December 2012, which was primarily attributable to a realised exchange loss of USD 4.2 million in 2011.

The table below sets forth the Group's general & administrative expenses by segment for the years ended 31 December 2012 and 2011.

In USD million	Year ended 31 December			
	2012	**2011**	**Variance**	**% change**
	(Audited)	(Audited)		
General & administrative expenses				
Total general & administrative expenses	**(1.9)**	**(6.2)**	**-4.3**	**-69.4%**

General & administrative expenses decreased by USD 4.3 million, or 69.4%, from USD 6.2 million for the year ended 31 December 2011 to USD 1.9 million for the year ended 31 December 2012, primarily as a result of a decrease of USD 4.2 million realised exchange loss in 2011 relating to intercompany settlement for the periods prior to September 2011.

Amortisation expenses

The Group's amortisation expenses remained the same at USD 7.1 million for the year ended 31 December 2012 compared with the year ended 31 December 2011. These amortisation expenses relate to the amortisation of capitalised marked-to-market gain on the value of the time charter contracts, which are amortised on a straight line basis over the life of the charter-in contracts.

The table below sets forth the Group's amortisation expenses by segment for the years ended 31 December 2012 and 2011.

In USD million	Year ended 31 December			
	2012	**2011**	**Variance**	**% change**
	(Audited)	(Audited)		
Amortisation expenses				
VLGC	(7.1)	(7.1)	-	-
LGC	-	-	-	-
Total amortisation expenses	**(7.1)**	**(7.1)**	**-**	**-**

Depreciation expenses

The Group's depreciation expenses increased by USD 24.1 million, or 91.6%, from USD 26.3 million for the year ended 31 December 2011 to USD 50.4 million for the year ended 31 December 2012 primarily attributable to the addition of ten VLGC vessels in the second half of 2011, one VLGC vessel in 2012, and five LGC vessels in 2012.

The table below sets forth the Group's depreciation expenses by segment for the years ended 31 December 2012 and 2011.

In USD million	Year ended 31 December			
	2012	**2011**	**Variance**	**% change**
	(Audited)	(Audited)		
Depreciation expenses				
VLGC	(36.8)	(20.7)	16.1	77.8%
LGC	(13.6)	(5.6)	8.0	142.9%
Total depreciation expenses	**(50.4)**	**(26.3)**	**24.1**	**91.6%**

VLGC segment

Depreciation expenses for the VLGC fleet increased by USD 16.1 million, or 77.8%, from USD 20.7 million for the year ended 31 December 2011 to USD 36.8 million for the year ended 31 December 2012, primarily as a result of:

- an increase of USD 16.9 million due to the addition of ten VLGC vessels during the second half of 2011;
- an increase of USD 0.2 million due to the addition of BW Confidence in December 2012;
- an increase of USD 0.1 million due to the option exercised on BW Trader from 50% owned to 100% owned in 2011;

partially offset by:

- a decrease of USD 1.1 million due to disposal of BW Captain in 2011.

LGC segment

Depreciation expenses for the LGC fleet increased by USD 8.0 million, or 142.9%, from USD 5.6 million for the year ended 31 December 2011 to USD 13.6 million for the year ended 31 December 2012, primarily as a result of:

- an increase of USD 8.0 million due to the addition of five LGC vessels in 2012;
- an increase of USD 0.6 million due to BW Havis incurring a higher drydock cost in April 2011 than the previous drydock;

partially offset by:

- a decrease of USD 0.2 million due to disposals of three LGC vessels in 2011;
- a decrease of USD 0.6 million due to BW Havfrost incurring a lower dry dock cost in June 2011 than the previous drydock.

Impairment charge

The Group's net impairment charge was USD 55.6 million for the year ended 31 December 2012 as compared to impairment writeback of USD 3.5 million for the year ended 31 December 2011.

The table below sets forth the Group's impairment charge by segment for the years ended 31 December 2012 and 2011.

In USD million	**Year ended 31 December**			
	2012	**2011**	**Variance**	**% change**
	(Audited)	(Audited)		
Impairment charge				
VLGC	(54.9)	2.9	n.m	n.m
LGC	(0.7)	0.6	n.m	n.m
Total impairment charge	**(55.6)**	**3.5**	**n.m**	**n.m**

VLGC segment

For the year ended 31 December 2012, the impairment charge was USD 54.9 million, relating to 11 VLGCs. For the year ended 31 December 2011 the net write-back of impairment charge was USD 2.9 million relating to three VLGCs. The impairment charges and write-backs are primarily driven by fluctuations in the secondhand vessel values.

LGC segment

For the year ended 31 December 2012, the net impairment charge was USD 0.7 million relating to the five LGCs (four LGCs and one MGC). For the year ended 31 December 2011, the net write-back of impairment charge was USD 0.6 million relating to two LGCs. The impairment charges and write-backs are primarily driven by fluctuations in the secondhand vessel values.

Gain on disposal of vessels

The Group did not have any vessel sales in 2012. For the year ended 31 December 2011, the gain on disposal was USD 4.2 million arising from the sale of one vessel.

The table below sets forth the Group's gain on disposal of vessels by segment for the years ended 31 December 2012 and 2011.

In USD million	Year ended 31 December			
	2012	**2011**	**Variance**	**% change**
	(Audited)	(Audited)		
Gain on disposal of vessels				
VLGC	-	4.2	n.m	n.m
LGC	-	-	-	-
Total gain on disposal of vessels	**-**	**4.2**	**n.m**	**n.m**

Gain on disposal of joint venture (unallocated)

The Group disposed of its 50% interest in BW Gas Tailwind Carriers Pte Ltd to Tailwind Shipping Pte Ltd ("**Tailwind**") on 1 February 2011 and recognised a gain on disposal of the joint venture of USD 15.8 million for the year ended 31 December 2011. There was no disposal of any joint venture in 2012.

The table below sets forth the Group's gain on disposal of joint venture for the years ended 31 December 2012 and 2011.

In USD million	Year ended 31 December			
	2012	**2011**	**Variance**	**% change**
	(Audited)	(Audited)		
Gain on disposal of joint venture				
Total gain on disposal of joint venture	**-**	**15.8**	**n.m**	**n.m**

Finance expense - net

The Group's finance expense - net decreased by USD 3.1 million, or 47.7%, from USD 6.5 million for the year ended 31 December 2011 to USD 3.4 million for the year ended 31 December 2012.

The table below sets forth the Group's finance expense - net for the years ended 31 December 2012 and 2011.

In USD million	Year ended 31 December			
	2012	**2011**	**Variance**	**% change**
	(Audited)	(Audited)		
Finance expense – net				
Foreign currency exchange gain - net	-	0.7	-0.7	n.m
Interest expense	(3.4)	(6.8)	3.4	-50.0%
Derivative loss - net	-	(0.4)	0.4	n.m
Total finance expense - net	**(3.4)**	**(6.5)**	**-3.1**	**-47.7%**

Finance expense - net decreased by USD 3.1 million, or 47.7%, from USD 6.5 million for the year ended 31 December 2011 to USD 3.4 million for the year ended 31 December 2012, primarily as a result of:

- Interest expense decreased by USD 3.4 million due to the settlement and restructuring of the Group's finances with a lower loan quantum and the steady decline in the LIBOR and NIBOR rates by which these loans were pegged to;

- Derivative loss – Net decreased by USD 0.4 million due to the net one-off settlement loss of Interest Rate Swaps upon the acquisition of LPG Transport Services Ltd in 2011;

partially offset by:

- Foreign currency exchange gains decreasing by USD 0.7 million, due to the weakening of the USD against other major currencies such as NOK and SGD.

11.5.3 Year ended 31 December 2010

TCE income

The Group's TCE income for the entire LPG fleet, based on the legal group, was USD 53.1 million for the year ended 31 December 2010, set forth by segments in the tables below.

In USD million	Year ended 31 December
	2010
	(Audited)
Operating revenue	
VLGC	70.1
LGC	14.6
Total operating revenue	**84.7**
Voyage expenses	
VLGC	28.1
LGC	3.5
Total voyage expenses	**31.6**
TCE income	
VLGC	42.0
LGC	11.1
Total TCE income	**53.1**

Operating data	**Year ended 31 December**
	2010
Voyage days	
VLGC	3,964
LGC	538
Total voyage days	**4,502**
Calendar days	
VLGC	4,078
LGC	548
Total calendar days	**4,626**

VLGC segment

The VLGC segment's calendar days were 4,078 days for the year ended 31 December 2010. There were 11 vessels that the Group owned for the entire year ended 31 December 2010. In addition, there were the below cessation and commencement of time charter-in contracts of the VLGC fleet during the year:

- cessation of three charter-in contracts (Tower Bridge, Yushan and Chelsea Bridge) in March 2010;
- commencement of one charter-in contract (Lucina Providence) in April 2010;
- commencement of one charter-in contract (BW Kyoto) in November 2010.

During the year ended 31 December 2010, there were 114 off-hire days largely due to:

- 73 off-hire days for Berge Summit due to scheduled drydocking;
- 17 off-hire days for BW Denise due to scheduled drydocking;
- 21 off-hire days for Yuyo Berge due to maintenance and repairs.

TCE income for the VLGC fleet was USD 42.0 million for the year ended 31 December 2010, with the TCE income contribution from the below vessels:

- TCE income from BW Tokyo of USD 6.7 million;

- TCE income from Yuyo Berge of USD 5.5 million;
- TCE income from Lotus Gas USD 4.6 million;
- TCE income from Gas Friend of USD 4.4 million;
- TCE income from Lucina Providence of USD 4.1 million.

LGC segment

The LGC segment's calendar days were 548 days for the year ended 31 December 2010. There were three LGC vessels that the Group owned for the entire year ended 31 December 2010 which were under a 50%-50% joint venture arrangement with Tailwind.

During the year ended 31 December 2010, there were ten off-hire days, largely due to maintenance and repairs for BW Odin.

TCE income for the LGC fleet was USD 11.1 million, with the TCE income contribution of USD 3.0 million to USD 4.1 million from each of the three vessels.

Other operating income

The Group's other operating income, based on the legal group, was USD 1.5 million for the year ended 31 December 2010, set forth by segment in the table below.

In USD million	**Year ended 31 December**
	2010
	(Audited)
Other operating income	
VLGC	1.5
LGC	-
Total operating income	**1.5**

VLGC segment

Other operating income for the VLGC fleet was USD 1.5 million for the year ended 31 December 2010, largely due to the amortisation of deferred income on marked-to-market values of the charter-in contracts for Chelsea Bridge, Tower Bridge and BW Broker.

LGC segment

There was no other operating income for the LGC fleet for year ended 31 December 2010.

Other operating expenses

Other operating expenses comprise of vessel operating expenses, charter hire expenses and general & administrative expenses.

The Group's other operating expenses was USD 73.0 million for the year ended 31 December 2010. This was contributed by USD 67.3 million from VLGC vessels, USD 5.2 million from LGC vessels and USD 0.5 million from general & administrative expenses.

The table below sets forth the Group's other operating expenses by major expense categories for the year ended 31 December 2010.

In USD million	Year ended 31 December
	2010
	(Audited)
Other operating expenses	
Vessel operating expenses	(12.9)
Charter hire expenses	(59.6)
General & administrative expenses	(0.5)
Total other operating expenses	**(73.0)**

Vessel operating expenses

Vessel operating expenses comprise of vessel related maintenance and repairs expenses, manning crew expenses, and vessel administration expenses.

The Group's vessel operating expenses was USD 12.9 million for the year ended 31 December 2010. This was contributed by USD 7.7 million from VLGC vessels and USD 5.2 million from LGC vessels.

The table below sets forth the Group's vessel operating expenses by segment for the year ended 31 December 2010.

In USD million	Year ended 31 December
	2010
	(Audited)
Vessel operating expenses	
VLGC	(7.7)
LGC	(5.2)
Total vessel operating expenses	**(12.9)**

VLGC segment

Vessel operating expenses for the VLGC fleet was USD 7.7 million. Contributing to this amount are USD 2.6 million for crew manning, USD 2.4 million for maintenance and repairs, USD 1.9 million relating to the finance lease of Berge Summit, USD 0.4 million for vessel administration, USD 0.3 million for insurance related expenses and USD 0.1 million for other miscellaneous expenses.

LGC segment

Vessel operating expenses for the LGC fleet was USD 5.2 million. Contributing to this amount are USD 2.5 million for crew manning, USD 1.7 million for maintenance and repair, USD 0.7 million for vessel administration, USD 0.2 million for insurance related expenses and USD 0.1 million for other miscellaneous expenses.

Charter hire expenses

The Group's charter-in hire expenses was USD 59.6 million for the year ended 31 December 2010, set forth by segment in the below table.

In USD million	Year ended 31 December
	2010
	(Audited)
Charter hire expenses	
VLGC	59.6
LGC	-
Total charter hire expenses	**59.6**

VLGC segment

Charter hire expenses for the VLGC fleet was USD 59.6 million, with the below vessels with charter-in expenses above USD 7.0 million;

- charter hire expense of USD 7.9 million each from Berge Nantong and Berge Ningbo;
- charter hire expense of USD 7.7 million each from BW Vision and BW Energy;
- charter hire expense of USD 7.0 million Yuyo Berge.

General & administrative expenses

General & administrative expenses comprise of external statutory and professional fees, as well as fees paid to related companies for the provision of corporate service functions (such as Finance, Tax, Legal, Insurance, Information Technology, Human Resources and Facilities) to the Group.

The Group's general & administrative expenses were USD 0.5 million for the year ended 31 December 2010. Of this amount, USD 0.4 million relates to related company fees and corporate service fees.

The table below sets forth the Group's general & administrative expenses by segment for the year ended 31 December 2010.

In USD million	**Year ended 31 December**
	2010
	(Audited)
General & administrative expenses	
Total general & administrative expenses	**(0.5)**

Amortisation expenses

The Group's amortisation expenses were USD 5.5 million for the year ended 31 December 2010. These relate to the amortisation of intangible assets in the VLGC segment.

The table below sets forth the Group's amortisation expenses by segment for the year ended 31 December 2010.

In USD million	**Year ended 31 December**
	2010
	(Audited)
Amortisation expenses	
VLGC	(5.5)
LGC	-
Total amortisation expenses	**(5.5)**

Depreciation expenses

The Group's depreciation expenses were USD 6.7 million for the year ended 31 December 2010. These relate to three VLGC vessels and three LGC vessels that the Group owns.

The table below sets forth the Group's depreciation expenses by segment for the year ended 31 December 2010.

In USD million	**Year ended 31 December**
	2010
	(Audited)
Depreciation expenses	
VLGC	(4.6)
LGC	(2.1)
Total depreciation expenses	**(6.7)**

Impairment charge

The Group's impairment charge was USD 1.8 million for the year ended 31 December 2010.

The table below sets forth the Group's impairment charge by segment for the year ended 31 December 2010.

In USD million	**Year ended 31 December**
	2010
	(Audited)
Impairment charge	
VLGC	(0.6)
LGC	(1.2)
Total impairment charge	**(1.8)**

VLGC segment

In 2010, the impairment charge was USD 0.6 million related to one VLGC vessel due to the weak market conditions that impacted the vessels value negatively.

LGC segment

In 2010, the impairment charge was USD 1.2 million related to one LGC vessel due to the weak market conditions that impacted the vessels value negatively.

Finance expense – net

The Group's finance expense - net was USD 6.2 million for the year ended 31 December 2010.

The table below sets forth the Group's finance expense - net for the year ended 31 December 2010.

In USD million	**Year ended 31 December**
	2010
	(Audited)
Finance expense – net	
Foreign currency exchange loss-net	(1.4)
Interest expense	(4.8)
Total finance expense - net	**(6.2)**

Finance expense - net was USD 6.2 million for the year ended 31 December 2010 primarily as a result of:

- Interest expense USD 4.8 million relating to interest expense on bank loans and hedging through interest rate swap;

- Foreign currency exchange loss-net of USD 1.4 million due to the weakening of the USD against other major currencies such as NOK and SGD.

11.6 Liquidity and Capital Resources

11.6.1 Sources and uses of cash

As at 30 June 2013, the Group had cash and cash equivalents of USD 18.4 million, compared to USD 22.2 million as at 31 December 2012. The Group has financed its capital requirements with cash flows from operations as well as borrowings from fellow subsidiaries of its ultimate parent, BW Group and its immediate parent, BW Gas Limited ("**BW Gas**"). Financing for the Group has historically been provided through intercompany current accounts to meet the working capital requirements of the Group. External debt is held by BW Group where interest rates are hedged using interest rate swaps and foreign exchange is hedged using foreign exchange forward contracts. For more detailed information on the Group's financial risk management and hedging, funding and treasury policies, see Section 11.9 "Quantitative and Qualitative Disclosures About Market Risk" and Note 22 to the Combined Financial Statements for the financial years ended 31 December 2012 and 2011.

The Group's principal sources of funds for its liquidity needs are cash flows from operations and long-term bank borrowings, in addition to proceeds from the Offering. The Group's main uses of funds have been expenditures for the acquisition of new and secondhand vessels, voyage expenses and vessel operating expenses, and the repayment of borrowings and inter-company payables.

The Group's liquidity needs, as of 30 June 2013, through to the end of 2013, primarily relate to:

- the acquisition of Maersk Tankers VLGC segment for which the Group has scheduled future payments through the delivery of the final contracted vessel during 2013 aggregating USD 311.5 million. See Section 11.3 "Recent Development and Trends";

- the installment payments for the construction of six VLGC newbuildings which will be delivered to the Group between late 2014 and 2016. The initial USD 28.6 million in prepayments paid as of 31 August 2013, were made through inter-company borrowings from fellow subsidiaries of its ultimate parent, BW Group. Subsequent payments relating to the newbuildings of USD 29.1 million in 2013 will be funded from the net primary proceeds from the Offering and cash generated from operations. See Section 11.3 "Recent Developments and Trends" and Section 11.8.1 "Material borrowings"; and

- the drydocking of five vessels within the existing fleet of USD 9.7 million which will be funded by cash generated from operations. See Section 11.8.3 "Capital expenditures".

There are no material legal or economic restrictions on the ability of subsidiaries to transfer funds to the Company in the form of cash dividends, loans or advances.

The management of the Group believes that cash flows from operations, funds available under the RCF and Term Loan facilities, and proceeds of the Offering, will be sufficient to support its growth strategy, which may involve the acquisition of newbuildings and secondhand vessels. Depending on market conditions in the LPG maritime transportation industry and acquisition opportunities that may arise, the Group may seek to obtain additional debt or equity financing.

Balance sheet data

	Combined group			Legal group
In USD million	As at 30 June	As at 31 December		
	2013	**2012**	**2011**	**2010**
Non-current assets	969.5	1,004.8	917.3	202.1
Current assets	127.2	114.8	68.1	37.9
Disposal group classified as held-for-sale	54.2	-	-	-
Total assets	**1,150.9**	**1,119.6**	**985.4**	**240.0**

The Group's non-current assets consist primarily of tangible fixed assets, mainly vessels. The current assets consist of cash and cash equivalents, trade and other receivables and inventories. The disposal group classified as held-for-sale consist of non-current assets of USD 51.2 million and current assets of USD 3.0 million.

The Group's total assets increased by USD 31.3 million, or 2.8%, from USD 1,119.6 million at 31 December 2012 to USD 1,150.9 million at 30 June 2013, primarily as a result of:

- the acquisition of one VLGC for USD 36.7 million in the first quarter 2013, which had previously been chartered-in by the Group;

- an increase in current assets by USD 12.4 million, primarily driven by increased receivables due to timing of charter payments;

partially offset by:

- the disposal of BW Havlys in the first quarter of 2013 with a net book value of USD 3.1 million;

- the normal depreciation and amortisation relating to the aging of vessels and the periodic drydocking capitalised against the vessels.

The Group's total assets increased by USD 134.2 million, or 13.6%, from USD 985.4 million at 31 December 2011 to USD 1,119.6 million at 31 December 2012, primarily as a result of:

- the acquisition of six vessels totalling USD 188.1 million - one VLGC (USD 55.0 million) and five LGCs (USD 133.1 million);

- an increase in current assets by USD 46.7 million driven mainly by an increase in outstanding receivables due to timing of charter payments;

partially offset by:

- a net impairment charge of USD 55.6 million on the LPG fleet as a result of weak market conditions, which impacted vessel values negatively;

- the normal depreciation and amortisation relating to the aging of vessels and of the periodic drydocking capitalised against the vessels.

In 2010, the Group's total assets were USD 240.0 million and primarily consist of the following:

- vessels of USD 145.5 million (two VLGCs – USD 73.1 million, one VLGC and three MGCs jointly owned by a joint venture company, which is 50% owned by the Group and 50% owned by Tailwind – USD 72.4 million);
- acquisition of four VLGCs charter-in contracts and purchase options of USD 56.6 million;
- inventories of USD 7.7 million;
- trade and other receivables from related parties of USD 10.1 million;
- trade and other receivables from third parties of USD 14.6 million;
- cash and cash equivalents of USD 5.5 million.

	Combined group			**Legal group**
In USD million	**As at 30 June**		**As at 31 December**	
	2013	**2012**	**2011**	**2010**
Non-current liabilities	62.1	66.5	74.9	198.0
Current liabilities	1,013.1	1,048.7	879.6	115.0
Liabilities directly associated with disposal group classified as held-for-sale	50.3	-	-	-
Total liabilities	**1,125.5**	**1,115.2**	**954.5**	**313.0**

The Group's liabilities consist mainly of borrowings from fellow subsidiaries of its ultimate holding company, BW Group, and finance lease liabilities.

The Group's total liabilities increased by USD 10.3 million, or 0.9%, from USD 1,115.2 million at 31 December 2012 to USD 1,125.5 million at 30 June 2013, primarily as a result of:

- an increase in funding from the immediate holding company for the acquisition of one VLGC of USD 33.0 million;

partially offset by:

- payments against finance lease liabilities amounting to USD 3.9 million;
- repayments of working capital provided by related parties of the Group amounting to USD 19.1 million.

The Group's total liabilities increased by USD 160.7 million, or 16.8%, from USD 954.5 million at 31 December 2011 to USD 1,115.2 million at 31 December 2012, primarily as a result of:

- an increase in borrowings from the immediate holding company for the acquisition of three LGCs totalling USD 128.2 million;
- an increase in funding from immediate holding company for acquisition of one VLGC, two MGCs, and a 10% initial deposit for one VLGC of USD 67.4 million;
- an increase in trade and other payables to third parties of USD 10.7 million;

partially offset by:

- repayments of finance lease liabilities amounting to USD 7.4 million;
- repayments of working capital provided by related parties of the Group amounting to USD 37.6 million.

In 2010, the Group's total liabilities were USD 313.0 million and mainly consisted of the following:

- external bank borrowings of USD 87.4 million relating to a joint venture with Tailwind (which was disposed in February 2011);
- finance lease liabilities relating to a VLGC of USD 20.6 million;
- interest rate swaps relating to a joint venture with Tailwind (which was disposed in February 2011) of USD 4.4 million;
- borrowings from a related party for the acquisition of vessel and charter hire contracts of USD 94.0 million;
- other payables to related parties of USD 90.7 million;
- trade and other payables to third parties of USD 12.7 million;
- deferred income arising from consideration received on the acquisition of charter-in contract for a VLGC of USD 3.2 million.

11.6.2 Cash flows

The following table summarises the Group's historical cash flows under IFRS and is extracted from the Group's Combined Interim Financial Statements at 30 June 2013 and 2012 (unaudited), Combined Financial Statements at 31 December 2012 and 2011 (audited) and Consolidated Financial Statements at 31 December 2010 (audited).

	Six months ended 30 June		**Year ended 31 December**		
In USD million	**2013** (Unaudited)	**2012** (Unaudited)	**2012** (Audited)	**2011** (Audited)	**2010** (Audited)
Net cash from operating activities	19.6	24.9	43.5	157.6	34.3
Net cash used in investing activities	(41.3)	(139.6)	(200.7)	(638.8)	(51.2)
Net cash from financing activities	17.9	129.3	164.6	484.7	19.6
Net (decrease) / increase in cash and cash equivalents	(3.8)	14.6	7.4	3.5	2.7
Cash and cash equivalents at the beginning of the period	22.2	14.8	14.8	11.3	2.7
Cash and cash equivalents at the end of the period	18.4	29.4	22.2	14.8	5.4

11.6.3 Cash flows from operating activities

Net cashflows from operating activities is dependent on the level of vessel maintenance and repairs activity, the addition and disposal of vessels which impact the related operating cash flows, as well as the spot voyage rates as the majority of the LPG fleet is currently trading on spot voyages.

Six months ended 30 June 2013 and 2012

Net cash generated from operating activities was USD 19.6 million for the six months ended 30 June 2013 compared with net cash generated from operating activities of USD 24.9 million for the six months ended 30 June 2012.

This decrease was primarily due to:

- increased payments of vessel operating expenses with the further addition of one vessel into the LPG fleet in the six months ended 30 June 2013; and
- repayment of inter-company payables to the Group's related parties.

This is partially offset by:

- improvements in the spot voyage rates for both the VLGC and LGC segments and an increase in the total voyage days with the larger LPG fleet; and
- lower levels of vessel maintenance and repairs activity compared to the prior period.

Year ended 31 December 2012 and 2011

Net cash generated from operating activities was USD 43.5 million for the year ended 31 December 2012 compared with net cash generated from operating activities of USD 157.6 million for the year ended 31 December 2011.

This decrease was primarily due to:

- repayment of outstanding inter-company payables in 2012 relating to the ten vessels that were acquired in 2011; and
- increased payments of vessel operating expenses with the addition of six vessels into the LPG fleet in 2012.

This is partially offset by:

- improvements in the spot voyage rates for both the VLGC and LGC segments and an increase in the total voyage days with the larger LPG fleet; and
- lower levels of vessel maintenance and repairs activity compared to the prior period.

Year ended 31 December 2010

Net cash generated from operating activities was USD 34.3 million.

The source of funds for the Group was primarily funding received from its related parties.

The Group was primarily funded by cash flows from operations and inter-company funding received from its related parties. The source of cash flow from operations is mainly from VLGCs operating in spot market. These funds were used for general working capital requirements to pay for voyage expenses and other operating expenses.

11.6.4 Cash flows from investing activities

Six months ended 30 June 2013 and 2012

Net cash used in investing activities was USD 41.3 million for the six months period ended 30 June 2013 was mainly related to the acquisition of one VLGC (BW Empress) at USD 36.7 million and drydocking costs capitalised for three VLGCs (BW Loyalty, Berge Summit, BW Princess) and one LGC (BW Havis) totalling USD 6.4 million. This is offset by disposal of one LGC (BW Havlys) at USD 2.2 million.

Net cash used in investing activities was USD 139.6 million for the six months period ended 30 June 2012 mainly related to acquisition of five LGCs (BW Helios, BW Nice, BW Nantes, BW Hermes and BW Havlys) totalling USD 137.3 million.

Year ended 31 December 2012 and 2011

Net cash used in investing activities was USD 200.7 million for the year ended 31 December 2012 mainly related to acquisition of one VLGC (BW Confidence) and five LGCs (BW Helios, BW Nice, BW Nantes, BW Hermes and BW Havlys) totalling USD 192.7 million.

Net cash used in investing activities was USD 638.8 million for the year ended 31 December 2011 mainly related to acquisition of eleven secondhand VLGCs totalling USD 657.5 million partially offset by the disposal of one VLGC at USD 32.8 million.

Year ended 31 December 2010

Net cash used in investing activities was USD 51.2 million, mainly related to the net purchases of charter-hire contracts approximating USD 48.5 million. In addition, there was a partial payment of USD 2.7 million in 2010 relating to the acquisition of VLGC Berge Summit.

11.6.5 Cash flows from financing activities

Six months ended 30 June 2013 and 2012

Net cash from financing activities was USD 17.9 million for the six months ended 30 June 2013, compared with net cash used of USD 129.3 million for the six months ended 30 June 2012. The decrease of net cash used was mainly due to a decrease in the funding and borrowings received from the Group's immediate holding corporation by USD 102.2 million to finance the vessel acquisitions.

Year ended 31 December 2012 and 2011

Net cash from financing activities was USD 164.6 million for the year ended 31 December 2012, compared with net cash used of USD 484.7 million for the year ended 31 December 2011. The USD 320.1 million increase in cash flow was mainly to increased funding of USD 602.2 million from the Group's immediate holding corporation for the acquisition of secondhand vessels in 2011. This was partially offset by the repayment of borrowings and interest of USD 165.0 million and USD 6.8 million, respectively.

Year ended 31 December 2010

Net cash from financing activities was USD 19.6 million, which was mainly due to the finance leasing of VLGC Berge Summit amounting to USD 21 million, partially offset by USD 3 million in repayments for outstanding borrowings.

11.7 Impairment Testing

The Group assesses at the balance sheet dates whether there is any objective evidence or indication that the values of the vessels may be impaired. If any such indication exists, the Group will estimate the recoverable amount of the asset, and write down the asset to the recoverable amount. The recoverable amounts of the vessels were mainly determined based on fair value less costs to sell.

The fair value of a vessel is based on independent third party valuation reports from Drewry Maritime Services (Asia) Pte. Ltd. and Lorentzen & Stemoco AS. Pursuant to Drewry Maritime Services (Asia) Pte. Ltd.'s report, the fair value is based on the assumption that the vessels are safely afloat, in seaworthy condition, maintained to a level consistent with that of a vessel of her type and age, has no material defects and deficiencies in hull, machinery and equipment, that the vessels will be delivered at a time and place mutually agreed, free of cargo, free of charter or any contract of employment and free of any encumbrances, maritime liens, debts or restraints of governments. Pursuant to Lorentzen & Stemoco AS' report, the fair value is based on the assumption that the vessels are in good and seaworthy condition, based on cash payment on normal commercial terms, prompt Charter free delivery and also assuming that the vessels are in a fully maintained class, free of conditions and recommendations, undamaged and fully equipped.

For further information, see the valuation reports enclosed as Appendix E.

11.8 Borrowings and Other Contractual Obligations

11.8.1 Material borrowings

In USD million	**Combined as at 30 June**	**Combined as at 31 December**		**Consolidated as at 31 December**
	2013 *(unaudited)*	**2012** *(audited)*	**2011** *(audited)*	**2010** *(audited)*
Payables to related parties				
Borrowings payable to immediate holding corporation	129.5	128.2	-	-
Other payables				
- To fellow subsidiaries	131.9	200.1	237.7	90.7
- To immediate holding corporation	702.6	669.6	602.2	-
	964.0	**997.9**	**839.9**	**90.7**
Payables to non-related parties				
Derivative financial instruments	-	-	-	0.5
Bank borrowings	-	-	-	8.2
Finance lease liabilities	8.1	7.8	7.4	2.5
Trade payables	28.9	25.6	21.7	9.3
Charter hire received in advance	3.1	0.8	3.1	2.2
Other accrued operating expenses	9.0	16.6	7.5	1.6
	49.1	**50.8**	**39.7**	**24.3**
Total payables	**1,013.1**	**1,048.7**	**879.6**	**115.0**

The majority of the current liabilities as at 30 June 2013 relates to borrowings from the immediate holding corporation and inter-company payables to related parties. Funding from the parent group has been provided mainly as short-term current account finance, as opposed to long-term debt and mainly for the acquisition of vessels.

Prior to the Offering, USD 700 million of the outstanding current payables to related parties will be converted to shareholders' loan and the remaining will be converted to equity. The USD 700 million shareholders' loan will be refinanced by the USD 700 million Senior Secured Term Loan and Revolving Credit Facility upon Listing.

USD 700 million Senior Secured Term Loan and Revolving Credit Facility

On 4 November 2013, BW LPG Holding Limited, a subsidiary of BW LPG, entered into, subject to the success of this Offering, a USD 700 million Senior Secured Term Loan and Revolving Credit Facility (the Facility), for the purpose of refinancing the shareholder loan from BW Group in connection with the Offering. As at 4 November 2013, the outstanding amount under the shareholder loan was USD 700 million. The Facility has a term of seven years from the date of establishment of the Facility on 4 November 2013, consisting of a USD 500 million term loan facility (the Term Loan) and a USD 200 million revolving credit facility (the RCF).

The Term Loan will be amortised to a balloon amount of USD 125.0 million to be fully repaid at the final maturity date. The RCF is not amortising and any amount drawn can be repaid, and any amount undrawn can be drawn / re-drawn, throughout the term of the facility. Interest on the drawn amounts under each facility will be payable at a margin of 1.9% over LIBOR until maturity of the facility at 2020.

The loan maturity profile and estimated interest costs for each financial year until Maturity are as follows:

In USD million	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Repayment	50.0	50.0	50.0	60.0	60.0	60.0	370.0
Estimated Interest	20.3	18.9	17.4	16.0	14.2	12.5	10.7

Note
Assuming that the facility is fully utilised and the LIBOR is 1% on average for the term of the loan.

The Facility is secured by 18 VLGC vessels and two LGC vessels. The Company is required to comply with loan-to-value covenants and a number of financial covenants. The key covenants are as follows:

- The Company must make sure that the fair market value of the Security Vessels equates to or is higher than 125% of the outstanding loan amount;
- The Company must ensure that its Adjusted Equity Ratio is equal to or higher than 35%;
- The Company must ensure that its Adjusted Equity is equal to or more than USD 350 million; and
- The Company must make sure that its Cash and Cash Equivalents added to its available credit line under the facilities is at all times more than USD 50 million.

At 30 June 2013, the fair market value of the Security Vessels was 164% of the outstanding loan amount. The Adjusted Equity Ratio of the Group based on the proforma financial information was 41%, Adjusted Equity based on the proforma financial information was USD 603 million and the Cash and Cash Equivalents and the available credit line was USD 18 million. Pursuant to the Offering, the Adjusted Equity Ratio of the Group will be 50%, the Adjusted Equity will be USD 870 million and the Cash and Cash Equivalents and the available credit line will be USD 285 million.

Adjusted Equity Ratio is Adjusted Equity expressed as a percentage of the sum of Liabilities and Adjusted Equity. Adjusted Equity is the total equity as presented in the company's consolidated financial statements after adjusting the vessels' values to their Fair Market Values. Cash and Cash Equivalents are as presented in the Company's consolidated financial statements.

The Facility does not prohibit the Company from paying dividends so long as an event of default has not occurred and the Company is not, and after payment of dividend would not be, in breach of any covenant. The Facility also does not contain restrictions beyond the financial covenants against incurring further external financing, and granting credit and security, by the Company.

Furthermore, the Facility contains certain change of control provisions. Pursuant to the change of control provisions, if Sohmen family interests cease to hold more than 50% in BW Group, BW Group cease to hold more than 35% in the Company or another person or entity than BW Group acquires more than 50% in the Company, the Facility must be cancelled and repaid in full. See also Section 2.5 "Risks Related to the Reorganisation and the Listing—BW Group will remain the largest shareholder of the Company at completion of the Offering and will have significant voting power and the ability to influence matters requiring shareholder approval". The Company has general undertaking in the Facility to remain listed at all times on the Oslo Stock Exchange or any other exchanges acceptable to the lenders. The Company has at all times the option to be released from all obligations under the Facility by repaying and cancelling all amounts under the Facility without any premium or penalty.

List of vessels in security package

The Company can move any security vessel out of the security package by providing another similar vessel as substitution or by repaying or cancelling an amount in the Facility equal to the fair market value of the security vessel withdrawn divided by the fair market value of all security vessels multiplied by the outstanding amount or commitment under the Facility.

Name	Type	Year	Age	Shipyard	DWT	CBM	Ownership	Flag	Class
BW Pine (ex Maersk Tuas)	VLGC	2011	2	Kawasaki S.C.	53,028	80,156	100%	Isle of Man	ABS
BW Austria	VLGC	2009	4	Daewoo	54,707	84,603	100%	Norway	DNV GL
BW Lord	VLGC	2008	5	Daewoo	54,691	84,614	100%	Norway	DNV GL
BW Loyalty	VLGC	2008	5	Daewoo	55,057	84,600	100%	Norway	LRS
BW Oak (ex Maersk Venture)	VLGC	2008	5	Hyundai H.I.	58,159	82,252	100%	Isle of Man	DNV GL
BW Princess	VLGC	2008	5	Hyundai H.I.	54,368	82,361	100%	Norway	DNV GL
BW Birch (ex Maersk Virtue)	VLGC	2007	6	Hyundai H.I.	58,124	82,302	100%	Isle of Man	DNV GL
BW Cedar (ex Maersk Visual)	VLGC	2007	6	Hyundai H.I.	58,063	82,270	100%	Isle of Man	DNV GL
BW Liberty	VLGC	2007	6	Daewoo	54,975	84,597	100%	Norway	BV
BW Maple (ex Maersk Value)	VLGC	2007	6	Hyundai H.I.	58,136	82,290	100%	Isle of Man	DNV GL
BW Prince	VLGC	2007	6	Hyundai H.I.	54,368	82,383	100%	Norway	DNV GL
BW Confidence	VLGC	2006	7	Mitsubishi H.I.	54,490	83,269	100%	Isle of Man	LRS
BW Empress	VLGC	2005	8	Mitsubishi H.I.	49,999	78,908	100%	Isle of Man	NKK
BW Energy	VLGC	2002	11	Kawasaki H.I.	53,556	82,548	100%	Isle of Man	ABS
BW Borg	VLGC	2001	12	Kawasaki H.I.	54,826	84,333	100%	Bahamas	ABS
BW Boss	VLGC	2001	12	Kawasaki H.I.	54,800	84,300	100%	Bahamas	ABS
BW Denise	VLGC	2001	12	Stocznia Gdynia	56,745	78,645	100%	Norway	BV
BW Vision	VLGC	2001	12	Kawasaki H.I.	53,503	81,952	100%	Bahamas	ABS
BW Nantes	LGC	2003	10	Kawasaki S.C.	44,773	59,399	100%	Bermuda	DNV GL
BW Nice	LGC	2003	10	Kawasaki S.C.	44,639	59,374	100%	Bermuda	DNV GL

11.8.2 Contractual obligations and contingent liabilities

The following table sets forth the Group's contractual obligations at 1 November 2013.

In USD million	Within one year	One to three years	Three to five years	More than five years	Total
Borrowings[1]	130.7	-	-	-	130.7
Financial lease liabilities[2]	8.3	21.6	35.4	-	65.3[3]
Operating leases[4]	70.5	123.6	91.7	205.8	491.6
Purchase of vessels[5]	311.5	-	-	-	311.5
VLGC newbuildings[6]	136.7	268.7	-	-	405.4
Total[7]	657.7	413.9	127.1	205.8	1,404.5

1 This amount relates to the loan from the Group's immediate holding corporation, BW Gas. This was primarily used to finance the purchase of three LGCs.

2 The financial lease is related to two leased vessels, BW Trader and Berge Summit. Both vessels are hired on a bareboat charter basis. BW Trader is hired from February 2011 to September 2017 and title to the vessel is passed on upon the final payment of the quarterly lease payments. Berge Summit is hired from June 2004 to May 2015 with a fixed price purchase option at the end of the charter period. The purchase price is included in the minimum lease payments. See Section 8.6.2 "Very Large Gas Carriers (VLGCs)" for further information regarding BW Trader.

3 The total amount is presented net of future finance charges amounting to USD 4.0 million at 31 October 2013.

4 At 1 November 2013, operating lease obligations related to eleven vessels chartered-in on a time charter or bareboat charter basis for a period of up to thirteen years. The amount includes the nominal value of the charter hires payable for the contracted periods.

5 This relates to the acquisition of five owned VLGCs and five chartered-in VLGCs along with two CoAs from Maersk, and include the commission paid in relation to acquisition.

In USD million	Within one year	One to three years	Three to five years	More than five years	Total

6 Six VLGC newbuildings are expected to be delivered between 2014 and 2016. See also 8.6.4 "The newbuildings" for details of the six VLGC newbuildings the Group has on order. Obligations shown are only for payments to the shipyard for periods after 31 October 2013.

7 No contingent liability has been included for the claim of USD 1.3 million set out in Section 8.13 "Legal Proceedings" as this claim is regarded as the claim is disputed, and the Group does not anticipate the claim to have a significant impact on the Group's financial position.

11.8.3 Capital expenditures

The Group's main capital expenditures arise from the acquisitions of vessels.

The following table sets forth information on the Group's capital expenditures for the periods indicated:

In USD million	**Combined group**			**Legal group**
	Six months ended 30 June	**Year ended 31 December**		
	2013 *(Unaudited)*	**2012** *(Audited)*	**2011** *(Audited)*	**2010** *(Audited)*
Secondhand acquisitions	36.0	188.0	725.4	19.2
Drydocking	7.6	12.7	17.9	3.8
Total	**43.6**	**200.7**	**743.3**	**23.0**

For the six months period ended 30 June 2013, the Group acquired one VLGC (BW Empress) and capitalised drydocking costs for three VLGCs (BW Loyalty, Berge Summit, BW Princess) and one LGC (BW Havis).

For the year ended 31 December 2012, the Group acquired one VLGC (BW Confidence) and five LGCs (BW Helios, BW Nice, BW Nantes, BW Hermes and BW Havlys) and capitalised drydocking costs for its vessels.

For the year ended 31 December 2011, the Group acquired eleven VLGCs and capitalised drydocking costs for its vessels. In addition, the Group acquired a VLGC totaling USD 74.0 million through a finance lease arrangement.

For the year ended 31 December 2010, the Group acquired a VLGC through a finance lease arrangement and capitalised drydocking costs for its vessels.

See Section 8.1 "Overview" and Section 8.6 "The Fleet" for a further description of the Group's fleet.

The following table sets forth information on the Group's expected capital expenditure for the year ending 31 December 2013 and capital expenditure commitments as at 30 June 2013 for the other periods indicated:

In USD million - Unaudited	**2013F**[1]	**2014F**	**2015F**	**2016F**	**2017F**	**After 2017**	**Total payments**	**Cost price**
Six VLGC newbuilding instalments	57.7	118.2	168.2	110.2	0.0	0.0	454.3	458.0
Drydocking for maintenance and upgrades	17.3	7.1	13.2	21.9	30.2	33.5	123.2	-
Maersk acquisition of five VLGC	311.5	0.0	0.0	0.0	0.0	0.0	311.5	-

1 Includes amounts paid for the six months ended 30 June 2013 and the amounts to be paid from 1 July 2013 to 31 December 2013.

*Includes ballast water management system.

See Section 8.6.4 "The newbuildings" for a description of the six VLGC newbuildings the Group has on order.

The Maersk acquisition of five VLGC vessels and a portion of the payment instalments for the six VLGC newbuildings are financed through cash held in deposit and funds available under the Facility and the Company anticipates leveraging newbuildings/acquisitions with 50% equity and 50% debt. See Section 11.6 "Liquidity and Capital

Resources”.

The Group estimates that the capital expenditures for the vessel upgrading and maintenance will be approximately USD 105.9 million for the years 2014 through 2018.

The Group has received refund guarantees from The Export-Import Bank of Korea as security for pre-delivery instalments paid by the Group to the yard with respect to the VLGC newbuildings (HHI 2707, HHI 2722, HHI 2705 and HHI 2706) on order. The refund guarantees are limited to an amount of USD 28,723,572 for each of the newbuildings HHI 2707 and HHI 2722, and to an amount of USD 28,523,572 for each of the newbuildings HHI 2705 and HHI 2706.

In addition to the USD 7.6 million paid as at 30 June 2013, the Group estimates that the capital expenditures for vessel upgrading and maintenance will be approximately USD 105.9 million for the years 2014 through 2018, for a total of USD 113.5 million.

From 30 June 2013 until the date of this Prospectus, the Group’s significant investments have been the acquisition of five owned VLGCs and five chartered-in VLGCs along with two CoAs from Maersk. Pursuant to a framework agreement dated 22 May 2013 and other relevant agreements with Maersk (through Maersk Gas Carriers Pte Ltd and Maersk Tankers A/S), the Company purchased five vessels for an aggregate purchase consideration of USD 311.5 million, which includes the commission paid in relation to acquisition (the Vessel Acquisition). Four out of the five acquired Maersk VLGCs were delivered as at the end of October 2013, while one VLGC (BW Pine formerly known as Maersk Tuas) is expected to be delivered in November 2013. Prior to the date of this Prospectus, the Maersk acquisitions are financed by BW Group, recharged as intercompany debt to BW LPG. Vessels delivered post date of this Prospectus will be treated as an external debt at nil interest to be settled within five business days.

Other than as described above, there are no significant committed future investments at the date of this Prospectus.

11.8.4 Off-balance sheet arrangements

The Group does not have any off-balance sheet arrangements at 30 June 2013.

11.9 Quantitative and Qualitative Disclosure About Market Risk Management

Market risks management

Bunker fuel price risk

In 2012, bunker fuel oil costs comprised 53% (2011: 54%) of the Group’s total operating expenses (excluding depreciation and charter hire expenses). See also Section 2.1 “Risks Related to the Industry in which the Group Operates—Increases in bunker fuel prices may significantly increase the Group’s voyage expenses relating to the operation of its LPG vessels on the spot market and under CoAs”. Following the Offering, the Group may establish hedging policies with respect to bunker fuel price risk.

Currency risk management

The Group’s business operations are not exposed to significant foreign exchange risk as it has no significant transactions denominated in foreign currencies during the financial year. See also Section 2.4 “Risks Related to Financing and Market Risk—Significant exchange rate fluctuations may have a material negative effect on the Group’s financial condition and results of operations”.

Credit risk management

Credit risk is concentrated on several key charterers. The Company performs ongoing credit evaluation of the charterer and has policies in place to ensure that services are rendered to charterers with appropriate credit histories. In this regard, the Company is of the opinion that the relevant credit risk of counterparty default is reduced. In addition, although the trade and other receivables consist of a small number of customers, the Company has policies in place for the control and monitoring of the concentration of credit risk. The Company has implemented policies to ensure cash are deposited with internationally recognised financial institution with a good credit rating. See also Section 2.4 “Risks Related to Financing and Market Risk—The Group may not be able to borrow further amounts under the USD 700 million Senior Secured Term Loan and Revolving Credit Facility which it may need to fund the acquisition of the remaining newbuildings that it has agreed to purchase”.

Interest rate risk management

The Group’s income and operating cash flows are substantially independent of changes in market interest rates. See also Section 2.4 “Risks Related to Financing and Market Risk—Derivative contracts used to hedge the Group’s exposure to fluctuations in interest rates could result in reductions in its shareholder's equity as well as charges against its profit".

The Group's borrowings are at variable rates on which effective hedging have not been entered into. If the USD interest rates increase/decrease by 50 basis points (2011: 50 basis points) with all other variables including tax rate being held constant, the loss after tax will be higher/lower by approximately USD 0.8 million (2011: USD 1.7 million) as a result of higher/lower interest expense on these borrowings. The financing from the immediate holding corporation bears no interest.

Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group maintains sufficient cash for its daily operations via short-term cash deposit at banks and has access to unutilised portion of revolving facilities provided by financial institutions to its ultimate holding corporation.

Financial risk management

Financing for the Group has historically been provided by BW Group, the ultimate holding corporation ("ultimate holding corporation") through intercompany current accounts to meet the working capital requirements of the Group. External debt is held by the ultimate holding corporation where interest rates are hedged using interest rate swaps and foreign exchange is hedged using foreign exchange forward contracts.

The Group's activities expose it to a variety of financial risks such as: market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk, and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance by entering into hedging instruments designed to partly mitigate interest rate, bunker price and currency risk.

The financial risk management of the Group has for the periods under review been exercised by the ultimate holding corporation as part of the operations of the Group and these processes and policies are described in the consolidated financial statements of the ultimate holding corporation. The management of the Group identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board of Directors of BW Group have established written policies addressing specific areas, such as foreign exchange risk, interest rate risk and bunker price risk.

For more detailed information on the Group's financial risk management and hedging, see Note 22 to the Combined Financial Statements for the financial years ended 31 December 2012 and 2011.

11.10 Critical Accounting Policies and Estimates

The discussion and analysis of the Group's financial condition and results of operations is based upon the Combined Financial Statements of the Group which have been prepared in accordance with IFRS. The preparation of such financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. See also Section 2.5 "Risks Related to the Reorganisation and the Listing—The Group's lack of operating history as a pure LPG shipping company makes it difficult to assess the historical performance and outlook for future revenue and other operating results".

Certain amounts included in or affecting the Combined Financial Statements and related disclosures are estimated, requiring the Group to make assumptions with respect to values or conditions which cannot be known with certainty at the time the financial statements are prepared. A critical accounting estimate or assumption is one which is both important to the portrayal of the Group's financial condition and results and requires the management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Management of the Group evaluates such estimates on an ongoing basis, using historical results and experience, consultation with experts, trends and other methods considered reasonable in the particular circumstances.

The following is a summary of estimates and assumptions which may have a material effect on the accounts if changed in subsequent periods. See Note 2 to the unaudited Combined Interim Financial Statements of the Group as at, and for the six months ended, 30 June 2013 and the Combined Financial Statements as at, and for the year ended, 31 December 2012, together with the comparative figures as at, and for the six months ended, 30 June 2012 and for the year ended 31 December 2011 included elsewhere in this Prospectus.

The following is a summary of estimates and assumptions which have a material effect on the combined financial statements.

(1) Useful life and residual value of assets

The Group reviews the useful lives and residual values of its vessels at least at each financial year-end and any adjustments are made on a prospective basis. Residual value is estimated as the lightweight tonnage of each vessel multiplied by the scrap value per ton. If estimates of the residual values are revised, the amount of the depreciation charge in the future years will be changed.

The estimated residual values for all vessels were revised as at 1 January 2012. The change in this estimate has a prospective impact on the depreciation expense recorded from 1 January 2012 onwards. The effect of the change was a reduction in depreciation expense of approximately USD 1.5 million (2011: USD 3.3 million) for the financial year ended 31 December 2012.

The useful lives of the vessels are assessed periodically based on the condition of the vessels, market conditions and other regulatory requirements. If the estimates of useful lives for the vessels are revised or there is a change in useful lives, the amount of the depreciation charge recorded in future years will be changed.

(2) Impairment

The Group assesses at the balance sheet dates whether there is any objective evidence or indication that the values of the intangible assets, and property, plant and equipment may be impaired. If any such indication exists, the Group will estimate the recoverable amount of the asset, and write down the asset to the recoverable amount. The assessment of the recoverable amount is based on broker values received from third parties or contracted cash flows discounted by an estimated discount rate.

(3) Revenue recognition

All freight revenues and voyage expenses are recognised on a percentage of completion basis. Discharge-to-discharge basis is used in determining the percentage of completion for all spot voyages and voyages servicing contracts of affreightment. Under this method, freight revenue is recognised evenly over the period from the departure of a vessel from its original discharge port to departure from the next discharge port.

Management uses its judgement in estimating the total number of days of a voyage based on historical trends, the operating capability of the vessel (speed and fuel consumption) and the distance of the trade route. Actual results may differ from estimates.

<u>Revenue and income recognition</u>

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities, net of rebates, discounts, off-hire charges and after eliminating sales within the Group.

(1) Rendering of services

Revenue from time charters accounted for as operating leases is recognised rateably over the rental periods of such charters, as service is performed. Revenue from voyage charters is recognised rateably over the estimated length of the voyage within the respective reporting period, in the event the voyage commences in one reporting period and ends in the subsequent reporting period.

The Group determines the percentage of completion of voyage freight using the discharge-to-discharge method. Under this method, voyage revenue is recognised rateably over the period from the departure of a vessel from its original discharge port to departure from the next discharge port.

Demurrage is included if a claim is considered probable. Losses arising from time or voyage charters are provided for in full as soon as they are anticipated.

The Group's vessels operate in chartering pools. The Group accounts for its share of pool revenues, expenses, assets and liabilities gross in the combined financial statements.

Pool revenues, expenses, assets and liabilities are allocated to the pool participants according to an agreed upon formula. The formulae used to allocate pool revenues to pool participants on the basis of the number of days a vessel is available for operation in the pool with weighting adjustments made to reflect vessels' differing capacities and performance capabilities. The same principles are applied in determining the pool's expenses, assets and liabilities.

(2) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

(3) Rental income

Rental income from operating lease is recognised on a straight-line basis over the lease term.

(c) Group accounting

(1) Subsidiaries

(i) Consolidation

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are combined from the date on which control is transferred to the Group. They are de-combined from the date on which control ceases.

In preparing the Combined Financial Statements, transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisition of businesses

Other than the acquisition undertaken through the Restructuring as described in Note 2, the acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the net identifiable assets acquired, is recorded as goodwill.

(iii) Disposals of subsidiaries or businesses

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to the combined profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in the combined profit or loss.

(2) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

(3) Joint ventures

Joint ventures are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties. The Group's interest in joint ventures is accounted for in the combined financial statements using proportionate consolidation.

Proportionate consolidation involves combining the Group's share of joint ventures' income and expenses, assets and liabilities and cash flows of the joint ventures on a line-by-line basis with similar items in the combined financial statements.

When the Group sells assets to a joint venture, the Group recognises only the portion of unrealised gains or losses on the sale of assets that is attributable to the interests of the other venturers. The Group recognises the full amount of any loss when the sale provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

When the Group purchases assets from a joint venture, it does not recognise its share of the profits of the joint ventures arising from the Group's purchase of assets until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss. Where necessary, adjustments are made to the financial statements of joint ventures to ensure consistency of accounting policies with those of the Group.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be finite. Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets that are subject to amortisation over their estimated remaining useful lives ranging from 3 to 69 months (2011: 15 to 81 months), are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(e) Property, plant and equipment

(1) Measurement

(i) Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses note 3(f).

(ii) The cost of an item of property, plant and equipment initially recognised includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

(2) Depreciation

(i) Depreciation is calculated using a straight-line method to allocate the depreciable amounts of property, plant and equipment, after taking into account the residual values over their estimated useful lives. The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at least annually. The effects of any revision are recognised in the profit or loss when the changes arise. The estimated useful life of each vessel is 30 years.

(ii) A proportion of the price paid for new vessels is capitalised as drydocking. These costs are depreciated over the period to the next scheduled drydocking, which is generally 30 to 60 months. The remaining carrying amount of the old drydocking as a result of the commencement of new drydocking will be written off to the profit or loss.

(3) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment, including drydocking, that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expense is recognised in the profit or loss when incurred.

(4) Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in the profit or loss.

(f) Impairment of non-financial assets

Intangibles with finite lives, and property, plant and equipment are tested for impairment whenever there is any objective evidence or an indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the profit or loss.

An impairment loss for an asset (or CGU) is reversed if, and only if, there has been a change in the estimates used to determine the asset's (or CGU's) recoverable amount since the last impairment loss was recognised. The carrying amount of this asset (or CGU) is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of impairment loss for an asset (or CGU) is recognised in the profit or loss.

(g) Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The fair value of derivative financial instruments represents the amount estimated by banks or brokers that the Group will receive or pay to terminate the derivatives at the balance sheet date. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as current assets or liabilities.

For derivative financial instruments that are not designated or do not qualify for hedge accounting, any fair value gains or losses are recognised in the profit or loss as financial items. In particular, gains and losses on interest rate derivatives are presented in the profit or loss as 'other comprehensive income/(loss)'.

(h) Loans and receivables

The Group has only one class of non-derivative financial assets - loans and receivables.

Cash and cash equivalents and trade and other receivables are initially recognised at their fair values plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Group assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

These assets are presented as current assets except for those that are expected to be realised later than 12 months after the balance sheet date, which are presented as non-current assets.

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings using the effective interest method.

Borrowings are presented as current liabilities in the combined balance sheet unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

(j) Borrowing costs

Borrowing costs are recognised in the combined profit or loss using the effective interest method except for those costs that are directly attributable to the construction of vessels. This includes those costs in relation to general borrowings used to finance the construction of vessels.

Borrowing costs are capitalised in the cost of the vessel under construction. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to the construction expenditures that are financed by general borrowings.

(k) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

(l) Fair value estimation of financial assets and liabilities

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analyses, are also used to determine fair value for the financial instruments.

The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows, discounted at actively quoted interest rates.

The carrying amounts of current financial assets and liabilities carried at amortised costs approximate their fair values due to the short term nature of the balances. The fair values of financial liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(m) Leases

(1) When a group company is the lessor - operating lease:

Leases of vessels in which the Group does not transfer substantially all risks and rewards incidental to ownership are classified as operating leases. Vessels leased out under operating leases are included in property, plant and equipment. Lease income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

(2) When a group company is the lessee - operating lease:

Leases of assets in which substantially all risks and rewards of ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in the combined profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(3) When a group company is the lessee - finance lease:

Leases of assets in which the Group assumes substantially the risks and rewards incidental to ownership of the leased asset are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Each lease payment is allocated between the reduction of the outstanding lease liability and finance charges. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is taken to the combined profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(n) Inventories

Inventories comprise mainly ship stores and fuel oil remaining on board. Inventories are measured at the lower of cost (on first-in, first-out basis) and net realisable value.

(o) Income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised as income or expense in profit or loss, except to the extent that it relates to items recognised in other comprehensive income in which case the tax is also recognised in other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Positions taken in tax returns are evaluated periodically, with respect to situations in which applicable tax regulations is subject to interpretation, and provisions are established where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Taxes payable with long-term maturity are recognised at present value.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the combined financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is recognised on temporary differences arising on income earned from investments in subsidiaries, associated companies and joint ventures which are subject to withholding taxes on distribution, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(p) Provisions for other liabilities and charges

Provisions are recognised when the Group has a present legal or constructive obligation where as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. When the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

(q) Foreign currency translation

(1) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The combined financial statements of the Group are presented in United States Dollars, which is the Company's functional currency.

(2) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in the profit or loss.

(r) Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be classified as an asset.

(1) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(2) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(s) Cash and cash equivalents

For the purpose of presentation in the combined statement of cash flows, cash and cash equivalents include cash on hand and deposits held at call with financial institutions which are subject to an insignificant risk of change in value. Bank overdrafts are presented as current borrowings on the combined balance sheet.

(t) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new equity instruments are taken to equity as a deduction, net of tax, from the proceeds.

(u) Dividends to Company's shareholders

Dividends to Company's shareholders are recognised when the dividends are approved for payment.

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

(w) New standards, amendments to published standards and interpretations, effective in 2013 or later

IFRS 9 Financial Instruments

IFRS 9 is the first step in the process to replace IAS 39, "Financial instruments: recognition and measurement". IFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2015 but is available for early adoption. The Group is assessing IFRS 9's full impact on the group's combined financial statements.

11.11 Significant Changes

There has been no significant changes in the financial or trading position of the Group since the date of the unaudited combined condensed interim financial statements as at, and for the six months ended, 30 June 2013, which have been included in this Prospectus.

12 UNAUDITED PRO FORMA FINANCIAL INFORMATION

During 2013, the Company entered into certain transactions which have been reflected in the pro forma financial information in this Prospectus. The transactions were as follows:

Acquisition of vessel-owning entities under common control

For the purpose of the Listing of the Company on the Oslo Stock Exchange, the LPG business of the BW Group underwent a reorganisation. See Section 15 "The Reorganisation" for a description of the Reorganisation. The Company has acquired (i) the 100% equity interest in BW Cyan Limited on 21 October 2013; (ii) the 100% equity interest in AS Havgas Partners (a Norwegian Tonnage Tax Company which holds 15% equity interest in KS Havgas Partners) on 25 October 2013; (iii) a 62.5% equity interest in KS Havgas Partners (a Norwegian Limited Partnership) on 25 October 2013; (iv) a 86.17% equity interest in PR Bergesen d.y. Shipping DA (a Norwegian Limited Partnership) on 25 October 2013 as part of the Reorganisation. These companies own the following vessels:

Company	Vessels owned
BW Cyan Limited.	BW Boss, BW Helios[1], BW Nice[1], BW Nantes[1]
KS Havgas Partners	BW Havis
PR Bergesen d.y. Shipping DA	BW Havfrost

1 These vessels were acquired in February 2012, March 2012 and May 2012, respectively.

This acquisition involves entities under common control. Under IFRS, the net assets and results of the entities have been accounted for and disclosed in the combined financial statements for the financial years ended 31 December 2011 and 2012 and the six-months period ended 30 June 2013, as if the acquisitions had happened on 1 January 2011. However, the purchase consideration for the acquisitions for an aggregated total of USD 109 million will only be settled just prior to the Offering and hence the settlement of the purchase consideration has been reflected in the proforma financial information as adjustment 3. Although the Reorganisation and the settlement of USD 109 million constituted less than 25% of the total assets of the Group and hence is not a pro forma triggering event under the Norwegian prospectus regulations, the settlement forms part of the intercompany loan which will be refinanced and capitalised. Excluding this adjustment would not reflect the subsequent capitalisation.

Vessel Acquisition

Pursuant to a framework agreement dated 22 May 2013 and other relevant agreements with Maersk (through Maersk Gas Carriers Pte Ltd and Maersk Tankers A/S), the Company, through its subsidiary, BW Borg Limited, purchased five VLGCs, five VLGC time charters and two contracts of affreightment (CoAs) for an aggregate purchase consideration of USD 311.5 million, which includes the commission paid in relation to acquisition (the Vessel Acquisition). These acquired vessels will be delivered on a charter-free basis to the Group between September 2013 and November 2013 after they fulfil their existing charter commitments. These vessels and their respective delivery dates are disclosed in Section 11.3 "Recent developments and Trends". As the vessels were acquired on a charter free basis from Maersk, which is a non-related party, no historical financial information of the performance of the vessels was available for the purpose of preparing the pro forma income statement. The acquisition is financed by BW Group, recharged as intercompany debt to BW LPG as disclosed below. The Vessel Acquisition is a pro forma triggering event as the transaction is more than 25% of the total assets of the Group as at 30 June 2013 and hence the effects have been reflected in the pro forma financial information.

Please also refer to adjustments 4 and 5 below in relation to the settlement of these intercompany borrowings.

Newbuilding Acquisition

On 29 July 2013, the Group entered into shipbuilding contracts with HHI to build four vessels for an aggregate purchase consideration of USD 286 million (the "Newbuilding Acquisition"). These vessels are expected to be delivered between October 2014 and April 2015. The first instalment amounting to USD 29 million was paid by the end of July 2013 through intercompany borrowings. Although this transaction is not a pro forma triggering event under the Norwegian prospectus regulations, the pro forma effects are incorporated as this transaction is integral to the subsequent capitalisation of the loan provided by BW Gas and the refinancing as disclosed in adjustments 4 and 5 below.

Basis for preparation of the unaudited proforma financial information

The unaudited pro forma combined financial information (the "Pro Forma Financial Information") of the Group presented in this Section show the financial position of the Group as if the transactions (the "Transactions") as mentioned in the preceding paragraphs had been carried out on 30 June 2013 for the purpose of the pro forma combined balance sheet.

The Pro Forma Financial Information, presented in this Section, is prepared using the unaudited combined balance sheet of the Group as at 30 June 2013, which is prepared in accordance with IAS 34 and included in Appendix C of the Prospectus. The accounting policies of the Group have been applied consistently in the preparation of the Pro Forma Financial Information. See Note 3 of the combined financial statements for the years ended 31 December 2011 and 2012 and Note 2 of the combined financial statements for the six-month period ended 30 June 2013 for the significant accounting policies. No adjustment to the accounting policies is required for the purpose of preparing the Pro Forma Financial Information. The accounting policies of the combined Group are in accordance with IFRS.

The Pro Forma Financial Information does not include all of the information required for financial statements under IFRS, and should be read in conjunction with the combined financial statements of the Group for the financial years ended 31 December 2011 and 2012, and the unaudited combined condensed interim financial statements of the Group for the six-month period ended 30 June 2013, which have been included in Appendix B1, Appendix B2 and Appendix C, respectively, of the Prospectus. On a general basis, it is emphasised that there is a high degree of subjectivity and therefore uncertainty related to the Pro Forma Financial Information. The Pro Forma Financial Information may not reflect the actual impact of the Transactions on the Group's combined balance sheet in accordance with IFRS, since certain simplifications and highly uncertain estimates and assumptions have been made as set out in the notes to the Pro Forma Financial Information. Because of its nature the Pro Forma Financial Information addresses a hypothetical situation.

It should be noted that the Pro Forma Financial Information has not been prepared in connection with an offering registered with the U.S. Securities and Exchange Commission ("**SEC**") under the U.S. Securities Act and consequently is not compliant with the SEC's rules on presentation of pro forma financial information. As such, a U.S. investor should not place reliance on the Pro Forma Financial Information included in this Prospectus.

The assumptions underlying the pro forma adjustments applied to the historical unaudited combined balance sheet included in this Prospectus, for purposes of deriving the Pro Forma Financial Information, are described in the notes to the unaudited pro forma combined balance sheet. Neither these adjustments nor the resulting Pro Forma Financial Information have been audited in accordance with International Auditing Standards or United States generally accepted auditing standards. In evaluating the Pro Forma Financial Information, investors should carefully consider the audited historical financial statements and the notes thereto and the notes to the Pro Forma Financial Information.

The Pro Forma Financial Information is provided for illustrative purposes only and, because of its nature, the Pro Forma Financial Information addresses a hypothetical situation and therefore does not represent the Group's actual financial position or results. Investors are cautioned not to place undue reliance on this Pro Forma Financial Information.

In USD thousand	**30 June 2013**	**Adjustment No. 1**	**Adjustment No. 2**	**Adjustment No. 3**	**Adjustment No. 4**	**Adjustment No. 5**	**30 June 2013**
	Unaudited Combined Balance Sheet						**Unaudited Pro Forma Combined Balance Sheet**
Charter-hire contracts acquired....................	28,965	-	-	-	-	-	28,965
Intangible asset........	**28,965**	**-**	**-**	**-**	**-**	**-**	**28,965**
Vessels under construction..............	-	-	28,624	-	-	-	28,624
Vessels	922,307	303,868	-	-	-	-	1,226,175
Drydocking	18,214	7,632	-	-	-	-	25,846
Total property, plant and equipment..........	**940,521**	**311,500**	**28,624**	**-**	**-**	**-**	**1,280,645**
Total non-current assets	**969,486**	**311,500**	**28,624**	**-**	**-**	**-**	**1,309,610**
Inventories	10,023	-	-	-	-	-	10,023
Trade and other receivables	98,738	-	-	-	(26,420)[i]	-	72,318
Cash and cash equivalents................	18,423	-	-	-	-	-	18,423

In USD thousand	30 June 2013	Adjustment No. 1	Adjustment No. 2	Adjustment No. 3	Adjustment No. 4	Adjustment No. 5	30 June 2013
	Unaudited Combined Balance Sheet						**Unaudited Pro Forma Combined Balance Sheet**
Total current assets..	**127,184**	**-**	**-**	**-**	**(26,420)**	**-**	**100,764**
Disposal group classified as held-for-sale	54,177	-	-	-	-	-	54,177
Total assets	**1,150,847**	**311,500**	**28,624**	**-**	**(26,420)**	**-**	**1,464,551**
Share capital.............	10	-	-	-	990(iii)	-	1,000
Contributed surplus.....	-	-	-	-	685,913(iii)	-	685,913
Capital reserve	67,687	-	-	(109,208)	-	-	(41,521)
Accumulated losses.....	(51,339)	-	-	-	-	-	(51,339)
	16,358	**-**	**-**	**(109,208)**	**686,903**	**-**	**594,053**
Non-controlling interest	8,944	-	-	-	-	-	8,944
Total shareholder's equity	**25,302**	**-**	**-**	**(109,208)**	**686,903**	**-**	**602,997**
Shareholders' loan	-	-	-	-	700,000(ii)	(700,000)	-
Borrowings	60,658	-	-	-	-	642,414	703,072
Deferred income	1,489	-	-	-	-	-	1,489
Total non-current liabilities..................	**62,147**	**-**	**-**	**-**	**700,000**	**(57,586)**	**704,561**
Borrowings	137,566	-	-	-	(129,503)(iii)	48,736	56,799
Current income tax liabilities...................	-	-	-	-	-	-	-
Trade and other payables...................	875,056	311,500	28,624	109,208	(26,420)(i) (700,000)(ii) (557,400)(iii)	8,850	49,418
Deferred income	496	-	-	-	-	-	496
Total current liabilities..................	**1,013,118**	**311,500**	**28,624**	**109,208**	**(1,413,323)**	**57,586**	**106,713**
Liabilities directly associated with disposal group classified as held-for-sale	50,280	-	-	-	-	-	50,280
Total liabilities..........	**1,125,545**	**311,500**	**28,624**	**109,208**	**(713,323)**	**-**	**861,554**
Total equity and liabilities..................	**1,150,847**	**311,500**	**28,624**	**-**	**(26,420)**	**-**	**1,464,551**

Adjustments relating to the Transactions to the Pro Forma Financial Information

(1) This pro forma adjustment relates to the Vessel Acquisition. The agreement to purchase the vessels was executed in 22 May 2013 but the vessels from Maersk are only delivered to the Group after 30 June 2013. The total consideration for these five vessels is USD 311,500,000 financed via intercompany borrowings that are presented within "trade and other payables". The source of this pro forma adjustment is the signed sale and purchase agreement between the Company and Maersk. Of the total purchase consideration, an amount of USD 7,632,000 has been allocated to the drydocking cost of the vessels.

(2) This pro forma adjustment relates to the Newbuilding Acquisition executed on 29 July 2013. The total consideration for the four newbuildings is USD 286,200,000 and the first instalment amounted to USD 28,624,000 was paid by the end of July 2013 through intercompany borrowings that are presented within "trade and other payable". The first new vessel is scheduled for delivery in the fourth quarter of 2014, two vessels are scheduled for delivery in the first quarter of 2015 and the fourth vessel is scheduled for delivery in the second quarter of 2015. As only the first instalment has been paid subsequent to 30 June 2013, only the first instalment has been reflected as a pro forma adjustment. The remaining amount has been disclosed as a purchase commitment in Section 11.8.2 "Contractual obligation and contingent liabilities" of the Prospectus. The sources of these pro forma adjustments are the signed shipbuilding contracts between the Group and HHI.

(3) These pro forma adjustments relate to the acquisition of the vessel-owning entities (BW Cyan Limited, KS Havgas Partners and PR Bergesen d.y. Shipping DA) under common control. However, the total purchase consideration for these acquisitions amounting to USD 109,208,000 are only settled via intercompany borrowings on 28 October 2013 and hence has not been reflected in the combined financial statements. The sources of these pro forma adjustments are (i) the duly approved Directors' Resolution dated 16 October 2013 of BW Gas Cyprus Limited (as the seller of BW Cyan Limited) the duly executed share transfer forms; (ii) the settlement agreement dated 16 October between BW Gas Cyprus Limited and BW Cyan Limited; and (iii) the sale & purchase agreement dated 25 October 2013 relating to AS Havgas Partners, KS Havgas Partners and PR Bergesen d.y. Shipping DA.

(4) Capitalisation and contribution of amount due to BW Gas

On 28 October 2013, the Company transferred the net amount due to related parties of the Company to BW Gas amounting to USD 686,903,000 (the "Intercompany Balance"). On 28 October 2013, the Company entered into a capitalisation agreement (the "Capitalisation Agreement") with BW Gas under which the Company shall issue 99,000,000 common shares of USD 0.01 par value in the Company as settlement for USD 990,000 of amount due to BW Gas (the "Capitalisation"). The remainder of the Intercompany Balance (being the Intercompany Balance less the amount subject to the Capitalisation) was on 28 October 2013 contributed by BW Gas to the Company and is treated as a contribution by BW Gas to the contributed surplus of the Company. The remaining balance due to BW Gas is repaid with funds from external borrowings (see "New Term Loan and Revolving Credit Facilities" paragraph below). This transaction is included as a proforma adjustment as it is integral to the Vessel Acquisition and Newbuilding Acquisition.

These pro forma adjustments relating to the capitalisation of amounts due to BW Gas as share capital of the Company and are effected as follows:

(i) Netting of amount due from related parties of the Group against amount due to related parties of the Group

As part of the transfer of net amounts due to related parties of the Group to BW Gas, the Company netted off an amount of USD 26,420,000 due from related parties of the Group against the amount due to related parties of the Group. The net amount due to these related parties was then transferred to BW Gas. The source of these pro forma adjustments are the written approvals of the Directors of the relevant entities within BW Group dated 28 October 2013.

(ii) Shareholder loan from BW Gas

To finance the Vessel Acquisitions, the Newbuilding Acquisition, and the acquisition of the various entities as part of the Reorganisation, the Company obtained a shareholders' loan of USD 700,000,000 from BW Gas on 31 October 2013 to finance the obligations arising from these transactions. The sources of these pro forma adjustments are (i) the duly approved Directors' Resolution dated 31 October 2013 of BW LPG Limited in relation to the USD 700,000,000 loan facility from BW Gas; and (ii) the shareholder loan agreement between the Company and BW Gas dated 31 October 2013.

(iii) Capitalisation of amount due to BW Gas

An agreement has been signed between the Company and BW Gas, whereby BW Gas would convert part of the USD 129,503,000 of borrowings and USD 557,400,000 of amounts due to BW Gas totalling USD 686,903,000 as share capital of the Company, through the issuance of 99,000,000 common shares of USD 0.01 par value in the Company. The source of these pro forma adjustments is the Capitalisation Agreement between the Company and BW Gas dated 28 October 2013.

(5) New Term Loan and Revolving Credit Facilities

On 4 November 2013, the Company received a firm offer from a syndicate of banks consisting of the senior secured Facility in the aggregate amount of USD 700 million, which comprise of the Term Loan of USD 500 million and the RCF of USD 200 million, see Section 11.3 "Recent Developments and Trends". The amounts borrowed under the Facility will be applied to refinance the shareholder loan from BW Group. This transaction is included as a proforma adjustment as it is integral to the Vessel Acquisition and Newbuilding Acquisition and it is a linked transaction to the Capitalisation Agreement above.

These pro forma adjustments relate to the drawdown of an aggregate amount of USD 700,000,000 under the Term Loan and the RCF, that is used to repay the shareholders' loan of the same amount. Facilities fees and other transaction costs relating to the drawdown of loan amounted to USD 8,850,000. These transaction costs have been offset against the principal amount of the loan and will be amortised over the terms of the loan as part of the effective interest expense. USD 48,736,000 of the total carrying amount of the loan of USD 691,150,000 has been classified as current liabilities with the remaining USD 642,414,000 classified as non-current liabilities. Please refer to Section 9 "Capitalisation and Indebtedness" for further information. The source of these pro forma adjustments is the loan agreement between the Company and the bank dated 4 November 2013.

The above adjustments do not have a recurring impact on the balance sheet of the Group.

13 BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

13.1 Board of Directors

13.1.1 Overview of the Board of Directors

The Board of Directors is responsible for the overall management of the Company and may exercise all of the powers of the Company not reserved to the Company's shareholders by its bye-laws (the "**Bye-laws**") or Bermuda law. The Bye-laws provide that the Company's Board of Directors shall consist of not less than three Directors or such number in excess thereof as the shareholders of the Company may determine. The Board of Directors is divided into two classes of directors, each of which shall consist as nearly as possible of half the total number of directors constituting the Board of Directors. Each class of directors is elected for a two year term of office, but the terms are staggered so that only one class of director expires at each annual general meeting. The class I directors serve initially until the 2015 annual general meeting and the class II directors serve initially until the 2016 annual general meeting. The Directors are elected by the shareholders at the relevant annual general meeting or any special general meeting called for that purpose, unless there is a casual vacancy, and the shareholders of the Company may authorise the Board of Directors to fill any vacancy in their number left unfilled at a general meeting of the shareholders. If there is a vacancy of the Board of Directors occurring as a result of the death, disability, disqualification or resignation of any Director or as a result of an increase in the size of the Board of Directors, the Board of Directors has the power to appoint a Director to fill the vacancy.

As at the date of this Prospectus, the Company has an interim Board of Directors composed of three Directors (the "**Interim Directors**"). The names and positions of the Interim Directors are set out in the table below. Billy Chiu and Michael Smyth will, however, resign from their positions as Directors as at the first day of the Listing. Andreas Sohmen-Pao will continue to serve as Director and will, together with John B Harrison, Dato' Jude P Benny, Anders Onarheim, Andreas Beroutsos and Anne Grethe Dalane as new Directors, form the new Board of Directors from the first day of the Listing (the "**New Board of Directors**"). The New Board of Directors will thus consist of six Directors. Andreas Sohmen-Pao, Andreas Beroutsos and Anne Grethe Dalane are class I directors and have been elected for a term which will expire at the annual general meeting in 2015, while John B Harrison, Dato' Jude P Benny and Anders Onarheim are class II directors and have been elected for a term which will expire at the annual general meeting in 2016.

The New Board of Directors will, as at the first day of the Listing, be in compliance with the independence requirements of the Norwegian Code of Practice for Corporate Governance dated 23 October 2012 (the "**Corporate Governance Code**"). Pursuant to the Corporate Governance Code (i) the majority of the shareholder-elected members of the Board of Directors should be independent of the Company's executive management and material business contacts, (ii) at least two of the shareholder-elected members of the Board of Directors should be independent of the Company's main shareholder, and (iii) no members of the Company's executive management should serve on the Board of Directors.

With the exception of Andreas Sohmen-Pao and John B Harrison, all members of the New Board of Directors are independent of the Company's significant business relations and large shareholders (shareholders holding more than 10% of the Shares in the Company). Andreas Sohmen-Pao is not independent from BW Group, the parent company of BW LPG, as BW Group is controlled by corporate interests associated with the Sohmen family, and he is also the CEO of BW Group. John B Harrison is a member of the board of directors of BW Group. All of the directors are independent of the Management. Management is not represented on the interim Board of Directors or on the New Board of Directors.

The Company's registered office address at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, serves as the business address for the members of the Board of Directors in relation to their directorships of the Company.

As at the date of this Prospectus, none of the Interim Directors or the members of the New Board of Directors hold any options or other rights to acquire Shares.

13.1.2 The interim Board of Directors

The names and positions, current term of office and shareholding in the Company of the Interim Directors as at the date of this Prospectus are set out in the table below.

Name	Position	Served since	Term expires	Shares
Andreas Sohmen-Pao	Chairman	2013	AGM 2015	0[1]
Billy Chiu	Director	2010	Day before the Listing	0
Michael Smyth........................	Director	2008	Day before the Listing	0

1 BW Group owns 100,000,000 Shares. BW Group is approximately 93% owned by a company controlled by corporate interests associated with the Sohmen family.

13.1.3 Brief biographies of the Interim Directors

Set out below are brief biographies of the Interim Directors, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Board of Director is or has been a member of the administrative, management or supervisory bodies or partner in the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Andreas Sohmen-Pao, Chairman

Andreas Sohmen-Pao joined World-Wide Shipping in London in 1999 and has held positions in various divisions of BW Group. Prior to joining BW, he worked at Goldman Sachs International in London. Mr Sohmen-Pao is currently CEO of BW Group. He is a non-executive director of The Hongkong and Shanghai Banking Corporation Ltd and sits on the boards of BW Offshore Limited, the Esplanade Co. Ltd and the Singapore National Parks Board, and is a member of the Singapore Sports Council. Mr Sohmen-Pao was educated at Oxford University in England, from which he graduated in 1993 with a double first class honours degree in Oriental Studies. He also holds an MBA with distinction from Harvard Business School. Mr Sohmen-Pao is an Austrian citizen, and resides in Singapore.

Current directorships and senior management positions.......	*The Hongkong and Shanghai Banking Corporation Ltd (Hong Kong) (Non-Executive Director), The Esplanade Co Ltd (Singapore) (Board member), Singapore Sports Council (Singapore) (Council member), National Parks Board (Singapore) (Board member), BW Offshore Limited (Bermuda) (Non-Executive Director), Esprit Ventures Limited (Bermuda) (President), Newton Company S.A. (Panama) (Vice President and Treasurer), Skymark Company S.A. (Panama) (Vice President), and BW Group subsidiaries (subsidiary directorship).*
Previous directorships and senior management positions last five years	*Maritime and Port Authority of Singapore (Singapore) (Board member), Prosafe SE (Cyprus) (Board member), Rickmers Trust Management Pte Ltd (Singapore) (Independent Director), APL Plc (Cyprus) (Non-Executive Director) and BW Group subsidiaries (subsidiary directorship).*

Billy Chiu, Director

Billy Chiu joined BW in 1985 and has more than 25 years of experience in the shipping industry. He is currently Senior Vice President (Quality, Audit and Compliance) of BW Maritime. Mr Chiu has held numerous senior management positions in BW namely VP Commercial and Chief Operating Officer with responsibility for operations, manning, fleet systems and purchasing. Mr Chiu graduated from the University of Hong Kong with a Bachelor of Social Science degree, majoring in management studies and economics. Mr Chiu is a director of The Britannia Steam Ship Insurance Association Limited and The International Tanker Owners Pollution Federation Limited. Mr Chiu is a Singapore citizen, and resides in Singapore.

Current directorships and senior management positions.......	*The Britannia Steam Ship Insurance Association Limited (Director), The International Tanker Owners Pollution Federation Limited (Director) and BW Group subsidiaries (subsidiary directorship).*
Previous directorships and senior management positions last five years	*BW Group subsidiaries (subsidiary directorship).*

Michael Smyth, Director

Michael Smyth joined BW in 1996 and he has almost 20 years of experience in shipping, investment and property management, and accounting. Mr Smyth is head of Internal Audit for BW Group. Prior to joining BW, Mr Smyth worked for PricewaterhouseCoopers in both London and Bermuda. Mr Smyth is a Chartered Accountant (Institute of Chartered Accountants in Scotland) and has a BA (Hons) degree in Accounting and Finance from the University of Strathclyde. He is also a member of the Board of Governors and Treasurer of Mount Saint Agnes Academy (Bermuda). Mr Smyth is a British citizen, and resides in Bermuda.

Current directorships and senior management positions.......	*Berge Bulk Limited (Director), Berge Shipping Company Limited*

(Director), BC Enterprise Company S.A. (Director & President), BC Prosperity Company S.A. (Director & President), Berge Arctic Company S.A. (Director & President), Berge Phoenix Company S.A. (Director & President), Berge Fjord Company S.A. (Director & President), Berge Vik Company S.A. (Director & President), Davenport Company S.A. (Director & President), Kempford Company S.A. (Director & President), Marsnow Company S.A. (Director & President), Bureya Company S.A. (Director & President), Dillingham Company S.A. (Director & President), Groveneck Company S.A. (Director & President), Hillsboro Company S.A. (Director & President), Ridgely Company S.A. (Director & President), Gravenstein Company S.A. (Director & President), Berge Stahl Company S.A. (Director & President), Berge Vinson Company S.A. (Director & President), SG Enterprise Company S.A. (Director & President), SG Prosperity Company S.A. (Director & President), Berge Blanc Company S.A. (Director & President), Berge Bonde Company S.A. (Director & President), Berge Odel Company S.A. (Director & President), BW Sakura Company S.A. (Director & President), Amazonia Company S.A. (Director & President), Amur Company S.A. (Director & President), Ganges Company S.A. (Director & President), Risacua Company S.A. (Director & President), Berge Murray Company S.A. (Director & President), Berge Nile Company S.A. (Director & President), Berge Thames Company S.A. (Director & President), Berge Yangtze Company S.A. (Director & President), Berge Mauna Kea Company S.A. (Director & President), Berge Mauna Loa Company S.A. (Director & President), Berge Tai Shan Company S.A. (Director & President), Berge Heng Shan Company S.A. (Director & President), Berge Hua Shan Company S.A. (Director & President), Berge Song Shan Company S.A. (Director & President), Berge Aoraki Company S.A. (Director & President), Berge Lhotse Company S.A. (Director & President), Berge Kosciuszko Company S.A. (Director & President), Berge Everest Company S.A. (Director & President), Berge Hakodate Company Inc. (Director & President), Berge Daisetsu Company Inc. (Director & President), Berge Asahidake Company Inc. (Director & President), Berge Annupuri Company Inc. (Director & President), Berge Shari Company Inc. (Director & President), Berge Rishiri Company Inc. (Director & President), Berge Eiger Company Inc. (Director & President), Berge Kinabalu Company Inc. (Director & President), Berge Mawson Company Inc. (Director & President), Berge K2 Company Inc. (Director & President), Berge Makalu Company Inc. (Director & President), Berge Cho Oyu Company Inc. (Director & President), Berge Annapurna Company Inc. (Director & President), BW Bulk UK Company Limited (Director), Belokamenka Limited (Director), Berge Helene Limited (Director), Berge Okoloba Toru Limited (Director), Bergesen Worldwide Limited (Director), BW Ara Limited (Director), BW Carmen Limited (Director), BW Cidade de São Vicente Limited (Director), BW Endeavour Limited (Director), BW KMZ Limited (Director), BW Offshore Peregrino Limited (Director), BW Nisa Limited (Director), BW Offshore Shipholding Limited (Director), BW Pioneer Limited (Director), Sendje Berge Limited (Director), Akita Company Limited (Director), Ancona Investment Company Ltd. (Alternate Director), Aral Property Holdings Limited (Director), Aso Property Services Limited (Director & President), Beauchamp Investments Limited (Director), Beauchamp Property Investments Ltd. (Director & President), Brandt Company Limited (Director & President & Treasurer), BW Corporation Limited (Director), Cass Investments Limited (Director & Secretary), Cloverdale Company Limited (Director & President), Donna Investments Limited (Director & Secretary), Emory Nominees Limited (Director & President & Treasurer), Fidgewell Company Limited (Director & President & Treasurer), Fulton Company Limited (Director & President & Treasurer), Gamma Company Limited (Director & President), Hayburn Company Limited (Director & President & Treasurer), HC Accounting Services Ltd. (Director & President), Jason Nine Company S.A. (Director & Vice President), Jason Twelve Company S.A. (Director & Vice President), Lugano Private Services Company Limited (Director), Luna Transports (Bermuda) Limited (Director & President), Maritime Finance and Capital Corporation (Director & President & Treasurer), Opulent Company Limited (Director & President & Treasurer), Ormsbridge Company Limited (Director & President & Treasurer), Penfield Company Limited (Director & President & Treasurer), Phoenix Company Limited (Alternate Director), Tambourine

	Investments Limited (Director & President), Tauro Company Limited (Director), Wiseman Company Limited (Director & President), World-Wide Shipping (Bermuda) Limited (Director & President), World-Wide Shipping Group Limited (Director) and BW Group subsidiaries (subsidiary directorship).
Previous directorships and senior management positions last five years	*Berge Bulk Atlas Limited (Director), BW Offshore Limited (Alternate Director), Ancona Investment Company Ltd. (Alternate Director), Brandt Company Limited (Treasurer & Secretary), Como Financial Associates Inc., Ltd (Alternate Director), Emory Nominees Limited (Treasurer & Secretary), Fidgewell Company Limited (Vice President & Secretary), Fulton Company Limited (Secretary), Hayburn Company Limited (Treasurer & Secretary), Maritime Finance and Capital Corporation (Treasurer & Secretary), Opulent Company Limited (Secretary), Ormsbridge Company Limited (Secretary), Penfield Company Limited (Secretary), Phoenix Company Limited (Alternate Director), Tambourine Investments Limited (Vice President & Secretary), Wiseman Company Limited (Vice President & Treasurer), Ampbell Company Limited (Director, President, Treasurer & Secretary), Amston Company Limited (Director, President, Treasurer & Secretary), Asia Navigation International Limited (Director), Inter-Jason Company S.A. (Director & Vice President), Jason One Company S.A. (Director & Vice President), Jason Four Company S.A. (Director & Vice President), Jason Six Company S.A. (Director & Vice President), Jason Eleven Company S.A. (Director & Vice President), Viewgrand Company Limited (Director) and BW Group subsidiaries (subsidiary directorship).*

13.1.4 The New Board of Directors

Other than as stated, none of the members of the New Board of Directors hold any Shares. Set out below are brief biographies of the members of the New Board of Directors, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Board of Directors is or has been a member of the administrative, management or supervisory bodies or partner in the previous five years (not including directorships and management positions in subsidiaries of the Company).

Andreas Sohmen-Pao, Chairman

See information in Section 13.1.3 "Brief biographies of the Interim Directors" above.

John B Harrison, Vice Chairman

John B Harrison is currently an independent Non-Executive Director at AIA Group Limited, where he also serves as Chairman of the audit committee and a member of the risk committee. Mr Harrison retired in September 2010 as the former Deputy Chairman of public accounting firm KPMG International, where he had held key leadership positions having started in KPMG in 1977. Prior to 2008 Mr Harrison was Chairman of KPMG Asia Pacific Region and Chairman KPMG China for six years from 2003. Mr Harrison has been involved in all areas of banking, finance and aviation industries for many years. Mr Harrison was educated at Durham University in England, from which he graduated in 1977 with a Degree in Mathematics. Mr Harrison is a UK citizen, and resides in Hong Kong.

Current directorships and senior management positions.......	*BW Group Limited (Non-Executive Director), AIA Group (Non-Executive Director), The Hong Kong Exchanges and Clearing Ltd (Non-Executive Director), The London Metal Exchange (Non-Executive Director), The Hong Kong University of Science and Technology (Council member, Standing Committee and treasurer) and The Investment Advisory Committee of Australian Super Pty Ltd (Member).*
Previous directorships and senior management positions last five years	*The Inland Revenue of Hong Kong (Board member), KPMG International (Deputy Global Chairman), KPMG Asia Pacific and China and Hong Kong (Chairman) and Hong Kong Cricket Club (President).*

Dato' Jude P Benny, Director

Dato' Jude P Benny is a senior partner of Joseph Tan Jude Benny LLP in Singapore, an internationally recognised law firm. His practice areas include commercial and shipping litigation and arbitration, with specialization in civil litigation, shipping and admiralty law and insurance law. Dato' Jude P Benny is an Accredited Arbitrator in numerous Arbitration Institutions, including Singapore International Arbitration Centre, Singapore Chamber of Maritime Arbitration. He is a director of the Maritime Port Authority of Singapore and has been awarded both the D.I.M.P Medal by Malaysia in 2000 and Public Service Medal by the President of Singapore in 2013. Dato' Jude P Benny was educated at Queen Mary College at London University in England, from which he graduated with honours, and he was called to the bar in Singapore in 1983. Dato' Jude P Benny is a Singaporean citizen, and resides in Singapore.

Current directorships and senior management positions.......	*MP Corporate Secretarial Services Pte. Ltd. (Director), Lyre Investment Pte. Ltd. (Director), JTJB Resources Pte. Ltd. (Director), Kartright (Pte.) Ltd. (Director), The Maritime Port and Authority of Singapore (Director), Joseph Tan Jude Benny LLP (Partner), Seaborne Agencies Pte. Ltd. (Director), JTJB Myanmar Co. Ltd. (Director), Asia Conferences Ltd. (Director), JBC Solutions Sdn. Bhd. (Director) and Pacific Offshore Services Holdings Limited (Director).*
Previous directorships and senior management positions last five years	*Violino Shipping Pte. Ltd. (Director) and Singapore Maritime Foundation (Director).*

Anders Onarheim, Director

Anders Onarheim has extensive knowledge within management, business development and capital markets after holding the position of managing director in companies within the investment bank Carnegie Group for more than 16 years. He has previously worked internationally with Goldman Sachs and Merrill Lynch. He has held numerous board memberships within different investment firms. Anders Onarheim holds a MBA from Washington University in St. Louis, where he graduated in 1986. Mr Onarheim is a Norwegian citizen, and resides in Norway.

Current directorships and senior management positions.......	*AB Investment AS (Chairman), Spitsbergen AS (CEO and Board member), Reach Subsea ASA (Board member), Norwegian Crystal AS (Board member), Arkipel AS (Board member), Ly Forsikring AS (Board member) and Bio Active Foods AS (Chairman).*
Previous directorships and senior management positions last five years	*Carnegie ASA (CEO and Board member), D. Carnegie AB (CEO) and OE Eiendom AS (Chairman).*

Andreas Beroutsos, Director

Andreas Beroutsos is currently the managing partner of One Point Capital Management, a principal investing firm focusing on financial services, transportation and logistics and energy and power. He is also managing director of Navigos Capital Management, which focuses on investments in shipping. In addition, in 2013 Mr Beroutsos joined General Council of the Hellenic Financial Stability Fund as an independent member, working towards re-capitalization of Greek banks as part of the broader Greek Financial Assistance Program by the EU and IMF. Earlier Mr Beroutsos has been the partner and senior managing director at Eton Park Management, and held the position as director with McKinsey & Co in New York. In his 17 years there, he served as a senior leader of the Financial Institutions Group and co-founded and led the Global Private Equity practice. Mr Beroutsos was educated at Harvard University, from which he graduated in 1988 with high honours in Social Studies. He also holds an MBA with high honours from Harvard Business School from 1992. Mr Beroutsos is a Greek citizen and resides in United States.

Current directorships and senior management positions.......	*One Point Capital Management (Managing Partner), Navigos Capital Management (Managing Partner) and Hellenic Financial Stability Fund (Independent/Non-Executive member of the General Council (BoD)).*
Previous directorships and senior management positions last five years	*Eton Park Capital Management (Partner/Senior Managing Director).*

Anne Grethe Dalane, Director

Anne Grethe Dalane has been with Yara International ASA since 2003, currently as Business Process Owner, Sales. Prior to becoming Business Process Owner, Sales, Ms Dalane has assumed the positions as Head of Yara Latin America and Chief HR Officer within Yara International ASA. Prior to Yara International ASA, Anne Grethe Dalane worked for the Norsk Hydro group in various positions, including Head of Human Resources and VP Strategy. She has also served as director of various companies. Anne Grethe Dalane is a Certified Financial Analyst and holds a Masters degree from the Norwegian School of Economics and Business Administration in Bergen, Norway. Ms Dalene is a Norwegian citizen, and resides in Norway.

Current directorships and senior management positions.......	*Yara International ASA (Business Process Owner, Sales).*
Previous directorships and senior management positions last five years	*Abopac S.A. (Non-Executive Director), Hafslund ASA (Non-Executive Director), EDB Business Partner ASA (Non-Executive Director), Yara*

International ASA (Head of Yara Latin America) and Yara International ASA (Chief HR Officer).

13.2 Management

13.2.1 Overview

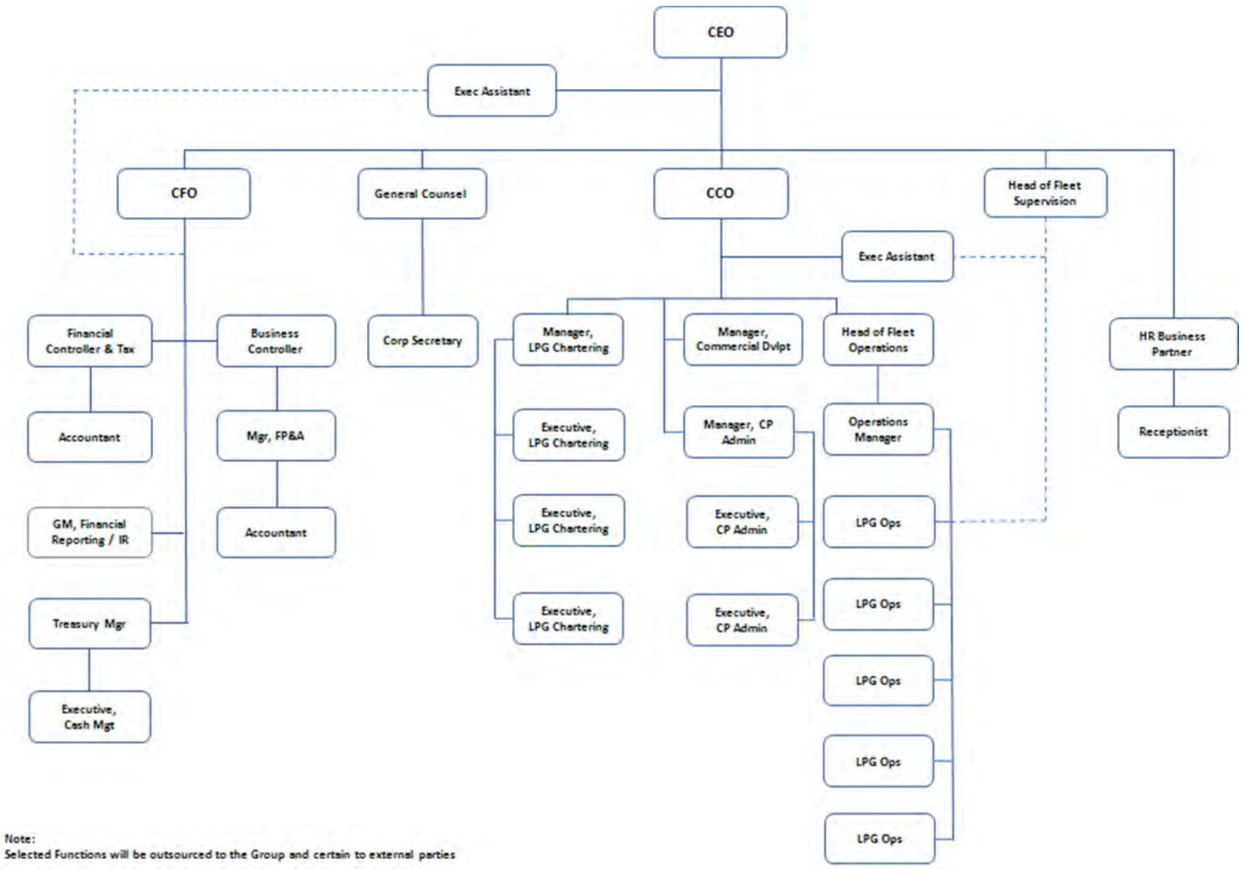
The Company's senior management team consists of four individuals. As at the date of this Prospectus, no member of Management holds any Shares, options or other rights to acquire Shares, except as set out in Section 13.3.3 "Bonus and Share incentive program for Management".

The names of the members of Management as at the date of this Prospectus, and their respective positions, are presented in the table below:

Name	Current position within the Group	Employed with the Group since
Nicholas Murray Gleeson	Chief Executive Officer	2013
Andrew Charles Hoare	Chief Commercial Officer	2003
Vijay Kamath	Chief Financial Officer	2013
Sugato Roy	Head of Fleet Supervision	2013

The Company's registered office address at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, serves as the business address for the members of Management in relation to their employment with the Company.

The following chart sets out the Management's organisational structure:



13.2.2 Brief biographies of the members of Management

Set out below are brief biographies of the members of Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Nicholas Murray Gleeson, Chief Executive Officer

Nicholas Murray Gleeson will be employed with the Company as Chief Executive Officer with effect from the Listing. Nicholas Murray Gleeson re-joined BW as Group CFO in April 2012, having previously spent two years as CFO at BW Gas from 2008 to 2009. As Group CFO in BW he was responsible for the Accounting, Controlling, Finance, and IT departments of BW Maritime and BW Gas. Mr Gleeson has over 20 years of business experience in CFO and other senior finance roles with listed and unlisted multinationals including Philips Electronics, Compagnie Financiere Tradition, and Miclyn Express Offshore, prior to BW Group. He earned his chartered accountancy whilst working for KPMG in Sydney, Australia. Mr Gleeson was educated at the Australian National University, from which he graduated in 1994 with a Bachelor of Commerce in Accounting. He also holds an MBA from INSEAD and is an Australian Chartered Accountant. Mr Gleeson is an Australian citizen, and resides in Singapore.

Current directorships and senior management positions.......	*Business Control Services Pte Ltd (Director) and BW Group subsidiaries (subsidiary directorship).*
Previous directorships and senior management positions last five years	*Jamlet Pte Ltd (Director), Ivory Horse Pte Ltd (Director), Miclyn Express Offshore Ltd group of companies (subsidiary directorships) and Primepoint Ltd group of companies (subsidiary directorships).*

Andrew Hoare, Chief Commercial Officer

Andrew Hoare will be employed with the Company as Chief Commercial Officer with effect from the Listing. He joined BW in 2003 and was previously Vice President, Commercial and Operations in BW Maritime Pte Ltd where he was responsible for the chartering and sales and purchase (S&P) strategy of the company, and identifying new shipping projects and investment opportunities. Andrew Hoare manages key customer accounts. He also oversees operations and charter party administration to ensure efficient and cost-effective operation of BW's vessels. Previously, Andrew Hoare was with Clarksons Plc from 1992 to 2001, where he left as Director of Clarksons Asia Ltd, a position based in Hong Kong. Mr Hoare received a Masters in Arts (Honors) in Management with International Relations from the University of St Andrews, Scotland, and a Master of Business Administration from Ashridge Management College, UK. Andrew Hoare is a Fellow of the Institute of Chartered Shipbrokers. Mr Hoare is a British citizen, and resides in Singapore.

Current directorships and senior management positions.......	*BW Group subsidiaries (subsidiary directorship).*
Previous directorships and senior management positions last five years	*BW Group subsidiaries (subsidiary directorship).*

Vijay Kamath, Chief Financial Officer

Vijay Kamath will be employed with the Company as Chief Financial Officer with effect from the Listing. Vijay Kamath has strong experience in the global marine and offshore industry. He has built up 20 years of cross-functional expertise in banking, financial management, sales management, commercial and business development. Mr Kamath was previously Senior Vice President & Chief Commercial Officer at FSL Asset Management Pte Ltd. In the 5 years with FSL, he held both commercial and financial responsibilities and was involved in fleet refinancing, raising equity capital, as well as arranging various vessel maritime investment transactions. Mr Kamath also spent 3 years at the National Bank of Fujairah (Dubai) spearheading the Bank's entry into Marine Finance in the UAE and GCC from 2005 – 2008, and was Head of International Banking & Special Projects with Essar Shipping Limited (Mumbai) from 1993 – 2005. He holds a Master of Management Studies and Bachelor of Science from Goa University, India. Mr Kamath is a Singaporean citizen, and resides in Singapore.

Current directorships and senior management positions.......	-
Previous directorships and senior management positions last five years	*FSL Asset Management Pte Ltd (Senior Vice President & Chief Commercial Officer).*

Sugato Roy, Head of Fleet Supervision

Sugato Roy will be employed with the Company as Head of Fleet Supervision with effect from the Listing. Mr Roy has 27 years of experience in the shipping industry, having built up extensive sailing experience on sea and ship management experience on shore. He started his career as an Engineer onboard vessel with World Wide Shipping Pte Ltd in 1990, moving up the ranks to Chief Engineer and subsequently taking on the role of Technical Superintendent in 2001. In 2005, Sugato Roy joined Navig8 Ship Management as Head of Technical Operations where he played an integral role in setting up their Ship Management division in Singapore. There, he spearheaded technical operations for 24 product, chemical and crude oil tankers, negotiated and administered bulk contracts with major vendors, and implemented several new-building projects including yard selection and project management. He is a member of the

Lloyds Register South East Asia Technical Committee and American Bureau of Shipping South East Asia Regional Committee. Mr Roy is a Singaporean citizen, and resides in Singapore.

Current directorships and senior management positions....... Priya Entertainments Pvt Ltd, India (Honorary Director).
Previous directorships and senior management positions last five years .... -

13.3 Remuneration and Benefits

13.3.1 Remuneration of the Board of Directors

No remuneration was paid to the Interim Directors in 2012.

13.3.2 Remuneration of Management

The Board of Directors has established guidelines for the remuneration of the members of the Management. It is a policy of the Company to offer the Management competitive remuneration based on current market standards, company and individual performance. The remuneration consists of the basic salary element as set out below, combined with a performance based bonus program and participation in the share incentive program described in Section 13.3.3 "Bonus and Share incentive program for Management". The Management participates in the Company's insurances and medical coverage, and is entitled to certain fringe benefits, such as telephone and newspaper. The Company may, in the future, make individual agreements for early retirement for individuals in the Management.

The actual remuneration paid in 2012 by BW Group for Nicholas Gleeson and Andrew Hoare was approximately USD 579,482 in total.

Name	Salary	Bonus[2]	Other benefits	Pensions benefits	Total remuneration
Nicholas Murray Gleeson[1].....................................	236,445	-	6,019	8,678	251,143
Andrew Hoare	270,400	38,680	8,379	10,880	328,339

1 Nicholas Murray Gleeson was not employed for the full year in 2012.
2 Performance bonus for 2012 was paid in Q1 2013

The annual remuneration to the current members of the Management is approximately USD 1,582,095 in total. The table below sets out the current annual remuneration to the current members of the Management with effect from the Listing (in USD).

Name	Salary	Guaranteed bonus[1]	Other benefits	Pensions benefits	Total remuneration
Nicholas Murray Gleeson (Chief Executive Officer)...	364,000	168,000	8,735	10,880	551,615
Andrew Hoare (Chief Commercial Officer)..............	291,200	67,200	8,379	10,880	377,659
Vijay Kamath (Chief Financial Officer)	283,400	65,400	7,690	10,880	367,370
Sugato Roy (Head of Fleet Supervision)	218,400	50,400	5,771	10,880	285,451

1 In addition to the guaranteed bonus, all members of the Management may receive a discretionary variable bonus payable in Q1 2015 and yearly thereafter.

13.3.3 Bonus and Share incentive program for Management

In connection with the Offering, the Group entered into an agreement with the Chief Executive Officer, Nicholas Gleeson, whereby, upon listing of the Company, he will receive Shares, with price per Share determined based on the net asset value of the Group immediately prior to listing, equivalent in value to six months of his annual salary. The agreement also provides for the possibility of a performance bonus of up to the equivalent in value of six months of his annual salary, which will be settled in the following manner:

- payable in cash in Singapore dollars, if equivalent in value to two months or less of his annual salary; and

- payable half in Shares, valued at the volume weighted average share price quoted on the Oslo Stock Exchange in the 90-day period prior to the date of the award, and half in cash in Singapore dollars, if equivalent in value to greater than 2 months of his annual salary.

In connection with the Offering, the Group entered into agreements with the Chief Commercial Officer, Andrew Hoare, the Chief Financial Officer, Vijay Kamath, and the Head of Fleet Supervision, Sugato Roy, whereby, upon listing of the

Company, each will receive Shares, with price per Share determined based on the net asset value of the Group immediately prior to listing, equivalent in value to three months of their respective annual salaries.

The Shares awarded to the members of the Management are subject to a one-year holding period.

These bonuses will be accounted for by the Group under IFRS 2 Share-based payments in the following manner:

- Recognised as an expense in the profit and loss of the Group for Shares issued upon listing of the Company, measured at the fair value of the Shares on the date of each agreement.

- Recognised as an expense in the profit and loss of the Group on the date of each agreement to the vesting date, measured at the expected value of the award.

Other than the share incentive program described above, there are no other share purchase arrangements in place for any employee of the Group.

13.4 Benefits Upon Termination

No employee, including any member of Management, has entered into employment agreements which provide for any special benefits upon termination. None of the members of the Board of Directors or the nomination committee have service contracts and none will be entitled to any benefits upon termination of office.

13.5 Pensions and Retirement Benefits

The Company has no pension or retirement benefits for its directors (neither the Interim Directors nor the new Directors) nor Management members outside of the Singapore statutory defined contribution pension scheme for Singaporeans and Singapore Permanent Residents under the Central Provident Fund Act (Chapter 36).

13.6 Loans and Guarantees

The Company has not granted any loans, guarantees or other commitments to any of its Directors or to any member of Management.

13.7 Employees

As at the date of the Listing, the Group is expected to have 33 employees and these will be based in Singapore. In addition, the Group will engage approximately 770 seafarers (approximately 43% officers and 57% ratings) pursuant to the terms of ship management agreement with BWFM as specified in Section 16.3 “Continuing Agreements”.

Prior to the Reorganisation, the LPG business was part of the BW Group and thus shared resources with BW Group, and this sharing included employees.

Manning policy

The Group considers the personnel onboard to be a key resource for achieving its overall objective of maintaining and strengthening its position as one of the major independent shipping companies in the world. Hence it is the Group’s policy to maintain and improve the personnel’s qualifications with regard to:

- Basic knowledge of trade and industry

- Special requirements of their position

- Understanding of the Group’s policies

- Adherence to the Group and industry regulations and routines

- Ability to communicate, give feedback and work in a team

- Ability to make decisions and make corrective actions when required

- Represent the Group to the satisfaction of customers and authorities

This will be achieved by:

- Maintaining a Group manning policy with a clear, unbroken line of responsibility
- Stability, continuity and predictability of the manning policy
- Careful selection of personnel
- Motivating personnel to understand their contribution to Group objectives
- Training personnel during work onboard, through courses and Company conferences ashore
- Encouraging all personnel to pursue education and training
- Encouraging personnel to care for their health and safety

Employment agreement

Every person working on board the Group's vessels as regular crew or trainees must have an employment agreement. This agreement must state the wages and conditions that have been agreed upon, either with a reference to a CBA or as an individual contract stating basic wages and O/T rates. Any dispute related to the employment conditions or the seafarer's service onboard shall be subject to legislation stated in the employment agreement

13.8 Nomination Committee

The Company has, in line with the recommendations in the Corporate Governance Code, appointed a nomination committee, which consists of three members elected by the general meeting, effective as at 1 January 2014. The nomination committee comprises Mr Andreas Sohmen-Pao (chairman), Mr Ronny Langeland and Ms Mai-Lill Ibsen.

The nomination committee is responsible for nominating persons for election as directors, providing recommendations on the suitability of candidates for election as a director and to make recommendations for remuneration of the directors.

13.9 Audit Committee

The Company has, in line with the recommendations in the Corporate Governance Code, appointed an audit committee, which consists of two members of the Board of Directors. The audit committee comprises Mr John Harrison (chairman) and Mr Anders Onarheim. The members of the audit committee shall serve while they remain members of the Board of Directors, or until the chairman decides otherwise or they wish to retire.

The primary purposes of the audit committee are to:

- assist the Board of Directors in discharging its duties relating to the safeguarding of assets; the operation of adequate system and internal controls; control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, corporate governance and accounting standards; and
- provide support to the Board of Directors on the risk profile and risk management of the Company.

The audit committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

13.10 Remuneration Committee

The Board of Directors has, in line with the recommendations in the Corporate Governance Code, established a remuneration committee amongst the members of the Board of Directors. The remuneration committee comprises Ms Anne Grethe Dalane (chair) and Dato' Jude P Benny. The members of the remuneration committee shall serve while they remain members of the Board of Directors, or until the chairman decides otherwise or they wish to retire. Any remuneration of the remuneration committee is to be decided by the general meeting.

The primary purpose of the remuneration committee is to prepare guidelines for the remuneration of the Management and prepare for the discussion of the Board of Directors of specific remuneration matters and prepare matters relating to other material employment issues in respect of the Management.

13.11 Corporate Governance

The Company has adopted and implemented a corporate governance regime which complies with the Corporate Governance Code, with the following exceptions:

Deviation from section 2 "Business": In accordance with common practice for Bermuda incorporated companies, the Company's objects as set out in the memorandum of association are wider and more extensive than recommended in the Corporate Governance Code.

Deviation from section 3 "Equity and dividends": Pursuant to Bermuda law and common practice for Bermuda incorporated companies, the Board of Directors has wide powers to issue any authorised but unissued shares on such terms and conditions as it may decide, subject to any resolution of the Company's shareholders to the contrary. The Board of Directors has wide powers to provide for the issuance of any preference shares or class of preference shares may as may establish the preferred, deferred or other special rights or such restrictions, whether with regard to dividend, voting, return on capital, or otherwise, subject to prior approval for the issuance of the shares is given by resolution of the shareholder in a general meeting.

Deviation from section 5 "Freely negotiable shares": The Shares are freely negotiable and the Company's constitutional documents do not impose any transfer restrictions on the Shares other than as set out below. The Bye-laws include a right for the Board of Directors to decline, to register the transfer of any Share in the register of members, or instruct any registrar appointed by the Company to decline, to register the transfer where such transfer would result in 50% or more of the Shares or votes being held, controlled or owned directly or indirectly by individuals or legal persons resident for tax purposes in Norway or connected to a Norwegian business activity or the Company otherwise being deemed a "Controlled Foreign Company" as defined pursuant to Norwegian tax legislation. The purpose of this provision is to avoid that the Company is deemed a "Controlled Foreign Company". The fact that BW Group, which is a Bermuda incorporated company, will own more than 50% of the Shares at the time of the Listing should mean that this provision will not impact the free trading of the Shares.

Deviation from section 6 "General Meetings": The Chairman of the Board of Directors will chair the Company's general meetings unless otherwise resolved by majority vote. This is mainly due to the fact that the Bye-laws of the Company provide, as is common under Bermuda law, that the Chairman of the Board of Directors shall, as a general rule, chair the general meetings.

Deviation from section 7 "Nomination committee": The members of the Company's nomination committee have been elected with effect from 1 January 2014.

13.12 Conflicts of Interests etc.

During the last five years preceding the date of this Prospectus, none of the members of the Board of Directors and the Management has, or had, as applicable:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, director or senior manager of a company.

BW Group, the parent company of BW LPG, is approximately 93% owned by a company controlled by corporate interests associated with the Sohmen family. The Chairman of the Board of Directors, Andreas Sohmen-Pao, is a member of the Sohmen family, and he is also the CEO of BW Group. Further, John B Harrison is a member of the board of directors of BW Group. There are currently no other actual or potential conflicts of interest between the Company and the private interests or other duties of any of the members of the Management and the Board of Directors, including any family relationships between such persons.

14 THE SELLING SHAREHOLDER

The Selling Shareholder is BW Group. The registered address of the Selling Shareholder is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. BW Group is the parent company in one of the world's leading maritime groups in the tanker, gas and offshore segments, operating a fleet of 108 owned, part-owned or controlled vessels, as at the date of this Prospectus.

BW Group is a privately held company, owned as to 93.25% by the Sohmen family interests, that exercises active ownership over a portfolio of assets, including Oil and Product Tankers, LNG (liquefied natural gas) carriers, and other maritime and related assets, in addition to its 100% ownership of BW LPG Ltd at the date of this prospectus. It is also the single largest shareholder in Oslo Stock Exchange-listed BW Offshore Limited, an owner-operator of Offshore floating production and storage vessels, in which it holds approximately 49.75% of the issued capital.

As at the date of this Prospectus, the Selling Shareholder holds 100,000,000 Shares in the Company, corresponding to 100% of the issued and outstanding Shares.

Assuming that all the Offer Shares are sold and issued in the Offering, and that no Additional Shares are sold, BW Group will retain a shareholding in the Company of approximately 55%. If the Over-Allotment Option is exercised in full by the Joint Lead Bookrunners, and the maximum number of Additional Shares which may be sold pursuant to the Over-Allotment Option is sold, BW Group's shareholding in the Company following such sale will amount to approximately 45%.

Pursuant to the Purchase Agreement, the Selling Shareholder will enter into a lock-up agreement with the Joint Lead Bookrunners pursuant to which it will undertake that it will not, during a period ending 180 days after the date of the Purchase Agreement, make certain dispositions in respect of the Shares without the prior written consent of the Joint Lead Bookrunners (on behalf of the Managers). See Section 20.16 "Lock-up".

15 THE REORGANISATION

15.1 Overview of the Reorganisation and Preparations for the Listing

To prepare BW LPG for the Listing, a reorganisation (the "**Reorganisation**") was undertaken with the primary purpose being to transfer all assets and liabilities relevant to the continuing LPG business of BW Group into subsidiaries of BW LPG, the parent company of the listed group. On 9 July 2013, the Company incorporated BW Woodlands Pte Ltd (renamed as BW LPG Pte Ltd on 29 August 2013), as a wholly owned subsidiary in Singapore. On 17 September 2013, BW LPG Pte Ltd entered into a sale and purchase agreement with BW Gas AS (a fellow subsidiary of the Company) to acquire the entire equity interest of BW Green Transport AS and BW Green Carriers AS for a cash purchase consideration of USD 2 which is entirely satisfied by accounts payable by BW LPG Pte Ltd to BW Gas Cyprus Limited.

The transactions, which have been carried out on commercial terms, include:

(i) The acquisition by BW LPG and its subsidiaries of shares in the following companies (please see Section 15.2 "Transfer of Shares in Subsidiaries" below):

- a) BW Cyan Limited (owner of BW Boss, BW Helios, BW Nice and BW Nantes)
- b) KS Havgas Partners (owner of BW Havis)
- c) PR Bergesen d.y. Shipping DA (owner of BW Havfrost)
- d) AS Havgas Partners (general partner of KS Havgas Partners)
- e) BW Green Carriers AS (VLGC pool operator)
- f) BW Green Transport AS (LGC/MGC pool operator)

(ii) The acquisition by BW LPG Holding Limited of shares in the companies owned by BW LPG (please see Section 15.2 "Transfer of Shares in Subsidiaries" below).

(iii) The sale by BW LPG of shares in the following companies (please see Section 15.2 "Transfer of Shares in Subsidiaries" below):

- a) BW GMC Investments Limited (previously known as BW Captain Limited), a company which is not involved in the LPG business
- b) BW LNG Investments Pte Ltd, a company which is not involved in the LPG business
- c) BW Danuta Limited, a company which owns the vessel BW Danuta, sold and scheduled for delivery to third party buyers in mid-November 2013

(iv) The forward-dated sale by BW LPG of the vessel BW Hermes to a subsidiary of BW Group outside BW LPG pursuant to a Memorandum of Agreement dated 3 September 2013, to be completed within 2013 at a price net of transactions costs equal to the carrying value of the asset in the 31 August 2013 balance sheet of BW LPG.

(v) The incorporation of the following new companies:

- a) BW LPG Partners Pte Ltd (Singapore)
- b) BW LPG AS (Norway)
- c) BW LPG Partners AS (Norway)
- d) BW LPG Holding Limited (Bermuda)

15.2 Transfer of Shares in Subsidiaries

The table below sets out an overview of the share transfers by which the subsidiaries and associated companies that form part of the LPG business were or will be transferred:

Company:	Transferor:	Transferee:	Ownership share:
BW Cyan Limited.	BW LPG	BW LPG Holding Limited	100.00%
KS Havgas Partners	BW LPG I AS	BW LPG Partners AS	62.50%
PR Bergesen d.y. Shipping DA	BW LPG I AS	BW LPG Partners AS	86.17%
AS Havgas Partners	BW LPG I AS	BW LPG Partners AS	100.00%
BW Green Transport AS	BW Gas AS	BW LPG Pte Ltd	100.00%
BW Green Carriers AS	BW Gas AS	BW LPG Pte Ltd	100.00%
BW Gas LPG Limited	BW LPG	BW LPG Holding Limited	100.00%
BW Gas LPG Chartering Limited	BW LPG	BW LPG Holding Limited	100.00%
BW Borg Limited	BW LPG	BW LPG Holding Limited	100.00%
BW Prince Limited	BW LPG	BW LPG Holding Limited	100.00%
LPG Transport Service Ltd	BW LPG	BW LPG Holding Limited	100.00%
BW Princess Limited	BW LPG	BW LPG Holding Limited	100.00%
BW Lord Limited	BW LPG	BW LPG Holding Limited	100.00%
BW Austria Limited	BW LPG	BW LPG Holding Limited	100.00%
BW Loyalty Limited	BW LPG	BW LPG Holding Limited	100.00%
BW Liberty Limited	BW LPG	BW LPG Holding Limited	100.00%
BW LPG Partners Pte Ltd	BW LPG	BW LPG Holding Limited	100.00%
BW LPG Pte Ltd	BW LPG	BW LPG Holding Limited	100.00%
BW GMC Investments Limited	BW LPG	BW Gas	100.00%
BW LNG Investments Pte Ltd	BW LPG	BW Gas LNG Holding Limited	100.00%
BW Danuta Limited	BW LPG	BW Gas	100.00%

All of the above transfers were made by way of share sales against cash consideration at their estimated market value. All formalities in respect of the share transfers have been completed. The shares are sold on an “as is” basis.

15.3 Relationships with BW Group

In preparation for the listing, in order to continue arrangements whereby BW Group and its subsidiaries have provided various services to the LPG business, the Group has entered into support agreements and a ship management agreement with BW Group. Further information on these arrangements is provided in Section 16 “Related Party Transactions”.

15.4 General & Administrative Expenses Following the Reorganisation

Prior to the Reorganisation, general & administrative expenses comprised external statutory and professional fees, as well as fees paid to related companies for the provision of corporate service functions (such as Finance, Tax, Legal, Insurance, Information Technology, Human Resources and Facilities) to the Group. For a discussion of historical general & administrative expenses, see Section 11.2 “Factors Affecting the Group’s Results of Operations”.

Following the Reorganisation, general & administrative expenses will comprise direct costs (such as staff costs and department costs) and common office costs, as well as costs related to a series of support agreements and a ship management agreement with BW Group and its subsidiaries. Direct costs and common office costs are estimated to be between USD 9 million and USD 10 million. Costs related to services provide by BW Group and its subsidiaries are described as below.

- Pursuant to a corporate services agreement dated 4 November 2013, the Group expects to pay a fee of approximately USD 5.1 million in 2014 to BW Maritime Pte Ltd, a subsidiary of BW Group. In future years, the fee may increase or decrease depending on the services that the Group chooses to purchase from BW Maritime Pte Ltd.

- Pursuant to a ship management agreement dated 4 November 2013, the Group will pay a fee of USD 280,000 per annum for each vessel (subject to adjustments annually) except for Berge Summit where the fee will be USD 510,000 per annum. In addition, newbuilding supervision fees for the Group’s six newbuilding vessels are subject to a budget to be agreed between the Group and BWFM.

Further information on these arrangements is provided in Section 16 “Related Party Transactions”.

16 RELATED PARTY TRANSACTIONS

This Section provides information about the sole shareholder of the Company, BW Group, and certain transactions which the Company is, or has been, subject to with its related parties during the three years ended 31 December 2012, 2011 and 2010 and up to the date of this Prospectus. For the purposes of the following disclosures of related party transactions, "related parties" are those parties that are considered as related parties of the Company and "related party transaction" is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged, pursuant to IAS 24 "Related Party Disclosures".

16.1 General

At the date of this Prospectus, BW Group is the sole shareholder of the Company. BW Group is controlled by Sohmen family interests. Companies controlled by Sohmen family interests other than BW LPG and its subsidiaries are for the purpose of this Section 16 considered to be related parties of BW LPG, and are in this Section 16 referred to as "BW Group and its subsidiaries".

BW Group provides a range of services to its subsidiaries, including general management and oversight, strategy, corporate development, fleet management, crewing agency, newbuilding design and supervision, infrastructure project design and execution, vessel inspection, information technology (shore and fleet), corporate finance and treasury, accounting and financial control, management reporting and analysis, human resources, communications and branding, legal, corporate secretarial, and insurances.

The table below sets out the related party transactions that impact the income statement which place between the combined Group and related parties for the six month periods ended 30 June 2013 and 2012, for the years ended 31 December 2012 and 2011 and for the year ended 31 December 2010 at terms agreed between the parties.

In USD thousand	**Combined six months ended 30 June**		**Combined year ended 31 December**		**Consolidated year ended 31 December**
	2013 *(unaudited)*	**2012** *(unaudited)*	**2012** *(audited)*	**2011** *(audited)*	**2010** *(audited)*
Interest expense paid to fellow subsidiaires	1,285	539	1,717	5,077	976
Support service fees expenses paid to ultimate holding corporation	647	348	920	900	116
Support service fees expenses paid to related companies	289	355	584	634	-
Commercial fee expenses paid to fellow subsidiaries......	2,305	2,300	4,771	3,123	-
Ship management fee expenses paid to fellow subsidiaries......	5,337	4,177	9,176	4,401	1,044
Total related party transactions that impact the income statement	**9,863**	**7,719**	**17,168**	**14,135**	**2,136**

These services are typically centralized within the BW Group to benefit from economies of scale. Services are charted-out within the group on rates determined on an arms' length basis, to satisfy fiscal requirements and designed to be efficient in terms of external benchmark cost levels.

The Group had outstanding accounts with BW Group and its subsidiaries at 30 June 2013 and 2012 amounting to USD 130 million and USD 127 million, respectively, as described in Note 8 to the Combined Interim Financial Statements, and at 31 December 2012 amounting to USD 128 million as described in Note 19 to the Combined Financial Statements for 2012, see Section 10 "Selected Financial and Other Information". Payments made between the Group and BW Group and its subsidiaries in the first six months of 2013 and 2012 amounting to USD 130 million and USD 127 million, respectively, are described in Note 8 to the Combined Interim Financial Statements, and payments made between the Group and BW Group and its subsidiaries in 2012 and 2011 amounting to USD 128 million and USD 95 million, respectively, are described in Note 19 to the Combined Financial Statements for 2012.

BW LPG and its consolidated subsidiaries had outstanding accounts with BW Group and its subsidiaries at 31 December 2010 amounting to USD 94 million as described in Note 15 to the Consolidated Financial Statements for 2010. Payments made between BW LPG and its consolidated subsidiaries and BW Group and its subsidiaries in 2010 amounting to USD 27 million are described in Note 19 to Consolidated Financial Statements for 2010.

16.2 The Reorganisation

The Group has entered into a number of transactions with BW Group and its subsidiaries to prepare BW LPG for the Listing. Those transactions are described in Section 15 “The Reorganisation”.

16.3 Continuing Agreements

General

The Company has entered into a series of support agreements and a ship management agreement with BW Group and its subsidiaries. Under these agreements, the Group will continue to receive certain services subsequent to successful consummation of the Offering, consistent with a subset of services already in place prior to the offering. The costs for these services have been determined on an arm’s length basis, designed to be broadly consistent with the costs charged historically for similar services provided by BW Group and its subsidiaries.

Corporate Services Agreement

Pursuant to a corporate services agreement dated 4 November 2013 (the “**Corporate Services Agreement**”), BW Maritime Pte Ltd, a subsidiary of BW Group, will provide to the Group certain services on arm’s length terms. These services include provision of Office Space & Facilities, Communication & Branding Services, Quality Management Services, Corporate Secretarial Services, Finance and Transactional Accounting Services, Insurance Agency Services, Human Resources Services, Information Technology Services and Corporate Development Services.

The Group will internalize its legal and commercial activities including operations and charter party administration services. Additionally, the Group plans to internalise corporate secretarial services within a year of the consummation of the Offering.

The Corporate Services Agreement includes terms and conditions typical to arm’s-length arrangements of the same nature for the same or similar services. The Corporate Services Agreement may be terminated by either party serving the required notice period as set forth in the respective area of service or if it is silent not less than 90 days written notice.

Financial consolidation and reporting are not outsourced, and transactional accounting - such as accounts payable and receivable management - of the business will be outsourced to BW Group.

The Group will operate on a shared information technology infrastructure platform with BW Maritime Pte Ltd with appropriate segregation of functions and duties, and security arrangements in place to maintain confidentiality and to protect the interests of its shareholders.

Ship Management Agreement

Pursuant to a ship management agreement dated 4 November 2013 (the “**Ship Management Agreement**”), BWFM, a subsidiary of BW Group, will provide the Group with the following services on arm’s length terms: technical management, crew management, newbuilding, projects and vessel inspections, and related services. According to the terms of the agreement, the Group will pay:

- a ship management fee of USD 280,000 per annum for each vessel (except for Berge Summit where the fee is USD 510,000 per annum) (subject to adjustments annually); and
- incidental expenses incurred in relation to newbuilding, drydocking, and sales & divestment activites such as inspections, on a reimbursement basis; and
- actual costs of owner-approved capital expenditures and improvements on a reimbursement basis.

The Ship Management Agreement has been entered into using a standard BIMCO template, with terms and conditions typical to arm’s-length arrangements of the same or similar nature, and provide for termination with six months’ notice by either party, with a 90 days’ termination fee if terminated by the Group.

The Group has employed a Head of Fleet Management Supervision, with responsibility to oversee services performed under the Ship Management Agreement, and to ensure that the cost and quality of services obtained under these agreements meet the long-term objectives of the business including maximizing shareholder value.

Trademark Agreement

The Company is granted a royalty-free license pursuant to a trademark agreement dated 28 October 2013 to use the names and marks "Bergesen Worldwide" and "BW", and other combinations of these names and marks (the "**Marks**") in connection with the Company's LPG business and services related thereto. The rights include using the Marks for itself, its subsidiaries and its assets including, but not limited to, its vessels. This license is granted for an initial term of five years from the Listing, and will be automatically renewed on an annual basis for an additional year, subject, among others, to BW Group maintaining a shareholding of at least 30% in BW LPG, and remaining the largest shareholder in BW LPG.

Non-Compete Agreement

BW Group and the Group have entered into a non-compete agreement dated 28 October 2013 whereby BW Group undertakes not to be engaged in, provide services to, or in other way to assist with any business which is in competition with BW LPG in the maritime transportation of LPG and ammonia for a period of three years from the date of the agreement.

16.4 Counter Indemnity Agreement

Since 2008, two BW Group companies, BW Gas Limited and BW Gas As, have entered into a number of guarantees in favour of third parties pursuant to which a variety of obligations relating to charterparty and loan transactions entered into by BW LPG companies have been guaranteed. On 23 October 2013, BW LPG Holding Limited executed a counter indemnity agreement with BW Gas Limited and BW Gas AS pursuant to which BW LPG Holding Limited agreed to indemnify those companies against any liabilities arising under the thirteen guarantees specified in the counter indemnity agreement.

17 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARE CAPITAL

The following is a summary of certain corporate information and material information relating to the Shares and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Company's memorandum of association, Bye-laws and applicable Norwegian and Bermuda law in effect as at the date of this Prospectus, including the Bermuda Companies Act. The summary does not purport to be complete and is qualified in its entirety by the Company's memorandum of association, Bye-laws and applicable law.

17.1 Company Corporate Information

The Company's registered name is BW LPG Limited. The Company was incorporated on 21 August 2008 by BW Gas as an exempted company limited by shares under the laws of Bermuda and in accordance with the Bermuda Companies Act. The Company changed its name from BW Gas LPG Holding Limited to BW LPG Limited on 3 September 2013. The Company's registration number is 42302. The Company's registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, telephone: + 1 (441) 295-5950 and telefax: +1 (441) 292-4720. The Company's website is www.bwlpg.com. Neither the content of www.bwlpg.com nor of the Group's other websites, is incorporated by reference into or otherwise forms part of this Prospectus.

17.2 Legal Structure

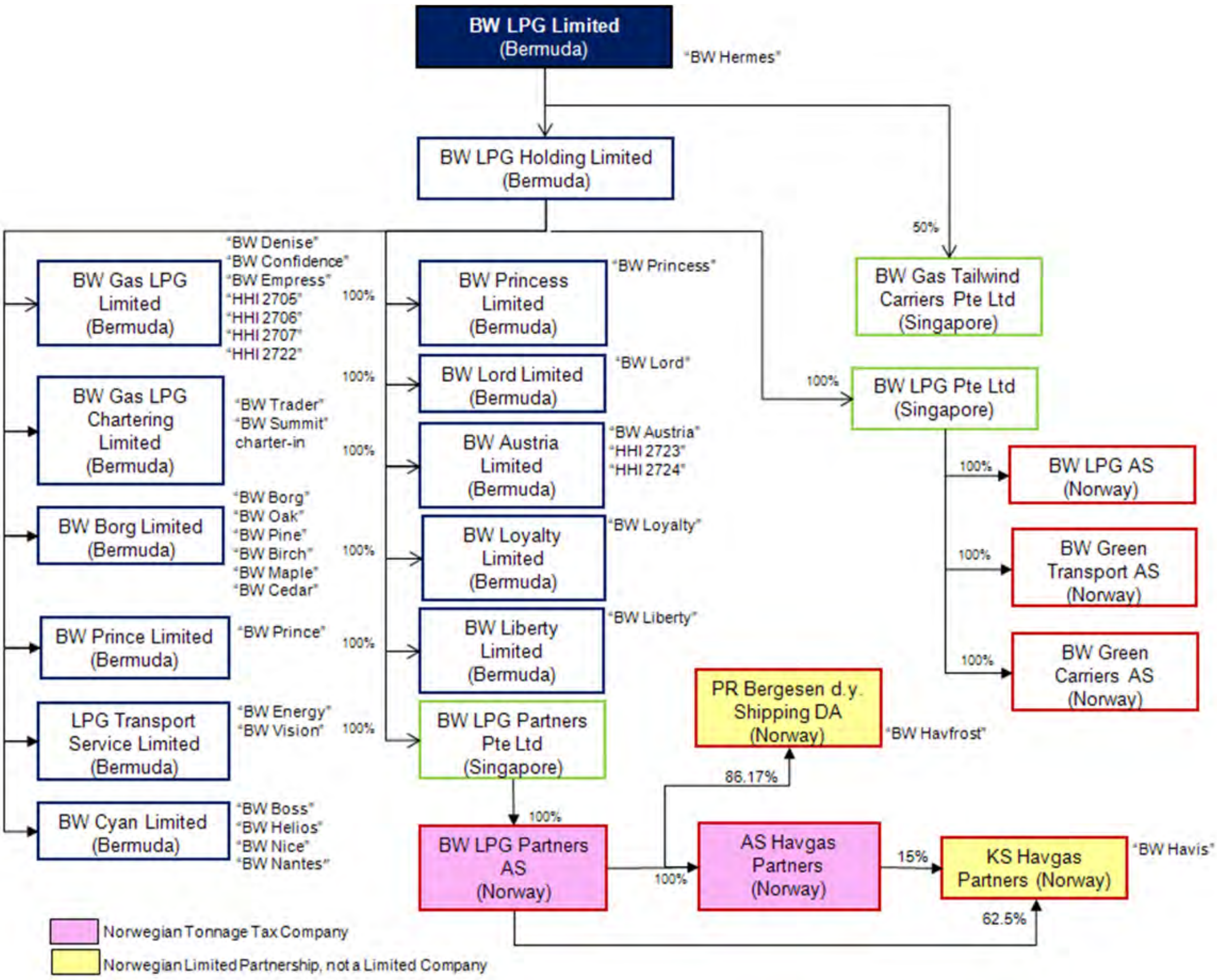
The Company, the parent company of the Group, is a holding company and the operations of the Group are carried out through the operating subsidiaries of the Company.

The following table sets out information about the entities in which the Group, as at the date of this Prospectus, holds (directly or indirectly) more than 10% of the outstanding capital and votes.

Company	Country of Incorporation	Field of Activity	Registered Office	% Holding:
BW LPG Partners AS	Norway	Investment & Holding	Professor Kohts vei 5, N-1366 Lysaker, Norway	100.00
KS Havgas Partners	Norway	Shipowning	Professor Kohts vei 5, N-1366 Lysaker, Norway	62.50
PR Bergesen d.y. Shipping DA	Norway	Shipowning	Professor Kohts vei 5, N-1366 Lysaker, Norway	86.17
AS Havgas Partners	Norway	Investment & Holding	Professor Kohts vei 5, N-1366 Lysaker, Norway	100.00
BW Green Transport AS	Norway	Chartering	Professor Kohts vei 5, N-1366 Lysaker, Norway	100.00
BW Green Carriers AS	Norway	Chartering	Professor Kohts vei 5, N-1366 Lysaker, Norway	100.00
BW LPG AS	Norway	Management	Professor Kohts vei 5, N-1366 Lysaker, Norway	100.00
BW LPG Holding Limited	Bermuda	Investment & Holding	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	100.00
BW Gas LPG Limited	Bermuda	Shipowning	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	100.00
BW Gas LPG Chartering Limited	Bermuda	Chartering	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	100.00
BW Borg Limited	Bermuda	Shipowning	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	100.00
BW Prince Limited	Bermuda	Shipowning	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	100.00
LPG Transport Service Ltd	Bermuda	Shipowning	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	100.00
BW Cyan Limited	Bermuda	Shipowning	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	100.00
BW Princess Limited	Bermuda	Shipowning	Clarendon House, 2 Chruch Street, Hamilton HM11, Bermuda	100.00
BW Lord Limited	Bermuda	Shipowning	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	100.00
BW Austria Limited	Bermuda	Shipowning	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	100.00
BW Loyalty Limited	Bermuda	Shipowning	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	100.00
BW Liberty Limited	Bermuda	Shipowning	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	100.00
BW LPG Partners Pte Ltd	Singapore	Investment & Holding	10 Pasir Panjang Road #18-01, Singapore 117438	100.00
BW LPG Pte Ltd	Singapore	Management	10 Pasir Panjang Road #18-01, Singapore 117438	100.00
BW Gas Tailwind Carriers Pte Ltd	Singapore	Shipowning	10 Pasir Panjang Road #18-01, Singapore 117438	50.00

As at the date of this Prospectus, and other than in respect of its holding in BW LPG Partners Ptd Ltd and BW LPG Pte Ltd, the Group is of the opinion that its holdings in all of the entities specified above are likely to have a significant effect on the assessment of its own assets and liabilities, financial condition or profits and losses.

The following chart sets out the Group's legal group structure at the date of this Prospectus:



(1) BW LPG's 50% interest in BW Gas Tailwind Carriers Pte Ltd is scheduled to be transferred to Tailwind in January 2014, see Section 8.6.2 "Very Large Gas Carriers (VLGCs)" for more information.

17.3 Authorised and Issued Share Capital

As at the date of this Prospectus, the Company's authorised share capital is USD 1,620,000 consisting of 162,000,000 Shares with a par value of USD 0.01 each, of which 100,000,000 Shares have been issued and fully paid. The Board of Directors may issue any authorised but unissued shares of the Company subject to any resolution of the Company's shareholders to the contrary. Any issuance of preference shares by the Board of Directors is subject to prior approval being given by resolution of a general meeting pursuant to the Bye-laws.

The Shares have been created under the Bermuda Companies Act and are registered in the VPS under ISIN BMG173841013. All the Shares rank in parity with one another and carry one vote per share.

The Company has one class of shares. Except as set out in Section 13.3.3 "Bonus and Share incentive program for Management", there are no share options or other rights to subscribe or acquire Shares issued by the Company. Neither the Company nor any of its subsidiaries directly or indirectly owns shares in the Company.

17.4 Share Capital History

The table below shows the development in the Company's authorised share capital for the period from its incorporation to the date hereof:

Date	Type of change	Change in authorised share capital (USD)	New authorised share capital (USD)	No. of authorised shares	Par value per share (USD)
21 August 2008	Authorised on incorporation	-	10,000	10,000	1.00
31 October 2013	Subdivision of shares	-	10,000	1,000,000	0.01
31 October 2013	Increase of authorised share capital	1,610,000	1,620,000	162,000,000	0.01

The table below shows the development in the Company's issued share capital for the period from incorporation to the date hereof:

Date	Type of change	Change in issued share capital (USD)	New issued share capital (USD)	No. of issued shares	Par value per share (USD)
21 August 2008	Incorporation[1]	-	10,000	10,000	1.00
31 October 2013	Subdivision of shares	-	10,000	1,000,000	0.01
31 October 2013	Allotment of shares[2]	990,000	1,000,000	100,000,000	0.01

1 The Shares were subscribed at a price of USD 1.00 each.

2 The Shares were subscribed at a price of USD 0.01 each.

In the period from 1 January 2010 to the date of this Prospectus, USD 990,000 (being the increase of the issued share capital pertaining to Capitalisation Agreement) of the issued share capital constitutes part of the capitalisation amount made to the Group's immediate parent with assets other than cash (corresponding to approximately 99% of the current issued share capital).

17.5 Admission to Trading

The Company will on or about 11 November 2013 apply for admission to trading of its Shares on the Oslo Stock Exchange. It is expected that the board of directors of the Oslo Stock Exchange approves the listing application of the Company on or about 14 November 2013, subject to certain conditions being met. See Section 20.13 "Conditions for Completion of the Offering—Listing and Trading of the Offer Shares".

The Company currently expects commencement of trading in the Shares on the Oslo Stock Exchange on an "if sold/if issued" basis on or around 25 November 2013, and on an unconditional basis on or around 28 November 2013. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

17.6 VPS Registration of the Shares

The VPS maintains a branch register in addition to the principal share register of the Company maintained at the registered office of the Company in Bermuda pursuant to the provisions of the Bermuda Companies Act. Bermuda law permits the transfer of shares listed or admitted to trading on the Oslo Stock Exchange to be effected in accordance with the rules of the Oslo Stock Exchange (provided that it remains an Appointed Stock Exchange). Accordingly, the title to the Shares, including the Offer Shares, will be evidenced and transferred without a written instrument by the VPS in accordance with the Bye-laws, provided that they are listed or admitted to trading on the Oslo Stock Exchange. The Shares (and not only the beneficial interests in the Shares) are registered in the VPS.

17.7 Ownership Structure

As at the date of this Prospectus, the Company has one shareholder, BW Group, holding all the issued and outstanding Shares in the Company.

There are no differences in voting rights between the shareholders.

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 18.7 "Disclosure Obligations" for a description of the disclosure obligations under the Norwegian Securities Trading Act.

Following the completion of the Offering, BW Group will control a majority of the Shares. The Bye-laws do not contain provisions intended to ensure that such control is not abused. However, pursuant to the Bermuda Companies Act, the affairs of the Company shall not be conducted in a manner oppressive or prejudicial to the interests of some part of the shareholders. In the event the affairs of the Company are conducted in such a manner, any shareholder may make an application to the Supreme Court of Bermuda pursuant to the Bermuda Companies Act.

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

17.8 Share Repurchase and Treasury Shares

Pursuant to the Bye-laws, the Company may purchase its own shares for cancellation or acquire them as treasury shares on such terms and in such manner as may be authorised by the Board of Directors, subject to the Bermuda Companies Act. The Board of Directors may exercise all the powers of the Company to purchase its own Shares.

Neither the Company nor any of its subsidiaries holds any Shares at the date of this Prospectus.

17.9 Other Financial Instruments

Neither the Company nor any of its subsidiaries has issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company or its subsidiaries.

17.10 Shareholder Rights

The Company has one class of Shares in issue, and all Shares in that class have equal rights to all such other shares in that class as set out in the Bye-laws; except on a resolution to change the Company's name to remove the reference to "BW", where BW Group has requested such a resolution in accordance with the Bye-laws, where the Shares held by BW Group and its affiliates shall be deemed to have the number of votes equalling a multiple of ten times the entire number of Shares represented at the meeting.

17.11 The Memorandum of Association, Bye-laws and Bermuda Law

The Bye-laws are set out in Appendix A to this Prospectus. Below is a summary of provisions of the Bye-laws and certain aspects of applicable Bermuda law. The Bye-laws of the Company do not place more stringent conditions for the change of rights of holders than those required by the Bermuda Companies Act, see Section 17.11.6 "Voting rights".

17.11.1 Objective of the Company

The objectives of the Company's business, as set out in paragraph 6 of its memorandum of association, are wide and unrestricted. The Company can therefore, subject to the Board of Directors' opinion, undertake activities without restriction on its capacity.

17.11.2 General meetings

The annual general meeting of the Company shall be held each year at such time and place as the President or the Chairman or the Board of Directors shall appoint. The President, the Chairman or the Board of Directors may convene a special general meeting whenever in their judgment such a meeting is necessary. The Board of Directors shall, on the requisition of shareholders holding at the date of the deposit of the requisition not less than one-tenth of the paid-up voting share capital of the Company, forthwith proceed to convene a special general meeting.

At least 14 clear days' notice of an annual general meeting shall be given to each shareholder entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held, that the election of directors will take place thereat, and as far as practicable, the other business to be conducted at the meeting. At least 14 clear days' notice of a special general meeting shall be given to each shareholder entitled to attend and vote thereat, stating the date, place and time at the general nature of the business to be considered at the meeting. The Board of Directors may fix any date as the record date for determining the shareholders entitled to receive notice of and to vote at any general meeting of the Company, provided that the date for determining shareholders entitled to vote at any general meeting may not be more than five days before the date fixed for the meeting.

A general meeting of the Company shall, notwithstanding that it is called on shorter notice than that specified in the Bye-laws, be deemed to have been properly called if it is so agreed by (i) all the shareholders of the Company entitled to attend and vote thereat in the case of an annual general meeting; and (ii) by a majority in number of the shareholders having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the Shares giving a right to attend and vote thereat in case of a special general meeting. The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

Shareholders may participate in any general meeting by means of such telephonic, electronic or other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such meeting shall constitute presence in person at such meeting. The Board may fix any date as the record date for determining the shareholders entitled to receive notice of and to vote at any general meeting, provided that the date for determining shareholders entitled to vote at any general meeting may not be more than five days before the date fixed for the meeting. Except as otherwise provided in the Bye-laws, the quorum at any general meeting of the Company shall be constituted by two or more persons, present in person and representing in person or by proxy, in excess of one-third of the total issued voting shares throughout the meeting.

Subject to the Bye-laws, anything which may be done by resolution of the Company in a general meeting, or by resolution of a meeting of any class of the shareholders may, without a meeting and without any previous notice being required, be done by resolution in writing signed by such majority of shareholders required if the resolution was voted on at a meeting of shareholders at which all shareholders entitled to attend and vote at such meeting were present and voting. However, this does not apply to a resolution to remove an auditor from office before the expiration of his/her term of office, or a resolution for the purpose of removing a director before the expiration of his/her term of office.

17.11.3 Board of Directors and Management

Election and removal of Directors

The Board of Directors shall consist of not less than three directors or such number in excess thereof as the shareholders of the Company may determine. The Board of Directors is divided into two classes of directors, each of which shall consist as nearly as possible of half the total number of directors constituting the Board of Directors. Each class of directors is elected for a two year term of office, but the terms are staggered so that only one class of director expires at each annual general meeting. The class I directors serve initially until the 2015 annual general meeting and the class II directors serve initially until the 2016 annual general meeting. The Board of Directors shall be elected or appointed at the relevant annual general meeting of the shareholders or at any special general meeting of the shareholders called for that purpose, unless there is a casual vacancy, and the shareholders of the Company may authorise the Board of Directors to fill any vacancy in their number left unfilled at a general meeting of the shareholders. If there is a vacancy of the Board of Directors occurring as a result of death, disability, disqualification or resignation of any director or as a result of an increase in the size of the Board of Directors, the Board of Directors has the power to appoint a director to fill the vacancy. Any shareholder, the Board of Directors or the nomination committee, if there is one appointed, may propose any person for re-election or election as a director. Where any person, other than a director retiring at the meeting or a person proposed for re-election or election as a director by the Board of Directors or the nomination committee, is to be proposed for election, notice must be given to the Company of the intention to propose him and of his willingness to serve as a director. That notice must be given not less than ten days before the date of the general meeting. Where the number of persons validly proposed for re-election or election as a director is greater than the number of directors to be elected, the persons receiving the most votes (up to the number of directors to be elected) shall be elected as directors, and an absolute majority of votes cast shall not be a prerequisite to the election of such directors.

Subject to any provision to the contrary in the Bye-laws, the shareholders entitled to vote for the election of directors may, at any special general meeting convened and held in accordance with these Bye-laws, remove a director, provided that the notice of any such meeting convened for the purpose of removing a director shall contain a statement of the intention so to do and be served on such director not less than 14 days before the meeting and at such meeting the director shall be entitled to be heard on the motion for such director's removal.

According to the Bye-laws, the Company may have a nomination committee appointed by the shareholders in a general meeting.

Remuneration of Directors

The remuneration (if any) of the directors may be proposed by the nomination committee and shall be determined in a general meeting.

Directors to manage business

The business of the Company shall be managed and conducted by the Board of Directors. Subject to the Bye-laws, the Board of Directors may delegate to any company, firm, person, or body of persons any power of the Board of Directors (including the power to sub-delegate).

Power to appoint manager day-to-day business

The Board of Directors may, inter alia, appoint any company, firm, person or body to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business.

Appointment of officers

The Chairman of the Board of Directors and the Company shall be appointed by the shareholders from amongst the directors. The Board of Directors may appoint such officers who may or may not be directors as the Board of Directors deems fit. The secretary (and additional officers, if any) shall be appointed by the Board of Directors from time to time. Currently, the Company has not appointed any officers other than the Chairman, Deputy Chairman, Secretary, Assistant Secretary and Resident Representative.

Remuneration of officers

The officers shall receive such remuneration as the Board of Directors may determine.

Issuance of Shares

The Board of Directors may issue any authorised but unissued Shares of the Company, subject to any resolution of the Company's shareholders to the contrary. Any issuance of preference shares by the Board of Directors is subject to prior approval given by resolution of the shareholders in general meeting pursuant to the Bye-laws.

Indemnification and exculpation of Directors and officers

The directors, secretary and other officers shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons. Section 98A of the Bermuda Companies Act permits the Company to purchase and maintain insurance for the benefit of any officer or director in respect of any loss or liability attaching to him in respect of any negligence, default, breach of duty or breach of trust, whether or not we may otherwise indemnify such officer or director. The Company has purchased and maintains a director's and officer's liability policy for such a purpose.

Under the Bye-laws, each shareholder agrees to waive any claim or right of action such shareholder might have, whether individually or in the right of the Company, against any director or officer on account of any action taken by such director or officer, or the failure of such director or officer to take any action in the performance of his duties with or for the Company or any subsidiary thereof. Such waivers do not extend to any liability arising from prospectus responsibility statements signed by any director or officer or to any matter in respect of any fraud or dishonesty in relation to the Company which may attach to such director or officer.

The Company may advance moneys to a director or officer for the costs, charges and expenses incurred by the director or officer in defending any civil or criminal proceedings against him, on condition that the director or officer shall repay the advance if any allegation of fraud or dishonesty is proved against him.

17.11.4 Share rights

The holders of Shares have no pre-emptive, redemption, conversion or sinking fund rights. The holders of Shares are entitled to one vote per Share on all matters submitted to a vote of the holders of Shares; except on a resolution to change the Company's name to remove the reference to "BW", where BW Group has requested such a resolution in accordance with the Bye-laws, where the Shares held by BW Group and its affiliates shall be deemed to have the number of votes equalling a multiple of ten times the entire number of Shares represented at the meeting. Unless a different majority is required by law or by the Bye-laws, resolutions to be approved by the holders of Shares require approval by the affirmative votes of a majority of the votes cast at a meeting at which a quorum is present.

In the event of the liquidation, dissolution or winding up of the Company, the holders of Shares are entitled to share equally and rateably in its assets, if any, remaining after the payment of all of the Company's debts and liabilities, subject to any liquidation preference on any issued and outstanding preference shares.

17.11.5 Variation of share rights

Subject to the Bermuda Companies Act, all or any of the rights attached to any class of Shares issued may (whether or not the Company is being wound up) be varied with the consent in writing of the holders of not less than 75% of the issued Shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of such Shares voting in person or by proxy. To any such separate general meeting, all the provisions of the Bye-laws as to general meetings of the Company shall apply, but so that the necessary quorum is two persons holding or representing by proxy at least one third of the issued Shares of the relevant class, that every holder of Shares of the relevant class shall be entitled on a poll to one vote for every such Share held by him and that any holder of Shares of the relevant class present in person or by proxy may demand a poll; provided, however, that if the Company or a class of shareholders shall have only one shareholder, one shareholder present in person or by proxy shall constitute the necessary quorum. The Bye-laws specify that the creation or issue of preference shares shall not be deemed vary the rights attached to the Shares or, subject to the terms of any other series of preference shares, to vary the rights attached to any other series of preference shares.

17.11.6 Voting rights

At any general meeting, every holder of Shares present in person and every person holding a valid proxy shall have one vote on a show of hands. On a poll, every such holder of Shares present in person or by proxy shall have one vote for every Share held; except on a resolution to change the Company's name to remove the reference to "BW", where BW Group has requested such a resolution in accordance with the Bye-laws, where the Shares held by BW Group and its affiliates shall be deemed to have the number of votes equalling a multiple of ten times the entire number of Shares represented at the meeting.

Subject to the provisions of the Bermuda Companies Act, and the Bye-laws, any question proposed for the consideration of the shareholders at any general meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with the provisions of the Bye-laws and in the case of an equality of votes, the resolution shall fail.

17.11.7 Amendment of the memorandum of association and the Bye-laws

The Bye-laws provide that the memorandum of association of the Company may not be altered or amended, unless it shall have been approved by a resolution by the Board of Directors and by a resolution passed with the affirmative vote of no less than two-thirds of the votes cast at a general meeting of shareholders. The Bye-laws further provide that no Bye-law shall be rescinded, altered or amended and no new Bye-law shall be made until the same has been approved by a resolution of the Board of Directors and by a resolution of the shareholders with the affirmative vote of no less than two-thirds of the votes cast at a general meeting. In addition, Bye-law 75 (change of Name) shall not be rescinded, altered or amended unless approved by a resolution of the Board of Directors passed by a majority of the directors then in office and eligible to vote on that resolution and by a resolution of the shareholders with the affirmative vote of not less than four-fifths of the issued shares of the Company carrying the right to vote at general meetings at the relevant time.

Under the Bermuda Companies Act, the holders of an aggregate of not less than 20% in par value of the company's issued share capital or any class thereof have the right to apply to the Supreme Court of Bermuda for an annulment of any amendment of the memorandum of association adopted by shareholders at any general meeting, other than an amendment which alters or reduces a company's share capital as provided in the Bermuda Companies Act. Where such an application is made, the amendment becomes effective only to the extent that it is confirmed by the Supreme Court of Bermuda. An application for an annulment of an amendment of the memorandum of association must be made within 21 days after the date on which the resolution altering the company's memorandum of association is passed and may be made on behalf of persons entitled to make the application by one or more of their number as they may appoint in writing for the purpose. No application may be made by shareholders voting in favour of the amendment.

17.11.8 Amalgamations and mergers

The amalgamation or merger of a Bermuda company with another company or corporation (other than certain affiliated companies) requires the amalgamation or merger agreement to be approved by the company's Board of Directors and by its shareholders. Unless a company's bye-laws provide otherwise, the approval of 75% of the shareholders voting at such meeting is required to approve the amalgamation or merger agreement, and the quorum for such meeting must be two persons holding or representing more than one-third of the issued shares of the company. On the date hereof, the Company's Bye-laws do not deviate from these requirements.

17.11.9 Transfer of Shares

The Bye-laws provide that the Board of Directors may decline to register the transfer of any interest in any Share in the register of members or decline to direct any registrar appointed by the Company to register the transfer where such transfer would likely result in 50% or more of the shares or votes in the Company being held, controlled or owned directly or indirectly by individuals or legal persons resident for tax purposes in Norway or connected to a

Norwegian business activity, or the Company otherwise being deemed a "Controlled Foreign Company" as such term is defined under the Norwegian tax rules.

Subject to the above, but notwithstanding anything else to the contrary in the Bye-laws, shares that are listed or admitted to trading on an Appointed Stock Exchange may be transferred in accordance with the rules and regulations of such exchange. All transfers of uncertificated shares shall be made in accordance with and be subject to the facilities and requirements of the transfer of title to shares in that class by means of the VPS or any other relevant system concerned and, subject thereto, in accordance with any arrangements made by the Board of Directors in accordance with the Bye-laws. The Board of Directors shall refuse any transfer unless the registration of such transfer satisfies all applicable consents, authorisations and permissions of any governmental body or agency in Bermuda. The Board of Directors may also refuse to recognise an instrument of transfer of a share unless it is accompanied by the relevant share certificate (if one has been issued) and such other evidence of the transferor's right to make the transfer as the Board of Directors shall reasonably require. Subject to these restrictions, a holder of Shares may transfer the title to all or any of his Shares by completing an instrument of transfer in the usual common form or in any other form as the Board of Directors may approve. The instrument of transfer must be signed by the transferor and transferee, although in the case of a fully paid share the Board of Directors may accept the instrument signed only by the transferor. Shares may be transferred without a written instrument if transferred by an appointed agent or otherwise in accordance with the Bermuda Companies Act.

In accordance with Bermuda law, share certificates are only issued in the names of companies, partnerships or individuals. In the case of a shareholder acting in a special capacity (for example as a trustee), certificates may, at the request of the shareholder, record the capacity in which the shareholder is acting. Notwithstanding such recording of any special capacity, the Company is not bound to investigate or see to the execution of any such trust. The Company will take no notice of any trust applicable to any of the Shares, whether or not the Company has been notified of such trust.

See Section 2.7 "Risks Related to the Company's Incorporation in Bermuda" for a summary of the provisions in the Bye-laws that contain provisions that could make it more difficult for a third party to acquire the Company without the consent of the Board of Directors.

17.11.10 Appraisal rights and shareholder suits

Under the Bermuda Companies Act, in the event of an amalgamation or merger of a Bermuda company with another company or corporation, a shareholder of the Bermuda company who is not satisfied that fair value has been offered for such shareholder's shares may, within one month of notice of the general meeting, apply to the Supreme Court of Bermuda to appraise the fair value of those shares.

Class actions and derivative actions are generally not available to shareholders under Bermuda law. The Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong to the company where the act complained of is alleged to be beyond the corporate power of the company or is illegal or would result in the violation of the company's memorandum of association or bye-laws.

Furthermore, consideration would be given by a Bermuda court to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company's shareholders than that which actually approved it.

When the affairs of a company are being conducted in a manner which is oppressive or prejudicial to the interests of some part of the shareholders, one or more shareholders may apply to the Supreme Court of Bermuda, which may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the shares in any shareholders by other shareholders or by the company.

17.11.11 Capitalisation of profits and reserves

Pursuant to the Bye-laws, the Board of Directors may (i) capitalise any part of the amount of its share premium or other reserve accounts or any amount credited to the Company's profit and loss account or otherwise available for distribution by applying such sum in paying up unissued Shares to be allotted as fully paid bonus shares pro-rata (except in connection with the conversion of shares) to the shareholders; or (ii) capitalise any amount standing to the credit of a reserve account or amounts otherwise available for dividend or distribution by paying up in full partly or nil paid shares of those shareholders who would have been entitled to such sums if they were distributed by way of dividend or distribution.

17.11.12 Untraced shareholders

The Bye-laws provide that the Board of Directors may forfeit any dividend or other monies payable in respect of any Shares which remain unclaimed for six years from the date when such monies became due for payment. In addition, the Company is entitled to cease sending dividend warrants and cheques by post or otherwise to a shareholder if such instruments have been returned undelivered to, or left uncashed by, such shareholder on at least two consecutive occasions or, following one such occasion, reasonable enquires have failed to establish the shareholder's new address. This entitlement ceases if the shareholder claims a dividend or cashes a dividend cheque or a warrant.

17.11.13 Access to books and records and dissemination of information

Members of the general public have the right to inspect the public documents of a Bermuda company available at the office of the Registrar of Companies in Bermuda. These documents include the Company's memorandum of association, including its objects and powers, and certain alterations to its memorandum of association. The shareholders have the additional right to inspect the Bye-laws of the Company, minutes of general meetings and the company's audited financial statements, which must be laid before at the annual general meeting. The register of members of a Bermuda company is also open to inspection by shareholders and by members of the general public without charge. The register of members is required to be open for inspection for not less than two hours in any business day (subject to the ability of a company to close the register of shareholders for not more than thirty days in a year). A company is required to maintain its share register in Bermuda but may, subject to the provisions of the Bermuda Companies Act, establish a branch register outside Bermuda. A company is required to keep at its registered office a register of directors and officers that is open for inspection for not less than two hours in any business day by members of the public without charge. Bermuda law does not, however, provide a general right for shareholders to inspect or obtain copies of any other corporate records. Where a company, the shares of which are listed on an Appointed Stock Exchange, sends its summarised financial statements to its shareholders pursuant to Section 87A of the Bermuda Companies Act, a copy of the full financial statements (as well as the summarised financial statements) must be available for inspection by the public at the company's registered office.

17.11.14 Dividends and dividend policy

The Company's Board of Directors intends to adopt a dividend policy which best balances the immediate growth ambitions and opportunities of the Group with a sustainable yield which takes into account the expected long-term earnings and cash flows of the Group.

Under Bermuda law, a company may not declare or pay dividends if there are reasonable grounds for believing that: (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) that the realisable value of its assets would thereby be less than its liabilities. Under the Bye-laws, each of the Shares is entitled to such dividends as the Board of Directors may from time to time declare, subject to any preferred dividend right of the holders of any preference shares.

According to the Bye-laws, any dividend and or other monies payable in respect of a Share which has remained unclaimed for six years from the date when it became due for payment shall, if the Board of Directors so resolves, be forfeited and cease to remain owing by the Company. The payment of any unclaimed dividend or other moneys payable in respect of a share may (but need not) be paid by the Company into an account separate from the Company's own account. Such payment shall not constitute the Company a trustee in respect thereof.

17.11.15 Winding-up

A company may be wound up by the Bermuda court on application presented by the company itself, its creditors (including contingent or prospective creditors) or its contributories. The Bermuda court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the Bermuda court, just and equitable to do so.

A company may be wound up voluntarily when the members so resolve in general meeting, or, in the case of a limited duration company, when the period fixed for the duration of the company by its memorandum expires, or the event occurs on the occurrence of which the memorandum provides that the company is to be dissolved. In the case of a voluntary winding up, the company shall, from the commencement of the winding up, cease to carry on its business, except so far as may be required for the beneficial winding up thereof.

Where, on a voluntary winding up, a majority of directors make a statutory declaration of solvency, the winding up will be deemed a "members' voluntary winding up". In any case where such declaration has not been made, the winding up will be deemed a "creditors' voluntary winding up".

In the case of a members' voluntary winding up of a company, the company in general meeting must appoint one or more liquidators within the period prescribed by the Bermuda Companies Act for the purpose of winding up the affairs of the company and distributing its assets. If the liquidator is at any time of the opinion that the company will not be able to pay its debts in full in the period stated in the directors' declaration of solvency, he is obliged to summon a meeting of creditors and lay before the meeting a statement of the assets and liabilities of the company.

As soon as the affairs of the company are fully wound up via a members' voluntary winding up, the liquidator must make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account, and giving any explanation thereof. This final general meeting shall be called by advertisement in an appointed newspaper, published at least one month before the meeting. Within one week after the meeting the liquidator shall notify the Registrar of Companies in Bermuda that the company has been dissolved and the Registrar shall record that fact in accordance with the Bermuda Companies Act.

In the case of a creditors' voluntary winding up of a company, the company must call a meeting of the creditors of the company to be summoned for the day, or the next day following the day, on which the meeting of the members at which the resolution for voluntary winding up is to be proposed is held. Notice of such meeting of creditors must be sent at the same time as notice is sent to members. In addition, the company must cause a notice to appear in an appointed newspaper on at least two occasions.

The creditors and the members at their respective meetings may nominate a person to be liquidator for the purposes of winding up the affairs of the company and distributing the assets of the company, provided that if the creditors and the members nominate different persons, the person nominated by the creditors shall be the liquidator. If no person is nominated by the creditors, the person (if any) nominated by the members shall be liquidator. The creditors at the creditors' meeting may also appoint a committee of inspection consisting of not more than five persons.

If a creditors' voluntary winding up continues for more than one year, the liquidator is required to summon a general meeting of the company and a meeting of the creditors at the end of each year and must lay before such meetings an account of his acts and dealings and of the conduct of the winding up during the preceding year.

As soon as the affairs of the company are fully wound up via a creditors' voluntary winding up, the liquidator must make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon call a general meeting of the company and a meeting of the creditors for the purposes of laying the account before the meetings, and giving any explanation thereof. Each such meeting shall be called by advertisement in an appointed newspaper, published at least one month before the meeting. Within one week after the date of the meetings, or if the meetings are not held on the same date, after the date of the later meeting, the liquidator is required to send to the Registrar of Companies in Bermuda a copy of the account and make a return to him in accordance with the Bermuda Companies Act. The company will be deemed to be dissolved on the expiration of three months from the registration by the Registrar of Companies in Bermuda of the account and the return. However, a Bermuda court may, on the application of the liquidator or of some other person who appears to the court to be interested, make an order deferring the date at which the dissolution of the company is to take effect for such time as the court thinks fit.

18 SECURITIES TRADING IN NORWAY

18.1 Introduction

The Oslo Stock Exchange was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded in Norway. As at 31 December 2012, the total capitalisation of companies listed on the Oslo Stock Exchange amounted to approximately NOK 1,567 billion. Shareholdings of non-Norwegian investors as a percentage of total market capitalisation as at 31 December 2012 amounted to approximately 44.9%.

The Oslo Stock Exchange has entered into a strategic cooperation with the London Stock Exchange group with regards to, *inter alia*, trading systems for equities, fixed income and derivatives.

18.2 Trading and Settlement

Trading of equities on the Oslo Stock Exchange is carried out in the electronic trading system TradElect. This trading system was developed by the London Stock Exchange and is in use by all markets operated by the London Stock Exchange as well as by the Borsa Italiana and the Johannesburg Stock Exchange.

Official trading on the Oslo Stock Exchange takes place between 09:00 hours (CET) and 16.20 hours (CET) each trading day, with pre-trade period between 08:15 hours (CET) and 09:00 hours (CET), closing auction from 16:20 hours (CET) to 16:25 hours (CET) and a post trade period from 16:25 hours (CET) to 17:30 hours (CET). Reporting of after exchange trades can be done until 17:30 hours (CET).

The settlement period for trading on the Oslo Stock Exchange is three trading days (T+3).

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

18.3 Information, Control and Surveillance

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange may levy fines on companies violating these requirements.

18.4 The VPS and Transfer of Shares

A branch share register of the Company is maintained with the VPS in addition to the principal share register of the Company maintained at the registered office of the Company in Bermuda pursuant to the provisions of the Bermuda Companies Act. Bermuda law permits the transfer of shares listed or admitted to trading on the Oslo Stock Exchange to be effected in accordance with the rules of the Oslo Stock Exchange (provided that it remains an Appointed Stock Exchange). Accordingly, the title to the Shares will be evidenced and transferred without a written instrument by the VPS in accordance with the Bye-laws, provided that they are listed or admitted to trading on the Oslo Stock Exchange. The VPS is the Norwegian paperless centralised securities register. It is a computerised book-keeping system in which the ownership of, and all transactions relating to, shares traded on the Oslo Stock Exchange must be recorded. The VPS and the Oslo Stock Exchange are both wholly-owned by Oslo Børs VPS Holding ASA.

All transactions relating to securities registered with the VPS are made through computerised book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered owner irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being, Norway's central bank), authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

The entry of a transaction in the VPS is *prima facie* evidence under Norwegian law in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's Bye-laws or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

18.5 Shareholder Register

The Shares are registered in the VPS. Shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners.

18.6 Foreign Investment in Shares Listed in Norway

Foreign investors may trade shares listed on the Oslo Stock Exchange through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign.

18.7 Disclosure Obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

18.8 Insider Trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Section 3-2 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

18.9 Mandatory Offer Requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies not including the Company) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Stock Exchange before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies not including the Company) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

BW Group will be exempted from the requirement to make a mandatory offer for the remaining shares in the Company upon further purchases of Shares as BW Group will, upon consummation of the Offering, hold a percentage of the shares and votes in the Company in excess of all mandatory offer thresholds, as long as it at any time does not reduce its holding to below any such threshold.

18.10 Compulsory Acquisition

An acquiring party is under Bermuda law generally able to compulsorily acquire the common shares of minority holders in the following ways:

- By a procedure under the Bermuda Companies Act known as a "scheme of arrangement". A scheme of arrangement can be effected by obtaining the agreement of the company and of holders of common shares, representing in the aggregate a majority in number and at least 75% in value of the common shareholders present and voting at a court ordered meeting held to consider the scheme of arrangement. The Bermuda Supreme Court must then sanction the scheme of arrangement. If a scheme of arrangement receives all necessary agreements and sanctions, then upon the filing of the court order with the Bermuda Registrar of Companies, all holders of common shares will be obligated to sell their shares under the terms of the scheme of arrangement.

- If the acquiring party is a company acquiring pursuant to a tender offer 90% of the shares or class of shares that are not already owned by, or held by a nominee for or on behalf of that acquiring party, or any of its subsidiaries (the offeror). If within four months after the making of an offer for all the shares or class of shares not owned by, or by a nominee for, the offeror, or any of its subsidiaries, an offeror receives the approval of the holders of 90% or more of all the shares to which the offer relates, the offeror may, at any time within two months beginning with the date on which the approval was obtained, require by notice any non-tendering shareholder to transfer its shares to the offeror on the same terms as the original offer. In those circumstances, non-tendering shareholders will be compelled to sell their shares unless the Bermuda Supreme Court (on application made within a one-month period from the date of the offeror's notice of its intention to acquire such shares) orders otherwise.

- Where the acquiring party or parties hold not less than 95% of the shares or a class of shares of the company, the acquiring party may, pursuant to a notice given to the remaining shareholders or class of shareholders, acquire the shares of such remaining shareholders or class of shareholders. When such notice is given, the acquiring party is entitled and bound to acquire the shares of the remaining shareholders on the terms set out in the notice, unless a remaining shareholder, within one month of receiving such notice, applies to the Bermuda Supreme Court for an appraisal of the value of their shares. This provision only applies where the acquiring party offers the same terms to all holders of shares whose shares are being acquired.

18.11 Foreign Exchange Controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

The Bermuda Monetary Authority has given its consent for the issue and free transferability of the Shares to and between residents and non-residents of Bermuda for exchange control purposes provided that the Shares are listed on the Oslo Stock Exchange. Approvals or permissions given by the Bermuda Monetary Authority do not constitute a guarantee by the Bermuda Monetary Authority as to the Company's performance or its creditworthiness. Accordingly, in giving such consent or permissions, the Bermuda Monetary Authority shall not be liable for the financial soundness, performance or default of the Company's business or for the correctness of any opinions or statements expressed in this Prospectus. Certain issues and transfers of Shares involving persons deemed resident in Bermuda for exchange control purposes require the specific consent of the Bermuda Monetary Authority.

The Company has been designated by the Bermuda Monetary Authority as a non-resident for Bermuda exchange control purposes. This designation allows the Company to engage in transactions in currencies other than the Bermuda dollar, and there are no restrictions on the Company's ability to transfer funds (other than funds denominated in Bermuda dollars) in and out of Bermuda or to pay dividends to non-residents who are holders of Shares.

19 TAXATION

Set out below is a summary of certain Bermuda, Norwegian and United States tax matters related to an investment in the Company. The summary regarding Bermuda, Norwegian and United States taxation are based on the laws in force in Bermuda, Norway and the United States as at the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisors. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisors with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

19.1 Bermuda Taxation

At the present time, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company or by its shareholders in respect of the Shares. The Company has obtained an assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 that, in the event that any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital asset, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not, until 31 March 2035, be applicable to the Company or to any of the Company's operations or to its shares, debentures or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda or is payable by the Company in respect of real property owned or leased by the Company in Bermuda.

19.2 Norwegian Taxation

19.2.1 Taxation of dividends

Norwegian Personal Shareholders

Dividends received by shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable as ordinary income in Norway for such shareholders at a flat rate of 28% to the extent the dividend exceeds a tax-free allowance.

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a risk free interest rate based on the effective rate after tax of interest on treasury bills (*Norwegian: "statskasseveksler*") with three months maturity. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realisation, of the same share.

Norwegian Corporate Shareholders

Dividends distributed by companies resident in Bermuda for tax purposes, including dividends from the Company, received by Norwegian shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are taxable as ordinary income in Norway for such shareholders at a flat rate of 28%.

Non-Norwegian Shareholders

As a general rule, dividends received by Non-Norwegian tax resident shareholders from shares in Non-Norwegian companies are not subject to Norwegian taxation unless the Non-Norwegian shareholder holds the shares in connection with the conduct of a trade or business in Norway.

19.2.2 Taxation of capital gains on realisation of shares

Norwegian personal shareholders

Sale, redemption or other disposal of shares is considered a realisation for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a rate of 28%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realisation of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 19.2.1 "Taxation of dividends–Norwegian Personal Shareholders" above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realisation of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Norwegian Corporate Shareholders

A capital gain or loss derived by a Norwegian Corporate Shareholder from a disposal of shares in the Company is taxable or tax deductible in Norway. The taxable gain/deductible loss per share is calculated as the difference between the consideration for the share and the Norwegian Corporate Shareholder's cost price of the share, including costs incurred in relation to the acquisition or disposal of the share. Such capital gain or loss is included in or deducted from the basis for computation of ordinary income in the year of disposal. Ordinary income is taxable at a rate of 28%. The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

If the Norwegian Corporate Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Non-Norwegian Shareholders

As a general rule, capital gains generated by Non-Norwegian tax resident Shareholders are not taxable in Norway unless the Non-Norwegian Shareholder holds the shares in connection with the conduct of a trade or business in Norway.

19.2.3 Controlled Foreign Corporation (CFC) taxation

Norwegian shareholders in the Company will be subject to Norwegian taxation according to the Norwegian Controlled Foreign Corporations regulations (Norwegian CFC-regulations) if Norwegian shareholders directly or indirectly own or control (hereinafter together referred to as "Control") the shares of the Company.

Norwegian shareholders will be considered to Control the Company if:

- Norwegian shareholders Control 50% or more of the shares or capital in the Company at the beginning of and at the end of a tax year; or
- If Norwegian shareholders Controlled the Company the previous tax year, the Company will also be considered Controlled by Norwegian shareholders in the following tax year unless Norwegian resident shareholders Control less than 50% of the shares or capital at both the beginning and the end of the following tax year; or
- Norwegian shareholders Control more than 60% of the shares or capital in the Company at the end of a tax year.

If less than 40% of the shares or capital are Controlled by Norwegian shareholders at the end of a tax year, the Company will not be considered Controlled by Norwegian shareholders for Norwegian tax purposes.

Under the Norwegian CFC-regulations Norwegian shareholders are subject to Norwegian taxation on their proportionate part of the taxable net income generated by the Company, calculated according to Norwegian tax regulations, regardless of whether or not any dividends are distributed from the Company.

19.2.4 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 1.1% of the value assessed. The value for assessment purposes for listed shares is equal to the listed value as at 1 January in the year of assessment.

Norwegian Corporate Shareholders are not subject to net wealth tax.

Non-Norwegian Shareholders are generally not subject to Norwegian net wealth tax. Non-Norwegian personal shareholders can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

19.2.5 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

19.2.6 Inheritance tax

When shares are transferred either through inheritance or as a gift, such transfer may give rise to inheritance or gift tax in Norway if the decedent, at the time of death, or the donor, at the time of the gift, is a resident or citizen of Norway, or if the shares are effectively connected with a business carried out through a permanent establishment in Norway. However, in the case of inheritance tax, if the decedent was a citizen but not a resident of Norway, Norwegian inheritance tax will not be levied if inheritance tax or a similar tax is levied by the decedent's country of residence.

Inheritance tax will also be applicable to gifts if the donor is a citizen of Norway at the time the gift was given. However, for inheritance and gift taxes paid in the donor's country of residence a credit will be given in the Norwegian gift taxes.

The basis for the computation of inheritance or gift tax is the market value of the shares at the time the transfer takes place. The rate is progressive from 0% to 15%. For inheritance and gifts from parents to children, the maximum rate is 10%.

19.3 Certain U.S. Federal Income Tax Considerations

This summary describes certain U.S. federal income tax consequences of acquiring, owning and disposing of the shares. This summary does not purport to be a description of all of the possible tax considerations that may be relevant to a decision to purchase shares. In particular, this discussion does not address all U.S. federal income tax considerations that may be relevant to a particular investor, nor does it address the impact of the unearned income Medicare contribution tax, nor does it address the special tax rules applicable to certain categories of investors, such as banks, dealers, traders who elect to mark-to-market, tax-exempt entities, insurance companies, investors who hold shares as part of a hedge, straddle, conversion or integrated transaction or investors who have a "functional currency" other than the U.S. dollar. This summary deals only with U.S. Holders (as this term is defined below) that will hold shares as capital assets, but does not address the tax treatment of a U.S. Holder that owns or is treated as owning 10% or more of the voting shares of the Company.

This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), its legislative history, existing and proposed regulations promulgated thereunder, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis.

To ensure compliance with IRS Circular 230, each potential investor is hereby notified that: (a) any discussion of U.S. federal tax issues contained or referred to in this memorandum or any document referred to herein is not intended or written to be used, and cannot be used, by such potential investor for the purpose of avoiding penalties that may be imposed on them under the Code; (b) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) each potential investor should seek advice based on their particular circumstances from an independent tax advisor.

Potential investors should consult their own tax advisors concerning the U.S. federal, state, local and foreign tax consequences of purchasing, owning and disposing of shares in light of their particular circumstances.

For purposes of this summary, a "U.S. Holder" is a beneficial owner of a share that is a citizen or an individual resident of the United States, a U.S. domestic corporation, or otherwise subject to U.S. federal income tax on a net income basis with respect to income from the shares. Accordingly, a "non-U.S. Holder" is a beneficial owner that is not a "U.S. Holder".

If a partnership holds shares, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. A potential investor that is a partner of a partnership holding shares should consult its tax advisors.

19.3.1 Taxation of dividends and stock distributions

Subject to the discussion under ''Passive Foreign Investment Company Considerations'' below, distributions made with respect to the shares to the extent of the Company's current and accumulated earnings and profits as determined under U.S. federal income tax principles will be taxed as dividend income at the time of the receipt of such amounts by the U.S. Holder, other than certain pro rata distributions of shares to all shareholders. To the extent the amounts of distributions on the shares exceed the Company's current and accumulated earnings and profits, these amounts will not be dividends but instead will be treated first as a tax-free return of capital reducing the U.S. Holder's basis in the shares until such basis is reduced to zero, and then as gain from the sale of the U.S. Holder's shares. This reduction in a U.S. Holder's basis in the shares would increase any capital gain, or reduce any capital loss, realized by the U.S. Holder upon the subsequent sale, redemption or other taxable disposition of the shares.

The amount of any dividend paid in NOK will equal the USD value of such NOK, calculated by reference to the exchange rate in effect on the date the dividend is received by a U.S. Holder regardless of whether the NOK are converted into USD. U.S. Holders should consult their own tax advisors regarding the treatment of foreign currency gain or loss, if any, on any NOK received by a U.S. Holder that are converted into USD on a date subsequent to receipt.

Dividends will constitute ordinary income to U.S. Holders, and dividends received by U.S. Holders will not be eligible for the preferential tax rate applicable to qualified dividends. Dividends will not be eligible for the dividends-received deduction available to domestic corporations.

Distributions of additional shares to U.S. Holders with respect to the shares that are made as part of a pro rata distribution to all of the Company's shareholders and for which there is no option to receive other property, generally will not be subject to U.S. federal income tax. The basis of any new shares so received will be determined by allocating basis in the old shares between the old shares and the new shares, based on their relative fair market values on the date of distribution.

A non-U.S. Holder of shares will not be subject to U.S. federal income or withholding tax on dividends received on the shares, unless such income is effectively connected with the conduct by the non-U.S. Holder of a trade or business in the United States.

19.3.2 Taxation of capital gains

Subject to the discussion under ''Passive Foreign Investment Company Considerations'' below, upon a sale, exchange, or other taxable disposition of shares, a U.S. Holder will generally recognize gain or loss for federal income tax purposes in an amount equal to the difference between (1) the amount realized and (2) the U.S. Holder's tax basis in the shares that are disposed of. The amount realized is the sum of the amount of cash and the fair market value of any property received.

If the consideration received upon the sale, exchange or other taxable disposition the shares is paid in foreign currency, the amount realized will be the U.S. dollar value of the payment received. A U.S. Holder may realize foreign currency gain or loss upon the subsequent sale or disposition of such currency, which will generally be treated as U.S. source ordinary income or loss. If the shares are treated as traded on an established securities market and the relevant U.S. holder is either a cash basis taxpayer or an accrual basis taxpayer who has made a special election (which must be applied consistently from year to year and cannot be changed without the consent of the Internal Revenue Service), such U.S. Holder will determine the U.S. dollar value of the amount realized in a foreign currency by translating the amount received at the spot rate of exchange on the settlement date of the sale. If a U.S. Holder is an accrual basis taxpayer that is not eligible to or does not elect to determine the amount realized using the spot rate on the settlement date, it will recognize foreign currency gain or loss to the extent of any difference between the U.S. dollar amount realized on the date of disposition and the U.S. dollar value of the currency received at the spot rate on the settlement date.

Gain or loss recognized on the disposition of shares will be long-term capital gain or loss if the U.S. Holder has held the shares for more than one year. Net long-term capital gain recognized by an individual U.S. Holder generally will be taxed at a maximum rate of 20%. The deductibility of capital losses is subject to limitations.

A non-U.S. Holder of shares will not be subject to U.S. federal income or withholding tax on any gain realized on the sale of shares, unless (i) such gain is effectively connected with the conduct by the non-U.S. Holder of a trade or business in the United States, or (ii) in the case of gain realized by an individual non-U.S. Holder, the non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the sale and certain other conditions are met.

19.3.3 Passive Foreign Investment Company Considerations

Passive Foreign Investment Company Status and Significant Tax Consequences

Special United States federal income tax rules apply to a U.S. Holder that holds stock in a foreign corporation classified as a passive foreign investment company, or a PFIC, for United States federal income tax purposes. In general, the Company will be treated as a PFIC with respect to a U.S. Holder if, for any taxable year in which such U.S. Holder held the Company's shares, either;

- at least 75% of the Company's gross income for such taxable year consists of passive income (e.g., dividends, interest, capital gains and rents derived other than in the active conduct of a rental business), or

- at least 50% of the average value of the assets held by the Company during such taxable year produce, or are held for the production of, passive income.

For purposes of determining whether the Company is a PFIC, the Company will be treated as earning and owning its proportionate share of the income and assets, respectively, of any of its subsidiary corporations in which it owns at least 25% of the value of the subsidiary's stock. Income earned, or deemed earned, by the Company in connection with the performance of services would not constitute passive income. By contrast, rental income would generally constitute "passive income" unless the Company is treated under specific rules as deriving its rental income in the active conduct of a trade or business.

Based on the Company's current and proposed method of operation, the Company does not believe that it will be classified as a PFIC in its current tax year. Although there is no legal authority directly on point, the Company's belief is based principally on the position that, for purposes of determining whether the Company is a PFIC, the gross income the Company derives or is deemed to derive from the Group's time chartering and voyage chartering activities should constitute services income, rather than rental income. Correspondingly, the Company believes that such income does not constitute passive income, and the assets that the Company or its wholly-owned subsidiaries own and operate in connection with the production of such income, in particular, the vessels, do not constitute assets that produce, or are held for the production of, passive income for purposes of determining whether the Company is a PFIC.

Although there is no direct legal authority under the PFIC rules, the Company believes there is substantial legal authority supporting its position consisting of case law and United States Internal Revenue Service, or the IRS, pronouncements concerning the characterisation of income derived from time charters, bareboat charters and voyage charters as services income for other tax purposes. However, it should be noted that there is also authority which characterizes time charter income as rental income rather than services income for other tax purposes. Accordingly, in the absence of any legal authority specifically relating to the Code provisions governing PFICs, the IRS or a court could disagree with the Company's position. In addition, although the Company currently intends to conduct its affairs in such a manner as to avoid being classified as a PFIC, there can be no assurance that the nature of its operations will not change in the future.

As discussed more fully below, if the Company were to be treated as a PFIC for any taxable year, a U.S. Holder would be subject to different taxation rules depending on whether the U.S. Holder makes an election, if available, to mark-to-market the Company's shares, which the Company refers to as a "Mark-to-Market Election," as discussed below. In addition, if the Company were to be treated as a PFIC, a U.S. Holder of shares would be required to file annual information returns with the IRS. The Company does not expect to provide information that would enable a U.S. Holder to make an election to treat the Company as a "Qualified Electing Fund".

Taxation of U.S. Holders Making a "Mark-to-Market" Election

If the Company were to be treated as a PFIC for any taxable year and the shares are treated as "marketable stock," a U.S. Holder would be allowed to make a Mark-to-Market Election with respect to the Company's shares; provided the U.S. Holder completes and files IRS Form 8621 in accordance with relevant instructions and related Treasury

Regulations. In order to qualify as marketable stock, the shares must meet certain trading requirements, and no assurances can be given that such requirements will be met. If this election is available, and is made, the U.S. Holder generally would include as ordinary income in each taxable year the excess, if any, of the fair market value of the shares at the end of the taxable year over such U.S. Holder's adjusted tax basis in the shares. The U.S. Holder would also be permitted an ordinary loss in respect of the excess, if any, of the U.S. Holder's adjusted tax basis in the shares over its fair market value at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the Mark-to-Market Election. A U.S. Holder's tax basis in his shares would be adjusted to reflect any such income or loss amount. Gain realized on the sale, exchange or other disposition of the shares would be treated as ordinary income, and any loss realized on the sale, exchange or other disposition of the shares would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains previously included by the U.S. Holder.

Taxation of U.S. Holders Not Making a Timely Mark-to-Market Election

Finally, if the Company were to be treated as a PFIC for any taxable year, a U.S. Holder who does not make a Mark-to-Market Election for that year, whom is referred to as a "Non-Electing U.S. Holder", would be subject to special rules with respect to (1) any excess distribution (i.e., the portion of any distributions received by the Non-Electing U.S. Holder on the shares in a taxable year in excess of 125% of the average annual distributions received by the Non-Electing U.S. Holder in the three preceding taxable years, or, if shorter, the Non-Electing U.S. Holder's holding period for the shares), and (2) any gain realized on the sale, exchange or other disposition of the shares. Under these special rules:

- the excess distribution or gain would be allocated rateably over the Non-Electing U.S. Holders' aggregate holding period for the shares;
- the amount allocated to the current taxable year and any taxable years before the Company became a PFIC would be taxed as ordinary income; and
- the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed tax deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year.

These penalties would not apply to a pension or profit sharing trust or other tax-exempt organization that did not borrow funds or otherwise utilize leverage in connection with its acquisition of the shares. If a Non-Electing U.S. Holder who is an individual dies while owning the shares, the successor of such deceased Non-Electing U.S. Holder generally would not receive a step-up in tax basis with respect to such stock.

If the Company were to be treated as a PFIC, a U.S. Holder of shares would be required to file annual information returns with the IRS.

19.3.4 Backup withholding and information reporting

A U.S. Holder of shares may, under certain circumstances, be subject to "backup withholding" with respect to certain payments to such U.S. Holder, such as dividends or the proceeds of a sale or disposition of the Company's shares, unless such U.S. Holder (i) is a corporation or comes within certain exempt categories, and demonstrates this fact when so required, or (ii) provides a correct taxpayer identification number, certifies that it is not subject to backup withholding and otherwise complies with applicable requirements of the backup withholding rules. Any amount withheld under these rules does not constitute a separate tax and will be creditable against the holder's U.S. federal income tax liability. While non-U.S. Holders generally are exempt from backup withholding, a non-U.S. Holder may, in certain circumstances, be required to comply with certain information and identification procedures in order to prove this exemption.

19.4 United States Federal Income Taxation of the Group

19.4.1 Taxation of Operating Income: In General

The Company anticipates that the Group will derive substantially all of its gross income from the use and operation of vessels in international commerce and that this income will principally derive from the transportation of LPG cargoes, time or voyage charters and the performance of services directly related thereto, which the Company refers to as "shipping income".

Shipping income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States will be considered to be 50% derived from sources within the United States. Shipping income attributable to transportation that both begins and ends in the United States will be considered to be 100% derived from sources within the United States. The Company does not expect the Group to engage in transportation that gives rise to 100% United States source income.

Shipping income attributable to transportation exclusively between non-United States ports will be considered to be 100% derived from sources outside the United States. Shipping income derived from sources outside the United States will not be subject to United States federal income tax.

Based upon the Group's current and anticipated shipping operations, the Group's vessels will operate in various parts of the world, including to or from United States ports. Unless exempt from United States federal income taxation under Section 883 of the Code, the Group will be subject to United States federal income taxation, in the manner discussed below, to the extent its shipping income is considered derived from sources within the United States. See also Section 2.3 "Risks Related to the Group's Operations—The Group may have to pay tax on United States source income, which could reduce the Group's earnings".

19.4.2 Application of Section 883

Under Section 883 of the Code, an entity, such as the Company or its subsidiaries, that is treated for United States federal income tax purposes as a non-United States corporation will be exempt from United States federal income taxation on its United States-source shipping income if:

(i) the entity is organised in a country other than the United States that grants an exemption to corporations organized in the United States that is equivalent to that provided for in Section 883 of the Code (an "equivalent exemption jurisdiction"); and

(ii) either (A) for more than half of the days in the relevant tax year more than 50% of the value of the entity's stock is owned, directly or under applicable constructive ownership rules, by individuals who are residents of equivalent exemption jurisdictions or certain other qualified shareholders (the "50% Ownership Test") and certain ownership certification requirements are complied with or (B) for the relevant tax year the entity's stock is "primarily and regularly traded on an established securities market" in an equivalent exemption jurisdiction (the "Publicly-Traded Test").

The United States Treasury Department has recognised Bermuda, the country of incorporation of the Company and certain of its subsidiaries, as an equivalent exemption jurisdiction. In addition, the United States Treasury Department has recognized Singapore and Norway, the countries of incorporation of certain of the Company's subsidiaries, as equivalent exemption jurisdictions. Accordingly, the Company and its subsidiaries satisfy the country of organization requirement.

Under the rules described above, the Company's wholly-owned subsidiaries that are directly or indirectly wholly-owned by it throughout a taxable year will be entitled to the benefits of Section 883 for such taxable year if the Company satisfies the 50% Ownership Test or the Publicly-Traded Test for such year. Therefore, as further described below, the Company's, and its wholly-owned subsidiaries', eligibility for exemption under Section 883 is wholly dependent upon the Company's being able to satisfy one of the stock ownership requirements. The ability of the Company's less than wholly-owned subsidiaries to qualify for the Section 883 exemption will depend in part on the Company's being able to satisfy one of the stock ownership requirements, and in part on facts pertaining to such subsidiaries' other beneficial owners.

50% Ownership Test

At all times during the Company's current taxable year prior to the Offering, individuals who are residents of a qualified foreign country beneficially owned the majority of the Company's stock. As such, the Company expects that it and its wholly-owned subsidiaries will satisfy the 50% Ownership Test with respect to its current tax year, however, no assurances can be provided that this will be the case.

Publicly Traded Test

The Section 883 regulations provide, in pertinent part, that stock of a foreign corporation will be considered to be "primarily traded" on an established securities market in a particular country if the number of shares of each class of stock that are traded during any taxable year on all established securities markets in that country exceeds the number of shares in each such class that are traded during that year on established securities markets in any other single country. The Company's stock, which is the sole class of the Company's issued and outstanding stock will be "primarily traded" on the Oslo Stock Exchange.

Under the regulations, the Company's stock will be considered to be "regularly traded" on an established securities market if one or more classes of its stock representing more than 50% of the Company's outstanding shares, by total combined voting power of all classes of stock entitled to vote and total value, is listed on the market. The Company refers to this as the listing threshold. Since the Company's stock is the sole class of stock, and it will be listed on the Oslo Stock Exchange, the Company will satisfy the listing requirement.

It is further required that with respect to each class of stock relied upon to meet the listing threshold (i) such class of the stock is traded on the market, other than in minimal quantities, on at least 60 days during the taxable year or 1/6 of the days in a short taxable year; and (ii) the aggregate number of shares of such class of stock traded on such market is at least 10% of the average number of shares of such class of stock outstanding during such year or as appropriately adjusted in the case of a short taxable year. No assurance can be provided that the Company will satisfy the trading frequency and trading volume tests.

Even if such tests are satisfied, the regulations provide, in pertinent part, that a class of the Company's stock will not be considered to be "regularly traded" on an established securities market for any taxable year in which 50% or more of the vote and value of such class of the Company's outstanding shares of the stock is owned, actually or constructively under specified stock attribution rules, on more than half the days during the taxable year by persons who each own 5% or more of the vote and value of such class of the Company's outstanding stock, which the Company refers to as the "5% Override Rule."

It is possible that the Company's shares of stock will be owned, actually or under applicable attribution rules, such that 5% Stockholders own, in the aggregate, 50% or more of the vote and value of the Company's stock. In such circumstances, the Company will be subject to the 5% Override Rule unless the Company can establish that among the shares included in the closely-held block of its shares of stock are a sufficient number of shares of stock that are owned or treated as owned by "qualified shareholders" that the shares of stock included in such block that are not so treated could not constitute 50% or more of the shares of the Company's stock for more than half the number of days during the taxable year. In order to establish this, such qualified shareholders would have to comply with certain documentation and certification requirements designed to substantiate their identity as qualified shareholders. For these purposes, a "qualified shareholder" includes (i) an individual that owns or is treated as owning shares of the Company's stock and is a resident of a jurisdiction that provides an equivalent exemption and (ii) certain other persons. There can be no assurance that the Company will not be subject to the 5% Override Rule.

No assurances can be provided that the Company and its subsidiaries will satisfy either the 50% Ownership Test or the Publicly Traded Test with respect to future tax years.

19.4.3 Taxation in Absence of Section 883 Exemption

To the extent the benefits of Section 883 are unavailable with respect to any item of United States source income, the Group's United States source shipping income, to the extent not considered to be "effectively connected" with the conduct of a United States trade or business would be subject to a 4% tax imposed by Section 887 of the Code on a gross basis, without the benefit of deductions, which the Company refers to as the "4% gross basis tax regime". The Company does not expect to have income that is effectively connected with the conduct of a United States trade or business. Since under the sourcing rules and expectations of the Company described above, no more than 50% of the Group's shipping income would be treated as being derived from United States sources, the maximum effective rate of United States federal income tax on the Group's shipping income would never exceed 2% under the 4% gross basis tax regime.

19.4.4 Gain on Sale of Vessels

Regardless of whether the Group companies qualify for exemption under Section 883, the Group companies will not be subject to United States federal income taxation with respect to gain realized on a sale of a vessel, provided the sale is considered to occur outside of the United States under United States federal income tax principles. In general, a sale of a vessel will be considered to occur outside of the United States for this purpose if title to the vessel, and risk of loss with respect to the vessel, pass to the buyer outside of the United States. It is expected that any sale of a vessel by a Group company will be structured so that it will be considered to occur outside of the United States.

20 THE TERMS OF THE OFFERING

20.1 Overview of the Offering

The Offering consists of (i) an offer of New Shares to raise an amount of USD 280 million (equivalent to NOK 1,662 million) by the issuance of between 33,244,400 and 41,555,500 New Shares, each with a par value of USD 0.01, and (ii) an offer of up to 30,481,183 Sale Shares, all of which are existing, validly issued and fully paid-up registered Shares with a par value of USD 0.01, offered by the Selling Shareholder. The New Shares and the Sale Shares are collectively referred to as the Offer Shares.

The Joint Lead Bookrunners may elect to over-allot up to 10,155,068 Additional Shares, equalling up to approximately 15% of the number of Offer Shares. The Selling Shareholder has granted SEB, on behalf of the Managers, an Over-Allotment Option to purchase a corresponding number of Additional Shares to cover any such over-allotments. Assuming the Over-Allotment Option is exercised in full, the Offering will amount to up to 77,855,525 Offer Shares, representing up to 55% of the Shares in issue following the Offering.

The Offering consists of:

- An Institutional Offering, in which Offer Shares are being offered (a) to institutional and professional investors in Norway, (b) investors outside Norway and the United States, subject to applicable exemptions from the prospectus requirements, and (c) in the United States to QIBs, as defined in, and in reliance on Rule 144A of the U.S. Securities Act. The Institutional Offering is subject to a lower limit per application of NOK 2,000,000.

- A Retail Offering, in which Offer Shares are being offered to the public in Norway subject to a lower limit per application of an amount of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor. Investors in the Retail Offering will receive a discount of NOK 1,000 on their aggregate amount payable for the Offer Shares allocated to such investors. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the maximum application limit and the discount.

All offers and sales outside the United States will be made in compliance with Regulation S of the U.S. Securities Act of 1933, as amended.

This Prospectus does not constitute an offer of, or an invitation to purchase, the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. For further details, see "Important Notice" and Section 21 "Selling and Transfer Restrictions".

The Bookbuilding Period for the Institutional Offering is expected to take place from 11 November 2013 at 09:00 hours (CET) to 22 November 2013 at 15:00 hours (CET). The Application Period for the Retail Offering will take place from 11 November 2013 at 09:00 hours (CET) to 22 November 2013 at 12:00 hours (CET). The Company and the Selling Shareholder, in consultation with the Joint Lead Bookrunners, reserve the right to shorten or extend the Bookbuilding Period and Application Period at any time. Any shortening of the Bookbuilding Period and/or the Application Period will be announced through the Oslo Stock Exchange's information system on or before 09:00 hours (CET) on the prevailing expiration date of the Bookbuilding Period, provided, however, that in no event will the Bookbuilding Period and/or Application Period be shortened to expire prior to 12:00 hours (CET) on 18 November 2013. Any extension of the Bookbuilding Period and/or the Application Period will be announced through the Oslo Stock Exchange's information system on or before 09:00 hours (CET) on the first business day following the then prevailing expiration date of the Bookbuilding Period. An extension of the Bookbuilding Period and/or the Application Period can be made one or several times provided, provided, however, that in no event will the Bookbuilding Period and/or Application Period be extended beyond 15:00 hours (CET) on 6 December 2013. In the event of a shortening or an extension of the Bookbuilding Period and/or the Application Period, the allocation date, the payment due dates and the dates of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

The Company and the Selling Shareholder have, together with the Joint Lead Bookrunners, set an Indicative Price Range for the Offering from NOK 40 to NOK 50 per Offer Share. Assuming that the Offer Price is set at the mid-point of this range and all Offer Shares are sold in the Offering (excluding any over-allotments), the aggregate gross amount of the Offering will be approximately NOK 1,662 million. The Company and the Selling Shareholder will, in consultation with the Joint Lead Bookrunners, determine the number of Offer Shares and the Offer Price on the basis of the bookbuilding process in the Institutional Offering and the number of applications received in the Retail Offering.

The bookbuilding process, which will form the basis for the final determination of the number of Offer Shares and the Offer Price, will be conducted only in connection with the Institutional Offering. The Indicative Price Range may be amended during the Bookbuilding Period. Any such amendments to the Indicative Price Range will be announced through the Oslo Stock Exchange's information system.

The Company expects that it will, on or about 22 November 2013, together with the Selling Shareholder, enter into a purchase agreement (the "**Purchase Agreement**") with the Joint Lead Bookrunners (as representatives of the Managers) with respect to the Offering of the Offer Shares. On the terms and subject to the conditions set forth in the Purchase Agreement and provided that the Offering has not been terminated prior thereto, the Managers are expected to agree severally and not jointly, to procure purchasers for or, failing which to purchase as initial purchasers the Offer Shares being sold in the Offering. The purchase commitments of each of the Managers will be determined in conjunction with the determination of the final Offer Price and number of Offer Shares to be sold in the Offering, which is expected to take place on 22 November 2013.

In addition, the Selling Shareholder has granted the Stabilisation Manager (SEB), on behalf of the Managers, the Over-Allotment Option to purchase up to 10,155,068 Additional Shares, equalling up to approximately 15% of the final number of Offer Shares (representing up to 7.2% of the Shares in issue in the Company following the Offering) at the Offer Price, exercisable, in whole or in part, within a 30-day period commencing at the time at which "if sold/if issued" trading in the Shares commences on the Oslo Stock Exchange, expected to be on 25 November 2013. The Over-Allotment Option is granted to cover over-allotments, if any, made in connection with the Offering on the terms and subject to the conditions described in this Prospectus. In order to permit delivery in respect of over-allotments made, if any, the Selling Shareholder will, pursuant to the Purchase Agreement, grant to the Stabilisation Manager an option (the "**Lending Option**") to require the Selling Shareholder to lend to the Stabilisation Manager, on behalf of the Managers, up to a number of Shares equal to the number of Additional Shares. See Section 20.9 "Over-Allotment and Stabilisation Activities" for further details.

The Selling Shareholder and the Company will make certain representations and warranties, and will agree to certain undertakings, in the Purchase Agreement. The Company and the Selling Shareholder will undertake, subject to certain conditions and limitations, to indemnify the Managers against certain liabilities in connection with the Offering, including liabilities under applicable securities laws. The Selling Shareholder's aggregate payments pursuant to the indemnity in respect of any breach of the representations, warranties and other statements of the Selling Shareholder in the Purchase Agreement shall not exceed the net proceeds received by the Selling Shareholder in the Offering.

In connection with the Purchase Agreement and pursuant to the relevant lock-up agreement, each of the Selling Shareholder and the Company will give an undertaking that will restrict its ability to issue, sell or transfer Shares, as applicable, for a period ending 180 days after the date of the Purchase Agreement. In addition, in connection with the Purchase Agreement and pursuant to the relevant lock-up agreement, each of Nicholas Gleeson (CEO of BW LPG) and Andrew Hoare (Chief Commercial Officer of BW LPG) will give an undertaking that will restrict their ability to sell or transfer Shares for a period ending 360 days after the date of the Purchase Agreement. For more information about these restrictions, please see Section 20.16 "Lock-up".

The Purchase Agreement is expected to provide that the Managers may terminate the Purchase Agreement (and thus the Managers' obligation to purchase the Offer Shares) if prior to 07:30 hours (CET) on first day of the Listing on an "if sold/if issued" basis (expected to take place on or about 25 November 2013 as described below) (i) there has been any material adverse change or any development reasonably likely to involve a material adverse change in the condition (financial, operational, legal or otherwise) or in the business, assets or results of operations of the Group considered as one enterprise, whether or not arising in the ordinary course of business; (ii) there has been any breach of, or any event rendering untrue, inaccurate or misleading in any material respect, any of the representations and warranties by the Company or the Selling Shareholder contained in the Purchase Agreement or any failure to perform any of the Company's or the Selling Shareholder's undertakings or agreements in the Purchase Agreement; (iii) any of the conditions precedent to the Managers' obligations under the Purchase Agreement has not been satisfied or waived by the Joint Lead Bookrunners; or (iv) it shall come to the notice of the Joint Lead Bookrunners that any statement of fact contained in the Prospectus or the pricing announcement is or has become untrue, incorrect or misleading in any respect and which is considered by the Joint Lead Bookrunners to be material in the context of the Offering, or any matter has arisen, which would, if the Offering were made at that time, constitute a material omission from the Prospectus or the pricing announcement.

In addition, the Purchase Agreement is expected to provide that the Joint Lead Bookrunners, acting as representatives for the Managers may terminate the Purchase Agreement (and thus the Managers' obligation to purchase the Offer Shares) if prior to 18:00 hours (CET) on 27 November 2013 one of the following events (each a "**force majeure**" event) occurs:

(i) a suspension or material limitation in trading in securities generally on the Oslo Stock Exchange, the New York Stock Exchange or the London Stock Exchange; (ii) a general moratorium on commercial banking activities declared by the federal, state or local regulatory authorities of Bermuda, Norway, Singapore, the United States, the United Kingdom or any other member State of the European Union or a material disruption in commercial banking or securities settlement or clearance services in any of Bermuda, Norway, Singapore, the United States, the United Kingdom or any other member State of the European Union; (iii) an outbreak or escalation of hostilities or acts of terrorism involving Bermuda, Norway, Singapore, the United States, the United Kingdom or any other member State of the European Union or a declaration by Bermuda, Norway, Singapore, the United States, the United Kingdom or any other member State of the European Union of a national emergency or war; or (iv) any other calamity or crisis or material adverse change in financial, political or economic conditions in Bermuda, Norway, Singapore, the United States, the United Kingdom or any other member State of the European Union, if the effect of any such event specified in clauses (i) through (iv) makes it impossible or inadvisable, in the judgment of the Joint Lead Bookrunners acting in good faith, taking into account general market conditions as a result of such events and the interest of investors in the Shares, to proceed with the Offering or the delivery of the Offer Shares on the terms and in the manner contemplated in the Prospectus.

Further, the Purchase Agreement may terminate if prior to 18:00 hours (CET) on 27 November 2013, a Manager (or Managers) defaults in its obligation to subscribe for or purchase the number of Offer Shares it has agreed to subscribe for or purchase under the Purchase Agreement, and the aggregate number of such Offer Shares exceeds 10% of the total number of Offer Shares which all Managers are obligated to subscribe for or purchase under the Purchase Agreement and neither the non-defaulting Managers, the Company nor the Selling Shareholder have made arrangements for the purchase or subscription by another party or other parties of such Offer Shares.

Unless the Purchase Agreement has been terminated, delivery of the Offer Shares to investors being allocated Offer Shares in the Offering is expected to take place on or about 27 November 2013 for the Retail Offering and subject to due payment for allocated Offer Shares having been received from investors, and 28 November 2013 for the Institutional Offering (on a delivery versus payment basis).

The Offer Shares allocated in the Offering are expected to be traded on the Oslo Stock Exchange on a conditional "if sold/if issued" basis from and including 25 November 2013 to and including 27 November 2013. Trades during this period will, in accordance with the ordinary settlement cycle for trades over the Oslo Stock Exchange, be settled on T+3 (T being the trade date). Accordingly, any trade made on 25 November 2013 will be settled on 28 November 2013. Should any of the termination events described above occur in the period from commencement of conditional trading (expected to take place on 25 November 2013) to commencement of unconditional trading in the Shares (expected to take place on 28 November 2013 as described below), or such earlier time when it has become impossible to stop the transfer of Offer Shares through VPS, and the Purchase Agreement is terminated, no trades that have occurred in the Shares will be settled, and investors will have no right to compensation for any loss suffered as a result of such cancellation and payments made will be returned without any interest or other compensation. All dealings in the Shares prior to settlement and delivery are at the sole risk of the parties concerned.

Depending on the policy of their respective bank or investment firm, investors wanting to trade their allocated Offer Shares through an internet account prior to commencement of unconditional trading in the Shares on 28 November 2013, may be prevented from such trading. Investors wanting to trade their allocated Offer Shares through an internet account prior to commencement of unconditional trading are therefore urged to confirm the possibility of such trading with their own account operator.

Completion of the Offering is conditional upon, among other conditions, the Company satisfying the listing conditions and being listed on the Oslo Stock Exchange, see Section 20.13 "Conditions for Completion of the Offering—Listing and Trading of the Offer Shares".

20.2 Timetable

The timetable set out below provides certain indicative key dates for the Offering (subject to shortening or extension):

Bookbuilding Period commences	11 November 2013 at 09:00 hours (CET)
Bookbuilding Period ends	22 November 2013 at 15:00 hours (CET)
Application Period commences	11 November 2013 at 09:00 hours (CET)
Application Period ends	22 November 2013 at 12:00 hours (CET)
Allocation of the Offer Shares	On or about 25 November 2013
Publication of the results of the Offering	On or about 25 November 2013
Issuance of allocation notes	On or about 25 November 2013
Listing and commencement of conditional trading in the Shares	On or about 25 November 2013
Accounts from which payment will be debited in the Retail Offering to be sufficiently funded	On or about 26 November 2013
Payment date in the Retail Offering	On or about 27 November 2013
Delivery of the Offer Shares in the Retail Offering	On or about 27 November 2013
Payment date in the Institutional Offering	On or about 28 November 2013
Delivery of the Offer Shares in the Institutional Offering	On or about 28 November 2013
Commencement of unconditional trading in the Shares	On or about 28 November 2013

Please note that the Company and the Selling Shareholder, together with the Joint Lead Bookrunners, reserve the right to shorten or extend the Bookbuilding Period and the Application Period. In the event of a shortening or an extension of the Bookbuilding Period and/or the Application Period, the allocation date, the payment due dates and the dates of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

20.3 Resolution Relating to the Offering and the Issue of the New Shares

The increase of the authorised share capital of the Company to USD 1,620,000 was approved by unanimous written resolutions of the sole shareholder of the Company dated 28 October 2013 and the new Bye-laws were approved by unanimous written resolutions of the directors of the Company on 28 October 2013 and by unanimous written resolutions of the sole shareholder of the Company dated 28 October 2013.

Following the end of the Bookbuilding Period and the Application Period, the interim Board of Directors will on or about 22 November 2013 consider and, if thought fit, approve by written resolution the completion of the Offering. If the interim Board of Directors determines that the Offering shall be completed, then it will also determine the final Offer Price, the number of Offer Shares to be issued and the allocation of the Offer Shares.

20.4 The Institutional Offering

20.4.1 Determination of the number of Offer Shares and the Offer Price

The Company and the Selling Shareholder have, together with the Joint Lead Bookrunners, set an Indicative Price Range for the Offering from NOK 40 to NOK 50 per Offer Share. The Company and the Selling Shareholder will, in consultation with the Joint Lead Bookrunners, determine the number of Offer Shares and the Offer Price on the basis of the applications received and not withdrawn in the Institutional Offering during the Bookbuilding Period and the number of applications received in the Retail Offering. The Offer Price will be determined on or about 22 November 2013. The Offer Price may be set within, below or above the Indicative Price Range. Investors' applications for Offer Shares in the Institutional Offering will, after the end of the Bookbuilding Period, be irrevocable and binding regardless of whether the Offer Price is set within, above or below the Indicative Price Range. The final Offer Price is expected to be announced by the Company through the Oslo Stock Exchange's information system on or about 25 November 2013 under the ticker code "BWLPG".

20.4.2 Bookbuilding Period

The Bookbuilding Period for the Institutional Offering will last from 11 November 2013 at 09:00 hours (CET) to 22 November 2013 at 15:00 hours (CET), unless shortened or extended. The Company and the Selling Shareholder, in consultation with the Joint Lead Bookrunners, may shorten or extend the Bookbuilding Period at any time, and extension may be made on one or several occasions. The Bookbuilding Period may in no event be shortened to expire prior to 12:00 hours (CET) on 18 November 2013 or extended beyond 15:00 hours (CET) on 6 December 2013. In the event of a shortening or an extension of the Bookbuilding Period, the allocation date, the payment due date and the date of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

20.4.3 Minimum application

The Institutional Offering is subject to a minimum application of NOK 2,000,000 per application. Investors in Norway who intend to place an application for less than NOK 2,000,000 must do so in the Retail Offering.

20.4.4 Application procedure

Applications for Offer Shares in the Institutional Offering must be made during the Bookbuilding Period by informing one of the Managers shown below of the number of Offer Shares that the investor wishes to order, and the price per share that the investor is offering to pay for such Offer Shares.

BofA Merrill Lynch 2 King Edward Street London EC1A 1HQ United Kingdom	SEB Filipstad Brygge 1 P.O.Box 1843 Vika N-0123 Oslo Norway	Deutsche Bank AG, London Branch Winchester House, 1 Great Winchester Street London EC2N 2DB United Kingdom
ABG Sundal Collier Munkedamsveien 45 D P.O.Box 1444 Vika N-0115 Oslo Norway	Nordea Markets Middelthuns gate 17 P.O.Box 1166 Sentrum N-0107 Oslo Norway	

All applications in the Institutional Offering will be treated in the same manner regardless of which Manager the applicant chooses to place the application with. Any orally placed application in the Institutional Offering will be binding upon the investor and subject to the same terms and conditions as a written application. The Managers may, at any time and in their sole discretion, require the investor to confirm any orally placed application in writing. Applications made may be withdrawn or amended by the investor at any time up to the end of the Bookbuilding Period. At the close of the Bookbuilding Period, all applications in the Institutional Offering that have not been withdrawn or amended are irrevocable and binding upon the investor.

20.4.5 Allocation, payment for and delivery of Offer Shares

The Managers expect to issue notifications of allocation of Offer Shares in the Institutional Offering on or about 25 November 2013, by issuing contract notes to the applicants by mail or otherwise.

Payment by applicants in the Institutional Offering will take place against delivery of Offer Shares. Delivery and payment for Offer Shares is expected to take place on or about 28 November 2013 (the "**Institutional Closing Date**").

For late payment, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Overdue Payment of 17 December 1976, no. 100, which, at the date of this Prospectus, is 9.50% per annum. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicants, and the Managers reserve the right, at the risk and cost of the applicant, to cancel the application and to re-allot or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Managers may decide (and the applicant will not be entitled to any profit there from). The original applicant remains liable for payment for the Offer Shares allocated to the applicant, together with any interest, cost, charges and expenses accrued, or the Managers may enforce payment of any such amount outstanding.

20.5 The Retail Offering

20.5.1 Offer Price

The price for the Offer Shares offered in the Retail Offering will be the same as in the Institutional Offering, see Section 20.4.1 "Determination of the number of Offer Shares and the Offer Price". However, investors in the Retail Offering will receive a discount of NOK 1,000 on their aggregate amount payable for the Offer Shares allocated to such investors. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the discount.

Each applicant in the Retail Offering will be permitted, but not required, to indicate when ordering through the VPS online application system or on the application form to be used to apply for Offer Shares in the Retail Offering, attached to this Prospectus as Appendix D (the "**Retail Application Form**"), that the applicant does not wish to be allocated Offer Shares should the Offer Price be set higher than the highest price in the Indicative Price Range. If the applicant does so, the applicant will not be allocated any Offer Shares in the event that the Offer Price is set higher than the highest price in the Indicative Price Range. If the applicant does not expressly stipulate such reservation when ordering through the VPS online application system or on the Retail Application Form, the application will be binding regardless of whether the Offer Price is set within or above (or below) the Indicative Price Range, as long as the Offer Price has been determined on the basis of orders placed during the bookbuilding process described above.

20.5.2 Application Period

The Application Period during which applications for Offer Shares in the Retail Offering will be accepted will last from 11 November 2013 at 09:00 hours (CET) to 22 November 2013 at 12:00 hours (CET), unless shortened or extended. The Company and the Selling Shareholder, in consultation with the Joint Lead Bookrunners, may shorten or extend the Application Period at any time, and extension may be made on one or several occasions. The Application Period may in no event be shortened to expire prior to 12:00 hours (CET) on 18 November 2013 or extended beyond 15:00 hours (CET) on 6 December 2013. In the event of a shortening or an extension of the Application Period, the allocation date, the payment due date and the date of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

20.5.3 Minimum and maximum application

The Retail Offering is subject to a minimum application amount of NOK 10,500 and a maximum application amount of NOK 1,999,999 for each applicant.

Multiple applications are allowed. One or multiple applications from the same applicant in the Retail Offering with a total application amount in excess of NOK 1,999,999 will be adjusted downwards to an application amount of NOK 1,999,999. If two or more identical application forms are received from the same investor in the same offering, the application form will only be counted once unless otherwise explicitly stated on one of the application forms. In the case of multiple applications through the online application system or applications made both on a physical application form and through the online application system, all applications will be counted. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering.

20.5.4 Application procedures and application offices

Norwegian applicants in the Retail Offering who are residents of Norway with a Norwegian personal identification number are recommended to apply for Offer Shares through the VPS online application system by following the link to such online application system on the following websites: www.seb.no, www.abgsc.no and www.nordea.no/bw. Applicants in the Retail Offering not having access to the VPS online application system must apply using the Retail Application Form attached to this Prospectus as Appendix D “Application Form for the Retail Offering”. Retail Application Forms, together with this Prospectus, can be obtained from the Company, the Company’s website www.bwlpg.com, the Managers’ websites listed above or the application offices set out below. Applications made through the VPS online application system must be duly registered during the Application Period.

The application offices for physical applications in the Retail Offering are:

SEB Filipstad Brygge 1 P.O.Box 1843 Vika N-0123 Oslo Norway Tel: +47 22 82 70 00 Fax: +47 21 00 89 05 www.seb.no	ABG Sundal Collier Munkedamsveien 45 D P.O.Box 1444 Vika N-0115 Oslo Norway Tel: +47 22 01 60 00 Fax +47 22 01 60 62 subscription@abgsc.no www.abgsc.no	Nordea Markets Middelthuns gate 17 P.O.Box 1166 Sentrum N-0107 Oslo Norway Tel: +47 22 48 62 62 Fax: +47 22 48 63 49 www.nordea.no/bw

All applications in the Retail Offering will be treated in the same manner regardless of which of the above Managers the applications are placed with. Further, all applications in the Retail Offering will be treated in the same manner regardless of whether they are submitted by delivery of a Retail Application Form or through the VPS online application system.

Retail Application Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after the expiry of the Application Period, may be disregarded without further notice to the applicant. Properly completed Retail Application Forms must be received by one of the application offices listed above or registered electronically through the VPS application system by 12:00 hours (CET) on 22 November 2013, unless the Application Period is being shortened or extended. None of the Company, the Selling Shareholder or any of the Managers may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by any application office.

Subject to Section 20.5.1 “Offer Price” above, all applications made in the Retail Offering will be irrevocable and binding upon receipt of a duly completed Retail Application Form, or in the case of applications through the VPS online application system, upon registration of the application, irrespective of any extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by the application office, or in the case of applications through the VPS online application system, upon registration of the application.

20.5.5 Allocation, payment and delivery of Offer Shares

SEB, acting as settlement agent for the Retail Offering, expects to issue notifications of allocation of Offer Shares in the Retail Offering on or about 25 November 2013, by issuing allocation notes to the applicants by mail or otherwise. Any applicant wishing to know the precise number of Offer Shares allocated to it, may contact one of the application offices listed above on or about 25 November 2013 during business hours. Applicants who have access to investor services through an institution that operates the applicant's account with the VPS for the registration of holdings of securities ("**VPS account**") should be able to see how many Offer Shares they have been allocated from on or about 25 November 2013.

In registering an application through the VPS online application system or completing a Retail Application Form, each applicant in the Retail Offering will authorise SEB (on behalf of the Managers) to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. The applicant's bank account number must be stipulated on the VPS online application or on the Retail Application Form. Accounts will be debited on or about 27 November 2013 (the "**Payment Date**"), and there must be sufficient funds in the stated bank account from and including 26 November 2013. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date (27 November 2013).

Further details and instructions will be set out in the allocation notes to the applicant to be issued on or about 25 November 2013, or can be obtained by contacting SEB at + 47 22 82 70 00.

Should any applicant have insufficient funds on his or her account, or should payment be delayed for any reason, or if it is not possible to debit the account, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Interest on Overdue Payments of 17 December 1976, No. 100, which at the date of this Prospectus is 9.50% per annum. SEB (on behalf of the Managers) reserves the right (but has no obligation) to make up to three debit attempts through 3 December 2013 if there are insufficient funds on the account on the Payment Date. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allot or otherwise dispose of the allocated Offer Shares, on such terms and in such manner as the Managers may decide (and that the applicant will not be entitled to any profit there from). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company, the Selling Shareholder and/or the Managers may enforce payment of any such amount outstanding.

Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Retail Offering is expected to take place on or about 27 November 2013.

20.6 Mechanism of Allocation

It has been provisionally assumed that approximately 95% of the Offering will be allocated in the Institutional Offering and that approximately 5% of the Offering will be allocated in the Retail Offering. The final determination of the number of Offer Shares allocated to the Institutional Offering and the Retail Offering will only be decided, however, by the Company and the Joint Lead Bookrunners following the completion of the bookbuilding process for the Institutional Offering, based on the level of orders or applications received from each of the categories of investors relative to the level of applications or orders received in the Retail Offering. The Company and the Joint Lead Bookrunners reserve the right to deviate from the provisionally assumed allocation between tranches without further notice and at their sole discretion.

No Offer Shares have been reserved for any specific national market.

In the Institutional Offering, the Company together with the Joint Lead Bookrunners will determine the allocation of Offer Shares. An important aspect of the allocation principles is the desire to create an appropriate long-term shareholder structure for the Company. The allocation principles will, in accordance with normal practice for institutional placements, include factors such as premarketing and management road-show participation and feedback, timeliness of the order, price level, relative order size, sector knowledge, investment history, perceived investor quality and investment horizon. The Company and the Joint Lead Bookrunners further reserve the right, at their sole discretion, to take into account the creditworthiness of any applicant. The Company and the Joint Lead Bookrunners may also set a maximum allocation, or decide to make no allocation to any applicant.

In the Retail Offering, no allocations will be made for a number of Offer Shares representing an aggregate value of less than NOK 10,500 per applicant, however, all allocations will be rounded down to the nearest number of whole Offer Shares and the payable amount will hence be adjusted accordingly. One or multiple orders from the same applicant in the Retail Offering with a total application amount in excess of NOK 1,999,999 will be adjusted downwards to an application amount of NOK 1,999,999. In the Retail Offering, allocation will be made solely on a pro rata basis using the VPS' automated simulation procedures. The Company and the Joint Lead Bookrunners reserve the right to limit the total number of applicants to whom Offer Shares are allocated if the Company and the Joint Lead Bookrunners deem this to be necessary in order to keep the number of shareholders in the Company at an appropriate level and such limitation does not have the effect that any conditions for the Listing regarding the number of shareholders will not be satisfied. If the Company and the Joint Lead Bookrunners should decide to limit the total number of applicants to whom Offer Shares are allocated, the applicants to whom Offer Shares are allocated will be determined on a random basis by using the VPS automated simulation procedures and/or other random allocation mechanism.

20.7 VPS Account

To participate in the Offering, each applicant must have a VPS account. The VPS account number must be stated when registering an application through the VPS online application system or on the Retail Application Form for the Retail Offering. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised investment firms in Norway and Norwegian branches of credit institutions established within the EEA. However, investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian Ministry of Finance. Establishment of VPS accounts requires verification of identification by the relevant VPS registrar in accordance with the Norwegian anti-money laundering legislation (see Section 20.8 "Mandatory Anti-Money Laundering Procedures").

20.8 Mandatory Anti-Money Laundering Procedures

The Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 6 March 2009 No. 11 and the Norwegian Money Laundering Regulations of 13 March 2009 No. 302 (collectively, the "**Anti-Money Laundering Legislation**").

Applicants who are not registered as existing customers of any of the Managers must verify their identity to the Manager in which the order is placed in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the Retail Application Form are exempted, unless verification of identity is requested by any of the Managers. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period may not be allocated Offer Shares.

20.9 Over-Allotment and Stabilisation Activities

20.9.1 Over-allotment of Additional Shares

In connection with the Offering, the Joint Lead Bookrunners may elect to over-allot up to 10,155,068 Additional Shares, equalling up to approximately 15% of the number of Offer Shares (representing up to 7.2% of the Shares in issue in the Company following the Offering) and, in order to permit the delivery in respect of over-allotments made, the Stabilisation Manager may, pursuant to the Lending Option, require the Selling Shareholder to lend to the Stabilisation Manager, on behalf of the Managers, up to a number of Shares equal to the number of Additional Shares. Further, pursuant to the Over-Allotment Option, the Selling Shareholder has granted the Stabilisation Manager, on behalf of the Managers, an option to purchase up to 10,155,068 Additional Shares, exercisable within a period commencing on the date of the Purchase Agreement and expiring 30 days after the commencement of conditional dealings in the Offer Shares, equalling up to approximately 15% of the number of Offer Shares (representing up to 7.2% of the Shares in issue in the Company following the Offering) at a price equal to the final Offer Price in the Offering, as may be necessary to cover over-allotments and short positions, if any, made in connection with the Offering. To the extent that the Managers have over-allotted Shares in the Offering, the Managers have created a short position in the Shares. The Stabilisation Manager may close out this short position by buying Shares in the open market through stabilisation activities and/or by exercising the Over-Allotment Option.

A stock exchange notice will be made on 25 November 2013 announcing whether the Managers have over-allotted Shares in connection with the Offering. Any exercise of the Over-Allotment Option will be promptly announced by the Stabilisation Manager through the Oslo Stock Exchange's information system.

20.9.2 Price stabilisation

The Stabilisation Manager (SEB) may, upon exercise of the Lending Option, from the first day of the Listing effect transactions with a view to supporting the market price of the Shares at a level higher than what might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offering Price. There is no obligation on the Stabilisation Manager to conduct stabilisation activities and there is no assurance that stabilisation activities will be undertaken. Such stabilising activities, if commenced, may be discontinued at any time, and will be brought to an end at the latest 30 calendar days after first day of the Listing. It should be noted that stabilisation activities might result in market prices that are higher than would otherwise prevail.

Any stabilisation activities will be conducted in accordance with Section 3-12 of the Norwegian Securities Trading Act and the EC Commission Regulation 2273/2003 regarding buy-back programmes and stabilisation of financial instruments.

The Company/the Selling Shareholder and the Joint Lead Bookrunners have agreed that any profit or loss resulting from stabilisation activities conducted by the Stabilisation Manager, on behalf of the Managers, will be for the account of the Managers.

Within one week after the expiry of the 30 calendar day period of price stabilisation, the Stabilisation Manager will publish information as to whether or not price stabilisation activities were undertaken. If stabilisation activities were undertaken, the statement will also include information about: (i) the total amount of Shares sold and purchased; (ii) the dates on which the stabilisation period began and ended; (iii) the price range between which stabilisation was carried out, as well as the highest, lowest and average price paid during the stabilisation period; and (iv) the date at which stabilisation activities last occurred.

It should be noted that stabilisation activities might result in market prices that are higher than would otherwise prevail. Stabilisation may be undertaken, but there is no assurance that it will be undertaken and it may be stopped at any time.

20.10 Publication of Information in Respect of the Offering

In addition to press releases which will be posted on the Company's website, the Company will use the Oslo Stock Exchange's information system to publish information relating to the Offering, such as amendments to the Bookbuilding Period and Application Period (if any), the final Offer Price, number of Offer Shares and total amount of the Offering, allotment percentages, and first day of trading.

The final determination of the Offer Price, the number of Offer Shares and the total amount of the Offering is expected to be published on or about 25 November 2013.

20.11 The Rights Conferred by the Offer Shares

The New Shares will be, and the Sale Shares are, issued in accordance with Bermuda law and the Bermuda Companies Act. The Offer Shares will in all respects rank *pari passu* with all other Shares in issue, and will be eligible for any dividend that the Company may declare on the Shares after the delivery of the Offer Shares through registration in the VPS (expected on or around 28 November 2013). For a description of rights attached to the Shares, see Section 17 "Corporate Information and Description of the Share Capital".

20.12 VPS Registration

A branch share register of the Company is maintained with the VPS in addition to the principal share register of the Company maintained at the registered office of the Company in Bermuda pursuant to the provisions of the Bermuda Companies Act. Bermuda law permits the transfer of shares listed or admitted to trading on the Oslo Stock Exchange to be effected in accordance with the rules of the Oslo Stock Exchange (provided that it remains an Appointed Stock Exchange). Accordingly, the title to the Shares will be evidenced and transferred without a written instrument by the VPS in accordance with the Bye-laws, provided that they are listed or admitted to trading on the Oslo Stock Exchange. The New Shares will be, and the Sale Shares are, registered in book-entry form with the VPS and have ISIN BMG173841013. The Company's registrar with the VPS is DNB Bank ASA, Registrar Department, N-0021 Oslo, Norway.

20.13 Conditions for Completion of the Offering – Listing and Trading of the Offer Shares

The Company will on or about 11 November 2013 apply for Listing of its Shares on the Oslo Stock Exchange. It is expected that the board of directors of the Oslo Stock Exchange will approve the Listing application of the Company on 14 November 2013, conditional upon the Company obtaining a minimum of 500 shareholders, each holding Shares with a value of more than NOK 10,000, there being a minimum free float of the Shares of 25% and the proceeds to the Company from the sale of New Shares being at least USD 200 million. The Company expects that these conditions will be fulfilled through the Offering.

Completion of the Offering on the terms set forth in this Prospectus is expressly conditioned upon the board of directors of the Oslo Stock Exchange approving the application for Listing of the Shares in its meeting to be held on or about 14 November 2013, on conditions acceptable to the Company and that any such conditions are satisfied by the Company. The Offering will be cancelled in the event that the conditions are not satisfied. There can be no assurance that the board of directors of the Oslo Stock Exchange will give such approval or that the Company will satisfy these conditions.

Completion of the Offering on the terms set forth in this Prospectus is otherwise only conditional on (i) the Company and the Selling Shareholder, in consultation with the Joint Lead Bookrunners, having approved the Offer Price and the allocation of the Offer Shares to eligible investors following the bookbuilding process, (ii) the Company, the Selling Shareholder and the Joint Lead Bookrunners (as representatives of the Managers) having entered into the Purchase Agreement and satisfaction of the conditions for the closing of the Purchase Agreement, and (iii) the Purchase Agreement not having been terminated (see Section 20.1 "Overview of the Offering"). There can be no assurance that these conditions will be satisfied. If the conditions are not satisfied, the Offering may be revoked or suspended.

Assuming that the conditions are satisfied, the first day of trading on an "if sold/if issued" basis of the Shares, including the Offer Shares, on the Oslo Stock Exchange is expected to be on or about 25 November 2013. The Shares are expected to trade under the ticker code "BWLPG".

Applicants in the Retail Offering selling Offer Shares prior to delivery must ensure that payment for such Offer Shares is made on or prior to the Payment Date, by ensuring that the stated bank account is sufficiently funded on 26 November 2013. Applicants in the Institutional Offering selling Offer Shares prior to delivery must ensure that payment for such Offer Shares is made on or prior to Institutional Closing Date. Accordingly, an applicant who wishes to sell his Offer Shares, following confirmed allocation of Offer Shares, but before delivery must ensure that payment is made in order for such Offer Shares to be delivered in time to the applicant.

Prior to the Listing and the Offering, the Shares are not listed on any stock exchange or authorised market place, and no application has been filed for listing on any other stock exchanges or regulated market places other than the Oslo Stock Exchange.

20.14 Dilution

Following completion of the Offering, the immediate dilution for the Selling Shareholder is estimated to be in the region of 45-55%.

20.15 Expenses of the Offering and the Listing

The Company will pay to each of the Joint Global Coordinators a management fee of 0.7% of the gross proceeds for the Offer Shares allocated in the Offering. The Company will pay to the Joint Lead Bookrunner a management fee of 0.4% of the gross proceeds for the Offer Shares allocated in the Offering. The Company will pay to each of the Co-Lead Managers a management fee of 0.1% of the gross proceeds for the Offer Shares allocated in the Offering. In addition, the Company and the Selling Shareholder may, at their sole and absolute discretion pay to the Managers an additional discretionary fee of up to 1% of the gross proceeds for the Offer Shares allocated in the Offering.

The total costs and expenses of, and incidental to, the Listing and the Offering are estimated to amount to NOK 133 million (including VAT) if all New Shares are issued and all Sale Shares sold by the Selling Shareholder and the Company and the Selling Shareholder decide to pay the discretionary fee in full (based on a price of NOK 45 per Share – which is the mid-point of the Indicative Price Range).

No expenses or taxes will be charged by the Company or the Managers to the applicants in the Offering.

20.16 Lock-up

20.16.1 The Company

Pursuant to the Purchase Agreement and the relevant lock-up agreement with the Joint Lead Bookrunners, during a period from the date of the Purchase Agreement (expected to be 22 November 2013) up to and including 180 days from the date of closing, neither the Company nor any person acting on its behalf will, without the prior written consent of the Joint Lead Bookrunners: (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Shares or any securities convertible into or exercisable or exchangeable for Shares, or file any registration statement under the U.S. Securities Act or any similar document with any other securities regulator, stock exchange, or listing authority with respect to any of the foregoing; (ii) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise; or (iii) publicly announce an intention to effect any transaction specified in clause (i) or (ii), except for the sale of Shares to be sold under the Purchase Agreement and the Shares to be granted to members of the Management pursuant to the share incentive program for Management described in Section 13.3.3 "Bonus and Share incentive program for Management".

20.16.2 The Selling Shareholder

Pursuant to the Purchase Agreement and the relevant lock-up agreement with the Joint Lead Bookrunners, during a period from the date of the Purchase Agreement up to and including 180 days after the date of closing, neither the Selling Shareholder nor any person acting on its behalf will, without the prior written consent of the Representatives: (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Shares or any securities convertible into or exercisable or exchangeable for Shares or request or demand that the Company file any registration statement under the U.S Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise. The foregoing sentence shall not apply to (i) the sale of Shares to be sold under the Purchase Agreement, (ii) any inter-company transfers of Shares by the Selling Shareholder in favour of its affiliates or controlled companies and their affiliates, or (iii) such Shares held by the Selling Shareholder as may be lent by the Selling Shareholder to the Joint Lead Bookrunners pursuant to the terms of the Purchase Agreement, in each case, subject to the conditions set forth in the Purchase Agreement.

20.16.3 Nicholas Gleeson and Andrew Hoare

Pursuant to the Purchase Agreement and the relevant lock-up agreement with the Joint Lead Bookrunners, each of Nicholas Gleeson (CEO of BW LPG) and Andrew Hoare (Chief Commercial Officer of BW LPG) will undertake that they will not, during a period of 360 days from the date of the listing of the Shares, without the prior written consent of the Joint Lead Bookrunners (such consent not to be unreasonably withheld), directly or indirectly: (i) offer, pledge, sell, transfer, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of any Shares or warrants or any securities convertible into or exercisable or exchangeable for Shares or warrants or file any registration statement under the U.S. Securities Act with respect to any of the foregoingor (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part the economic consequence of ownership of Shares or warrants, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or warrants or such other securities, in cash or otherwise.

20.17 Interest of Natural and Legal Persons Involved in the Offering

On 4 November 2013, BW LPG Holding Limited, a subsidiary of BW LPG, entered into, subject to the success of the Offering, a facility agreement with, among others, Nordea Bank Norge ASA (an affiliate of Nordea Markets, a Co-Lead Manager) and SEB Merchant Banking (an affiliate of SEB, a Joint Global Coordinator and Joint Lead Bookrunner), which provides for the USD 700 million Facility, consisting of the Term Loan of USD 500 million and the RCF of USD 200 million. Each of Nordea Bank Norge ASA and SEB Merchant Banking has agreed to provide USD 87.5 million of the aggregate USD 700 million, in each case subject to the terms of the facility agreement. Please see Section 11.8.1 "Material borrowings–USD 700 million Senior Secured Term Loan and Revolving Credit Facility" for further details.

The Managers or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Managers will receive a management fee in connection with the Offering and, as such, have an interest in the Offering. In addition, the Company may, at its sole and absolute discretion pay to the Joint Lead Bookrunners an additional discretionary fee in connection with the Offering. See Section 20.15 "Expenses of the Offering and the Listing" for information on fees to the Managers in connection with the Offering.

The Selling Shareholder will receive the proceeds from the sale of the Sale Shares, and certain of the proceeds to be received by the Selling Shareholder is expected to be used to repay indebtedness owed to various lenders, including Deutsche Bank and affiliates of SEB and Nordea Markets.

Beyond the above-mentioned, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Offering.

20.18 Participation of Major Existing Shareholders and Members of the Company's Management, Supervisory and Administrative Bodies in the Offering

The Company is not aware of whether any major shareholders of the Company or members of the Company's Management, supervisory or administrative bodies intend to apply for Offer Shares in the Offering, or whether any person intends to apply for more than 5% of the Offer Shares.

20.19 Governing Law and Jurisdiction

This Prospectus, the Retail Application Form and the terms and conditions of the Offering shall be governed by and construed in accordance with Norwegian law. Any dispute arising out of, or in connection with, this Prospectus, the Retail Application Form or the Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with the Oslo District Court as the legal venue.

21 SELLING AND TRANSFER RESTRICTIONS

21.1 General

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares offered hereby.

Other than in Norway, the Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

21.2 Selling Restrictions

21.2.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A; or (ii) to certain persons in offshore transactions compliance with Regulation S under the U.S. Securities Act, and in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, each Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Offer Shares as part of its allocation at any time other than to QIBs in the United States in accordance with Rule 144A or outside of the United States in compliance with Rule 903 of Regulation S. Transfer of the Offer Shares will be restricted and each purchaser of the Offer Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 21.3.1 “United States”.

Any offer or sale in the United States will be made by affiliates of the Managers who are broker-dealers registered under the U.S. Exchange Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of Offer Shares within the United States by a dealer, whether or not participating in the Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A of the U.S. Securities Act and in connection with any applicable state securities laws.

Nordea Markets is not an SEC registered broker/dealer and will only participate in the Offering outside the U.S.

21.2.2 United Kingdom

In the UK, this Prospectus is only addressed to and directed to Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”), and/or (ii) who are high net worth entities falling within Article 49(2)(a) to (d) of the Order, and other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as “**Relevant Persons**”). The securities described herein are only available in the UK to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities in the UK will be engaged in only with, Relevant Persons. Any person in the UK who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

21.2.3 European Economic Area

In relation to each Relevant Member State, with effect from and including the date on which the EU Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”), an offer to the public of any Offer Shares which are the subject of the offering contemplated by this Prospectus may not be made in that Relevant Member State, other than the offering in Norway as described in this Prospectus, once the Prospectus has been approved by the competent authority in Norway and published in accordance with the EU Prospectus Directive (as implemented in Norway), except that an offer to the public in that Relevant Member State of any Offer Shares may be made at any time with effect from and including the Relevant Implementation Date under the following exemptions under the EU Prospectus Directive, if they have been implemented in that Relevant Member State:

a) to legal entities which are qualified investors as defined in the EU Prospectus Directive;

b) to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Directive), as permitted under the EU Prospectus Directive, subject to obtaining the prior consent of the Joint Lead Bookrunners for any such offer, or

c) in any other circumstances falling within Article 3(2) of the EU Prospectus Directive;

provided that no such offer of Offer Shares shall require the Company, the Selling Shareholder or any Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Directive or supplement a prospectus pursuant to Article 16 of the EU Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable an investor to decide to purchase any Offer Shares, as the same may be varied in that Member State by any measure implementing the EU Prospectus Directive in that Member State the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

This EEA selling restriction is in addition to any other selling restrictions set out in this Prospectus.

21.2.4 Additional jurisdictions

Australia

This Prospectus has not been lodged with the Australian Securities and Investments Commission as a disclosure document under chapter 6D of the Corporations Act 2001 (Cwth) of Australia (the "**Corporations Act**") and is only directed to certain categories of exempt persons. Accordingly, if you receive this Prospectus in Australia:

a) you confirm and warrant that you are either:

a "sophisticated investor" under section 708(8)(a) or (b) of the Corporations Act

a "sophisticated investor" under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate pursuant to the section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made

a person associated with the Company under section 708(12) of the Corporations Act, or

a "professional investor" within the meaning of section 708(11)(a) or (b) of the Corporations Act,

and, to the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act, any offer made to you under this document is void and incapable of acceptance; and

b) you warrant and agree that you will not offer any of the Offer Shares sold to you pursuant to this Prospectus for resale in Australia within 12 months of those Offer Shares being sold unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

Canada

This Prospectus is not, and under no circumstance is to be construed as, a prospectus, an advertisement or a public offering of the offer Shares in Canada or any province or territory thereof. Any offer or sale of the Offer Shares in Canada will be made only to Canadian Accredited Investors in the provinces of Ontario and Québec (and not in any other province or territory of Canada or to any resident thereof) pursuant to an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable provincial securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the province of Ontario or Québec, as the case may be.

Hong Kong

No Offer Shares have been offered or sold, or will be offered or sold, in Hong Kong by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. In addition, no advertisement, invitation or document relating to the Offer Shares has been issued or has been in the possession of any person for the purposes of issue, nor will any such advertisement, invitation or document be issued or be in the possession of any person for the purpose of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the offer Shares that are, or are intended to be, disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Japan

The Offer Shares have not been and will not be registered under the Financial Instruments and Exchange Law, as amended (the "**FIEL**"). This Prospectus is not an offer of securities for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organised under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements under the FIEL and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Offer Shares may not be circulated or distributed, nor may they be offered or sold, or be made the subject of an invitation for the subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional l investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Switzerland

The Shares may not be publicly offered in Switzerland and will not be listed on the Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under article 652a or article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under article 27 ff of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Shares or the Offering may be publicly distributed or otherwise made publicly available in Switzerland. Neither this document nor any other offering or marketing material relating to the Offering, the Company or the Shares has been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the Offering will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and the Offering has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

DIFC

This Prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("**DFSA**"). This Prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Prospectus nor taken steps to verify the information set forth herein and has no responsibility for the Prospectus. The shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this Prospectus you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Prospectus is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the Shares may not be offered or sold directly or indirectly to the public in the DIFC.

Additional jurisdictions

The Offer Shares in the Offering may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Canada, Japan, Australia, Singapore, Switzerland, Hong Kong, or any other jurisdiction in which it would not be permissible to offer the Offer Shares.

In jurisdictions outside the United States and the EEA where the Offering would be permissible, the Offer Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

21.3 Transfer Restrictions

21.3.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this Section.

Each purchaser of the Offer Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.

- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and are subject to significant restrictions on transfer.

- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares to any person in the United States.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.

- The Offer Shares have not been offered to it by means of any “directed selling efforts” as defined in Regulation S.

- The Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.

- The purchaser acknowledges that the Company, the Selling Shareholder, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States pursuant to Rule 144A will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.

- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.

- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Offer Shares, as the case may be.

- The purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.

- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, as the case may be, such Shares may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and / or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The Offer Shares are “restricted securities” within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares, as the case may be.

- The Company shall not recognise any offer, sale pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.

- The purchaser acknowledges that the Company, the Selling Shareholder, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

21.3.2 European Economic Area

Each person in a Relevant Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway) who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with each Manager and the Company that:

a) it is a qualified investor as defined in the EU Prospectus Directive; and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Directive as having been made to such persons.

For the purposes of this representation, the expression an “offer” in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Directive in that Relevant Member State and the expression “EU Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

22 ADDITIONAL INFORMATION

22.1 Auditor and Advisors

The Company's independent auditor is PricewaterhouseCoopers LLP with Registration No.: T09LL0001D, and business address at 8 Cross Street #17-00, PWC Building, Singapore 048424. PricewaterhouseCoopers LLP and its auditors are members of Institute of Singapore Chartered Accountants.

BofA Merrill Lynch (2 King Edward Street, London EC1A 1HQ, United Kingdom) and SEB (Filipstad Brygge 1, P.O. Box 1843 Vika, N-0123 Oslo, Norway) are acting as Joint Global Coordinators for the Offering. Deutsche Bank (Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom) is, together with the Joint Global Coordinators, acting as Joint Lead Bookrunners for the Offering. ABG Sundal Collier (Munkedamsveien 45 E, Vika Atrium, N-0115 Oslo, Norway) and Nordea Markets (Middelthuns gate 17, N-0368 Oslo, Norway) are acting as Co-Lead Managers for the Offering.

Certain legal matters in connection with the Offering will be passed upon by Advokatfirmaet Thommessen AS (Haakon VIIs gate 10, N-0116 Oslo, Norway) acting as Norwegian legal counsel to the Company, by Cleary Gottlieb Steen Hamilton LLP (City Place House, 55 Basinghall Street, London, EC2V 5EH, United Kingdom), acting as international counsel to the Company and by Conyers Dill & Pearman Limited (Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda) acting as special Bermuda legal counsel to the Company.

Advokatfirmaet BA-HR DA (Tjuvholmen allé 16, N-0117 Oslo, Norway) is acting as Norwegian counsel to the Managers, and Latham & Watkins LLP (9 Raffles Place, #42-02 Republic Plaza, Singapore 048619) is acting as international counsel to the Managers.

22.2 Statement Regarding Expert Opinion

Valuation on the Group's vessels included herein has been derived based on expert opinions from Drewry Maritime Services (Asia) Pte. Ltd. (15 Hoe Chiang Road, #13-02 Tower Fifteen, Singapore 089316) and Lorentzen & Stemoco AS (Munkedamsveien 45 E, P.O. Box 2029 Vika, N-0125, Norway), as reflected in the independent third party valuation reports dated 30 September 2013 and 23 October 2013, respectively, and enclosed as Appendix E. The valuation reports have been produced on request from BW LPG in connection with the Listing. Both Drewry Maritime Services (Asia) Pte. Ltd. and Lorentzen & Stemoco AS regulary assist companies, banks and financial institutions with valuation of commercial vessels, see www.drewry.co.uk and www.lorstem.com for more information with regard to experience and qualifications. Both Drewry Maritime Services (Asia) Pte. Ltd. and Lorentzen & Stemoco AS have consented to their reports being included in this Prospectus. Drewry Maritime Services (Asia) Pte. Ltd. and Lorentzen & Stemoco AS have no material interest in the Company.

22.3 Documents on Display

Copies of the following documents will be available for inspection at the Company's offices at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus:

- The Company's memorandum of association and Bye-laws;
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus;
- The historical financial information of the Company and its subsidiary undertakings for each of the two financial years preceding the publication of this Prospectus; and
- This Prospectus.

22.4 Incorporation by Reference

The information incorporated by reference in this Prospectus shall be read in connection with the cross-reference list set out in the table below. Except as provided in this Section, no information is incorporated by reference in this Prospectus.

The Company incorporates by reference the Consolidated Financial Statements of BW LPG Gas Holdings Limited for the financial year ended 31 December 2011, the financial statements of KS Havgas Partners for the financial year ended

31 December 2010 and the financial statements of PR Bergesen d.y. Shipping DA for the financial year ended 31 December 2010.

Section in the Prospectus	Disclosure requirements of the Prospectus	Reference document and link	Page (P) in reference document[5]
Section 10	Audited historical financial information (Annex I, Section 20.1)	Consolidated Financial Statements of BW LPG Gas Holdings Limited for the financial year ended 31 December 2011: http://www.bwlpg.com/news/press-releases/bw-gas-holdings-limited-consolidated-financial-statements-for-financial-year-ended-31-dec-2011	P2-P32
Section 10	Audited historical financial information (Annex I, Section 20.1)	Financial Statements of KS Havgas Partners for the financial year ended 31 December 2010: http://www.bwlpg.com/news/press-releases/ks-havgas-partners-financial-statements-for-financial-year-ended-31-dec-2010	P1-P9
Section 10	Audited historical financial information (Annex I, Section 20.1)	Financial Statements of PR Bergesen d.y. Shipping DA for the financial year ended 31 December 2010: http://www.bwlpg.com/news/press-releases/pr-bergesen-d.y.-shipping-da-financial-statements-for-financial-year-ended-31-dec-2010	P1-P8

[5] The original page number as stated in the reference document.

23 DEFINITIONS AND GLOSSARY

In the Prospectus, the following defined terms have the following meanings:

2010 PD Amending Directive	Directive 2010/73/EU amending the EU Prospectus Directive.
ABG Sundal Collier	ABG Sundal Collier Norge ASA.
Additional Shares..............................	Up to 10,155,068 additional Shares sold pursuant to the over-allotment by the Stabilisation Manager, equalling up to approximately 15% of the number of Offer Shares to be sold in the Offering.
AG	The Arabian Gulf.
Anti-Money Laundering Legislation	The Norwegian Money Laundering Act no. 11 of 6 March 2009 and the Norwegian Money Laundering Regulations no. 302 of 13 March 2009, collectively.
Application Period	The application period for the Retail Offering which will take place from 09:00 hours (CET) on 11 November 2013 to 12:00 hours (CET) on 22 November 2013, unless shortened or extended.
Appointed Stock Exchange	An appointed stock exchange in accordance with the provisions of the Bermuda Companies Act.
Ballast Water Convention	The International Convention for the Control and Management of Ships' Ballast Water and Sediments.
Bergesen	Bergesen d.y. ASA.
Bermuda Companies Act	The Companies Act 1981, as amended of Bermuda.
Board of Directors.............................	The Board of Directors of the Company.
BofA Merrill Lynch	Merrill Lynch International.
Bookbuilding Period...........................	The bookbuilding period for the Institutional Offering which will take place from 09:00 hours (CET) on 11 November 2013 to 15:00 hours (CET) on 22 November 2013, unless shortened or extended.
Bunker Convention	The International Convention on Civil Liability for Bunker Oil Pollution Damage.
Bye-laws	The Company's bye-laws.
BWFM	BW Fleet Management AS.
BW Gas	BW Gas Limited.
BW Group...	BW Group Limited.
BW LPG	The Company and its consolidated subsidiaries.
Capitalisation	The issuance by the Company of 99,000,000 common shares of USD 0.01 par value in the Company as settlement for USD 990,000 of amount due to BW Gas.
Capitalisation Agreement	The capitalisation agreement entered into on 28 October 2013 between the Company and BW Gas.
CERCLA	The U.S. Comprehensive Environmental Response, Compensation, and Liability Act.
CET	Central European Time.
CISA	Swiss Federal Act on Collective Investment Schemes.
Clearstream	Clearstream Banking S.A.
cbm	Cubic meters.
CoAs	Contracts of affreightment.
Code	United States Internal Revenue Code of 1986, as amended.
Co-Lead Managers	ABG Sundal Collier and Nordea Markets, collectively.
Combined Financial Information	The Combined Financial Statements and the Combined Interim Financial Statements.
Combined Financial Statements	The Group's audited combined financial statements as at, and for the years ended, 31 December 2012 and 2011.
Combined Interim Financial Statements	The Group's unaudited interim combined financial statements as at, and for the six month-periods ended, 30 June 2013 and 2012.
Company	BW LPG Limited.
Consolidated Financial Statements	Audited consolidated financial statements as at, and for the year ended, 31 December 2010 based on the legal group as at 31 December 2010.
Corporations Act	The Corporations Act 2001 (Cwth) of Australia.
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance, dated 23 October 2012.
Corporate Services Agreement............	The corporate services agreement dated 4 November 2013 between the Company and BW Maritime Pte Ltd.
Deutsche Bank	Deutsche Bank AG, London Branch.

DFSA	The Dubai Financial Services Authority.
EBIT	Earnings before interest and tax.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
EEA	The European Economic Area.
EU	The European Union.
EUR	The lawful common currency of the EU member states who have adopted the Euro as their sole national currency.
Euroclear	The Euroclear System.
EU Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, and amendments thereto, including the 2010 PD Amending Directive to the extent implemented in the Relevant Member State.
Facility	The Group's senior secured facility in the aggregate principal amount of USD 700 million comprised by the Term Loan and the RCF.
FIEL	The Financial Instruments and Exchange Law, as amended.
Financial Information	The Combined Financial Information, the Consolidated Financial Statements and the Pro Forma Financial Information.
FSMA	UK Financial Services and Markets Act 2000.
GBP	Great British Pounds, the lawful currency of the United Kingdom.
Group	The Company and its consolidated subsidiaries.
HHI	Hyundai Heavy Industries.
HNS Convention	The International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious substances by Sea.
Hong Kong Convention	The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009.
HSE	Health, safety and environment.
IAS 34	International Accounting Standard 34 "Interim Financial Reporting".
IFRS	International Financial Reporting Standards.
ILO	The International Labour Organization.
IMO	The International Maritime Organization.
Indicative Price Range	The indicative price range in the Offering of NOK 40 to NOK 50 per Offer Share.
Institutional Closing date	Delivery and payment for the Offer Shares by the applicants in the Institutional Offering is expected to take place on or about 28 November 2013.
Institutional Offering	An institutional offering, in which Offer Shares are being offered (a) to institutional and professional investors in Norway, (b) investors outside Norway and the United States, subject to applicable exemptions from the prospectus requirements, and (c) in the United States to QIBs, as defined in, and in reliance on Rule 144A of the U.S. Securities Act; is subject to a lower limit per application of NOK 2,000,000.
Intercompany Balance	The net amount due to related parties of the Company amounting to USD 686,903,000 transferred by the Company to BW Gas On 28 October 2013.
Interim Directors	The Directors whom will serve as members of the Board of Directors up to the first day of the Listing.
Interim Financial Statements	The Group's unaudited interim combined financial statements as at, and for the six month periods ended, 30 June 2013 and 2012.
IOCs	International oil companies.
IRS	United States Internal Revenue Service.
ISM	International Safety Management.
ISM Code	The International Standard for Safe Management and Operation of Ships and Pollution Prevention.
ISPS Code	The International Ship and Port Facilities Security Code.
ISSC	International Ship Security Certificate.
IT	Information technology.
Joint Global Coordinators	BofA Merrill Lynch and SEB, collectively.
Joint Lead Bookrunners	BofA Merrill Lynch, SEB and Deutsche Bank, collectively.
Lending Option	A lending option granted to the Stabilisation Manager by the Selling Shareholder, pursuant to which the Stabilisation Manager may require the Selling Shareholders to lend to the Stabilisation Manager, on behalf of the Managers, up to a number of Shares equal to the number of Additional Shares.

LGC	Large Gas Carrier.
Listing	The listing of the Shares on the Oslo Stock Exchange.
LPG	Liquefied Petroleum Gas.
Management	The senior management team of the Group.
Managers	The Joint Global Coordinators, the Joint Lead Bookrunners and the Co-Lead Managers, collectively.
Marks	"Bergesen Worldwide" and "BW", and other combinations of these names and marks.
MGC	Medium Gas Carriers.
MLC	The Maritime Labour Convention, 2006.
MTSA	The U.S. Maritime Transportation Security Act of 2002.
net working capital	Non-interest bearing current assets less non-interest bearing current liabilities.
New Board of Directors	The Directors which will form the new Board of Directors from the first day of the Listing.
Newbuilding Acquisition	The Group's shipbuilding contracts with HHI to build four vessels for an aggregate purchase consideration of USD 286 million.
New Shares	Up to 41,555,500 new common shares of the Company offered pursuant to the Offering.
NOCs	National oil companies.
Nordea Markets	Nordea Markets, a part of Nordea Bank Norge ASA.
NOK	Norwegian Kroner, the lawful currency of Norway.
Norwegian FSA	The Norwegian Financial Supervisory Authority (*Nw.: Finanstilsynet*).
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 28 June 2007 no. 75 (*Nw.: verdipapirhandelloven*).
Offering	The global offering including the Institutional Offering and the Retail Offering taken together.
Offer Price	The final offering price for the Offer Shares in the Offering. The Offer Price may be set above or below the Indicative Price Range.
Offer Shares	The New Shares together with the Sale Shares – the Shares offered pursuant to the Offering.
OPA	The U.S. Oil Pollution Act of 1990.
Order	The UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.
Oslo Stock Exchange	Oslo Børs ASA, or, as the context may require, Oslo Børs, a Norwegian regulated stock exchange operated by Oslo Børs ASA.
Over-Allotment Option	Option granted by the Selling Shareholder to the Stabilisation Manager, on behalf of the Managers, to purchase up to 10,155,068 Additional Shares, equal to up to approximately 15% of the number of Offer Shares sold in the Offering, exercisable, in whole or in part, within a 30-day period commencing at the time at which "if sold/if issued" trading in the Shares commences on the Oslo Stock Exchange, expected to be on or about 25 November 2013, to cover any over-allotments made in connection with the Offering.
Payment Date	The payment date for the Offer Shares under the Retail Offering, expected to be on 27 November 2013.
PDH	Propane dehydrogenation.
PFIC	"passive foreign investment company".
Poten & Partners	Poten & Partners (UK) Limited.
Pro Forma Financial Information	The unaudited pro forma financial information as at 30 June 2013 for the Group.
Prospectus	This Prospectus, dated 7 November 2013.
Purchase Agreement	The purchase agreement expected to be entered into by the Company, the Selling Shareholder and the Joint Lead Bookrunners (as representatives of the Managers) on or about 22 November 2013 with respect to the Offering of the Offer Shares.
QIBs	Qualified institutional buyers as defined in Rule 144A.
RCF	The Group's revolving credit facility of 200 million under the Facility.
Regulation S	Regulation S under the U.S. Securities Act.
Relevant Implementation Date	In relation to each Relevant Member State, with effect from and including the date on which the EU Prospectus Directive is implemented in that Relevant Member State.
Relevant Member State	Each Member State of the EEA which has implemented the EU Prospectus Directive.

Relevant Persons	Persons in the UK that are (i) investment professionals falling within Article 19(5) of the Order or (ii) high net worth entities, and other persons to whom the Prospectus may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order.
Reorganisation	The reorganisation undertaken to prepare BW LPG for the Listing, with the primary purpose being to transfer all assets and liabilities relevant to the continuing LPG business of BW Group into subsidiaries of BW LPG.
Restricted Shares	Offer Shares purchased in the Offering inside the U.S.
Retail Application Form	Application form to be used to apply for Offer Shares in the Retail Offering, attached to this Prospectus as Appendix D.
Retail Offering	A retail offering, in which Offer Shares are being offered to the public in Norway subject to a lower limit per application of an amount of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor.
RSS	Revenue Sharing System.
Rule 144A	Rule 144A under the U.S. Securities Act.
Sale Shares	Up to 30,481,183 existing common shares of the Company offered pursuant to the Offering.
SEB	Skandinaviska Enskilda Banken AB (publ.), Oslo Branch.
SEC	U.S. Securities and Exchange Commission.
Selling Shareholder	BW Group.
SFA	The Securities and Futures Act, Chapter 289 of Singapore.
SGD	Singapore Dollars, the lawful currency in Singapore.
Share(s)	Shares in the share capital of the Company, each with a par value of USD 0.01, or any one of them.
Ship Management Agreement	The ship management agreement dated 4 November 2013 between the Company and BWFM.
SIX	Swiss Exchange.
SR Regulation	Ship Recycling Regulation.
SOLAS	The International Convention for the Safety of Life at Sea.
Spot prices	Current market levels.
Stabilisation Manager	SEB.
Tailwind	Tailwind Shipping Pte Ltd.
TCE income	Income on time charter equivalent basis.
Term Loan	The Group's term loan facility of USD 500 million under the Facility.
Transactions	The transactions mentioned in Section 12 "Unaudited Pro Forma Financial Information".
UAE	The United Arab Emirates.
UK	The United Kingdom.
U.S. or United States	The United States of America.
U.S. Exchange Act	The U.S. Securities Exchange Act of 1934, as amended.
U.S. Holder	A U.S. Holder is a beneficial owner of a share that is a citizen or resident of the United States, a U.S. domestic corporation, or otherwise subject to U.S. federal income tax on a net income basis with respect to income from the shares. Accordingly, a "non-U.S. Holder" is a beneficial owner that is not a U.S. Holder.
U.S. Securities Act	The U.S. Securities Act of 1933, as amended.
USD	United States Dollars, the lawful currency in the United States.
Vessel Acquisition	The Group's acquisition from Maersk (through Maersk Gas Carriers Pte Ltd and Maersk Tankers A/S) of five modern VLGCs, five VLGC charter-ins and two CoAs.
VLGC	Very Large Gas Carrier.
VPS	The Norwegian Central Securities Depository (*Nw.: Verdipapirsentralen*).
VPS account	An account with VPS for the registration of holdings of securities.
WMS	Wilhelmsen Maritime Services AS.

APPENDIX A:

BYE-LAWS OF BW LPG LIMITED

BYE-LAWS

of

BW LPG Limited

(Adopted on 28 October 2013)

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INTERPRETATION

1. Definitions

1.1 In these Bye-laws, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

Act	the Companies Act 1981 as amended from time to time;
Alternate Director	an alternate director appointed in accordance with these Bye-laws;
Auditor	includes an individual or partnership;
Board	the board of directors appointed or elected pursuant to these Bye-laws and acting by resolution in accordance with the Act and these Bye-laws or the directors present at a meeting of directors at which there is a quorum;
Chairman	the chairman of the Board and the Company;
Company	the company for which these Bye-laws are approved and confirmed;
Director	a director of the Company and shall include an Alternate Director;
Member	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means

	the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires;
notice	written notice as further provided in these Bye-laws unless otherwise specifically stated;
Officer	the Chairman and any person appointed by the Board to hold an office in the Company;
Register of Directors and Officers	the register of directors and officers referred to in these Bye-laws;
Register of Members	the register of members referred to in these Bye-laws;
Registrar	DNB Bank ASA, acting through its Registrar's Department (known as "DNB Verdipapirservice");
Resident Representative	any person appointed to act as resident representative and includes any deputy or assistant resident representative;
Secretary	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;
Treasury Shares	a share of the Company that was or is treated as having been acquired and held by the

	Company and has been held continuously by the Company since it was so acquired and has not been cancelled; and
VPS	the Norwegian Central Securities Depository maintained by Verdipapirsentralen ASA.

1.2 In these Bye-laws, where not inconsistent with the context:

(a) words denoting the plural number include the singular number and vice versa;

(b) words denoting the masculine gender include the feminine and neuter genders;

(c) words importing persons include companies, associations or bodies of persons whether corporate or not;

(d) the words:

(i) "may" shall be construed as permissive; and

(ii) "shall" shall be construed as imperative;

(e) a reference to statutory provision shall be deemed to include any amendment or re-enactment thereof;

(f) the word "corporation" means a corporation whether or not a company within the meaning of the Act; and

(g) unless otherwise provided herein, words or expressions defined in the Act shall bear the same meaning in these Bye-laws.

1.3 In these Bye-laws expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.

1.4 Headings used in these Bye-laws are for convenience only and are not to be used or relied upon in the construction hereof.

SHARES

2. Power to Issue Shares

2.1 Subject to these Bye-laws, and Bye-law 2.2 in particular with regard to the issuance of any preference shares, and to any resolution of the Members to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares of the Company on such terms and conditions as it may determine.

2.2 Without limitation to the provisions of Bye-law 4, subject to the provisions of the Act, any preference shares may be issued or converted into shares that (at a determinable date or at the option of the Company or the holder) are liable to be redeemed on such terms and in such manner as may be determined by the Board before the issue or conversion, PROVIDED THAT prior approval for the issuance of such shares is given by resolution of the Members in general meeting.

3. Power of the Company to Purchase its Shares

3.1 The Company may purchase its own shares for cancellation or acquire them as Treasury Shares in accordance with the Act on such terms as the Board shall think fit.

3.2 The Board may exercise all the powers of the Company to purchase or acquire all or any part of its own shares in accordance with the Act.

4. Rights Attaching to Shares

4.1 At the date these Bye-laws are adopted, the share capital of the Company shall consist of common shares of par value US$0.01 each (the "Common Shares").

4.2 The holders of Common Shares shall, subject to the provisions of these Bye-laws (including, without limitation, the rights attaching to any Preference Shares that may be authorised for issue in the future by the Board pursuant to Bye-law 4.3):

(a) be entitled to one vote per share;

(b) be entitled to such dividends as the Board may from time to time declare;

(c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganisation or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and

(d) generally be entitled to enjoy all of the rights attaching to shares.

4.3 Subject to obtaining prior approval for the issuance of such shares by resolution of the Members in general meeting pursuant to Bye-law 2.2, the Board is authorised to provide for the issuance of one or more classes of preference shares in one or more series (the "Preference Shares"), and to establish from time to time the number of shares to be included in each such series, and to fix the terms, including designation, powers, preferences, rights, qualifications, limitations, and restrictions of the shares of each such series(and, for the avoidance of doubt, such matters and the issuance of such Preference Shares shall not be deemed to vary the rights attached to the Common Shares or, subject to the terms of any other series of Preference Shares, to vary the rights attached to any other series of Preference Shares). Subject to obtaining prior approval for the issuance of such shares by resolution of the Members in general meeting pursuant to Bye-law 2.2, the authority of the Board with respect to each series shall include, but not be limited to, determination of the following:

(a) the number of shares constituting that series and the distinctive designation of that series;

(b) the dividend rate on the shares of that series, whether dividends shall be cumulative and, if so, from which date or dates, and the relative rights of priority, if any, of the payment of dividends on shares of that series;

(c) whether that series shall have voting rights, in addition to the voting rights provided by law, and if so, the terms of such voting rights;

(d) whether that series shall have conversion or exchange privileges (including, without limitation, conversion into Common Shares), and, if so, the terms and conditions of such conversion or exchange, including provision for adjustment of the conversion or exchange rate in such events as the Board shall determine;

(e) whether or not the shares of that series shall be redeemable or repurchaseable, and, if so, the terms and conditions of such redemption or repurchase, including the manner of selecting shares for redemption or repurchase if less than all shares are to be redeemed or repurchased, the date or dates upon or after which they shall be redeemable or repurchaseable, and the amount per share payable in case of redemption or repurchase, which amount may vary under different conditions and at different redemption or repurchase dates;

(f) whether that series shall have a sinking fund for the redemption or repurchase of shares of that series, and, if so, the terms and amount of such sinking fund;

(g) the right of the shares of that series to the benefit of conditions and restrictions upon the creation of indebtedness of the Company or any subsidiary, upon the issue of any additional shares (including additional shares of such series or any other series) and upon the payment of dividends or the making of other distributions on, and the purchase, redemption or other acquisition by the Company or any subsidiary of any issued shares of the Company;

(h) the rights of the shares of that series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company, and the relative rights of priority, if any, of payment in respect of shares of that series; and

(i) any other relative participating, optional or other special rights, qualifications, limitations or restrictions of that series.

4.4 Any Preference Shares of any series which have been redeemed (whether through the operation of a sinking fund or otherwise) or which, if convertible or exchangeable, have been converted into or exchanged for shares of any other class or classes shall have the status of authorised and unissued Preference Shares of the same series and may be reissued as a part of the series of which they were originally a part or may be reclassified and reissued as part of a new series of Preference Shares to be created by resolution or resolutions of the Board or as part of any other series of Preference Shares, all subject to the conditions and the restrictions on issuance set forth in the resolution or resolutions adopted by the Board providing for the issue of any series of Preference Shares and subject to obtaining prior approval for the issuance of such shares by resolution of the Members in general meeting pursuant to Bye-law 2.2.

4.5 At the discretion of the Board, whether or not in connection with the issuance and sale of any shares or other securities of the Company, the Company may issue securities, contracts, warrants or other instruments evidencing any shares, option rights, securities having conversion or option rights, or obligations on such terms, conditions and other provisions as are fixed by the Board, including, without limiting the generality of this authority, conditions that preclude or limit any person or persons owning or offering to acquire a specified number or percentage of the issued

Common Shares, other shares, option rights, securities having conversion or option rights, or obligations of the Company or transferee of the person or persons from exercising, converting, transferring or receiving the shares, option rights, securities having conversion or option rights, or obligations.

4.6 All the rights attaching to a Treasury Share shall be suspended and shall not be exercised by the Company while it holds such Treasury Share and, except where required by the Act and any other applicable laws and regulation, all Treasury Shares shall be excluded from the calculation of any percentage or fraction of the share capital, or shares, of the Company.

5. Calls on Shares

5.1 The Board may make such calls as it thinks fit upon the Members in respect of any monies (whether in respect of nominal value or premium) unpaid on the shares allotted to or held by such Members (and not made payable at fixed times by the terms and conditions of issue) and, if a call is not paid on or before the day appointed for payment thereof, the Member may at the discretion of the Board be liable to pay the Company interest on the amount of such call at such rate as the Board may determine, from the date when such call was payable up to the actual date of payment. The Board may differentiate between the holders as to the amount of calls to be paid and the times of payment of such calls.

5.2 Any amount which by the terms of allotment of a share becomes payable upon issue or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Bye-laws be deemed to be an amount on which a call has been duly made and payable, on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of these Bye-laws as to payment of interest, costs, and expenses, forfeiture or otherwise shall apply as if such amount had become payable by virtue of a duly made and notified call.

5.3 The joint holders of a share shall be jointly and severally liable to pay all calls and any interest, costs and expenses in respect thereof.

5.4 The Company may accept from any Member the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up.

6. Forfeiture of Shares

6.1 If any Member fails to pay, on the day appointed for payment thereof, any call in respect of any share allotted to or held by such Member, the Board may, at any time thereafter during such time as the call remains unpaid, direct the Secretary to forward such Member a notice in writing in the form, or as near thereto as circumstances admit, of the following:

Notice of Liability to Forfeiture for Non-Payment of Call
BW LPG Limited (the "Company")

You have failed to pay the call of [amount of call] made on the **[*insert date*]**, in respect of the [number] share(s) [number in figures] standing in your name in the Register of Members of the Company, on the [***insert date***], the day appointed for payment of such call. You are hereby notified that unless you pay such call together with interest thereon at the rate of [ ] per annum computed from the said [***insert date***] at the registered office of the Company the share(s) will be liable to be forfeited.

Dated [***insert date]***

____

[Signature of Secretary] By Order of the Board

6.2 If the requirements of such notice are not complied with, any such share may at any time thereafter before the payment of such call and the interest due in respect thereof be forfeited by a resolution of the Board to that effect, and such share shall thereupon become the property of the Company and may be disposed of as the Board shall determine. Without limiting the generality of the foregoing, the disposal may take place by sale, repurchase, redemption or any other method of disposal permitted by and consistent with these Bye-laws and the Act.

6.3 A Member whose share or shares have been so forfeited shall, notwithstanding such forfeiture, be liable to pay to the Company all calls owing on such share or shares at the time of the forfeiture together with all interest due thereon and any costs and expenses incurred by the Company in connection therewith.

6.4 The Board may accept the surrender of any shares which it is in a position to forfeit on such terms and conditions as may be agreed. Subject to those terms and conditions, a surrendered share shall be treated as if it had been forfeited.

7. Share Certificates

7.1 Subject to the Act, no share certificates shall be issued by the Company unless, in respect of a class of shares, the Board has either for all or for some holders of such shares (who may be determined in such manner as the Board thinks fit) determined that the holder of such shares may be entitled to share certificates. In the case of a share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all.

7.2 Subject to being entitled to a share certificate under the provisions of Bye-law 7.1, the Company shall be under no obligation to complete and deliver a share certificate unless specifically called upon to do so by the person to whom the shares have been allotted.

7.3 If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.

7.4 Notwithstanding any provisions of these Bye-laws:

(a) the Board shall, subject always to the Act and any other applicable laws and regulations and the facilities and requirements of any relevant system concerned, have power to implement any arrangements it may, in its absolute discretion, think fit in relation to the evidencing of title to and transfer of uncertificated shares by means of the VPS system or any other relevant system, and to the extent such arrangements are so implemented, no provision of these Bye-laws shall apply or have effect to the extent that it is in any respect inconsistent with the holding or transfer of shares in uncertificated form; and

(b) unless otherwise determined by the Board and as permitted by the Act and any other applicable laws and regulations, no person shall be entitled to receive a certificate in respect of any share for so long as the title to that share is evidenced otherwise than by a certificate and for so long as transfers of that share may be made otherwise than by a written instrument.

8. Fractional Shares

The Company may issue its shares in fractional denominations and deal with such fractions to the same extent as its whole shares and shares in fractional denominations shall have in proportion to the respective fractions represented thereby all of the rights of whole shares including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up.

REGISTRATION OF SHARES

9. Register of Members

9.1 The Board shall cause to be kept in one or more books a Register of Members and shall enter therein the particulars required by the Act. Subject to the provisions of the Act, the Company may keep one or more branch registers in any place in or outside of Bermuda, and the Board may make, amend and revoke any such regulations as it may think fit respecting the keeping of such branch registers. The Board may authorise any share on the Register of Members to be included in a branch register or any share registered on a branch register to be registered on another branch register, provided that at all times the Register of Members is maintained in accordance with the Act.

9.2 The Register of Members shall be open to inspection without charge at the registered office of the Company on every business day, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each business day be allowed for inspection. The Register of Members may, after notice has been given in accordance with the Act, be closed for any time or times not exceeding in the whole thirty days in each year.

10. Registered Holder Absolute Owner

The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to, or interest in, such share on the part of any other person.

11. Transfer of Registered Shares

11.1 Subject to the Act and to such of the restrictions contained in these Bye-laws as may be applicable, any Member may transfer all or any of his shares by an instrument of transfer in the usual common form or in any other form which the Board may approve. No such instrument shall be required on the redemption of a share or on the purchase by the Company of a share. All transfers of uncertificated shares shall be made in accordance with and be subject to the facilities and requirements of the transfer of title to shares in that class by means of the VPS system or any other relevant system concerned and, subject thereto, in accordance with any arrangements made by the Board pursuant to Bye-Law 7.

11.2 The instrument of transfer shall be signed by (or on behalf of) the transferor and transferee, provided that, in the case of a fully paid share, the Board may accept the instrument signed by or on behalf of the transferor alone. The transferor shall be deemed to remain the holder of such share until the same has been registered as having been transferred to the transferee in the Register of Members.

11.3 The Board may refuse to recognise any instrument of transfer unless it is accompanied by the certificate in respect of the shares (if one has been issued) to which it relates and by such other evidence as the Board may reasonably require to prove the right of the transferor to make the transfer.

11.4 The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Member may transfer any such share to the executors or administrators of such deceased Member.

11.5 The Board may in its absolute discretion and without assigning any reason therefore refuse to register the transfer of a share which is not fully paid. The Board shall refuse to register a transfer unless all applicable consents, authorisations and permissions of any governmental body or agency in Bermuda have been obtained. If the Board refuses to register a transfer of any share the Secretary shall, within three months after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.

11.6 Shares may be transferred without a written instrument if transferred by an appointed agent or otherwise in accordance with the Act.

11.7 The Board may refuse to register the transfer of any share, and may direct the Registrar to decline (and the Registrar, to the extent it is able to do so, shall decline if so requested) to register the transfer of any interest in a share held through the VPS, where such transfer would, in the opinion of the Board, be likely to result in 50% or more of the aggregate issued and outstanding share capital of the Company, or shares of the Company to which are attached 50% or more of the votes attached to all issued and outstanding shares of the Company, being held or owned directly or indirectly by individuals or legal persons resident for tax purposes in Norway or, alternatively, such shares being effectively connected to a Norwegian business activity, or the Company otherwise being deemed a Controlled Foreign Company as such term is defined pursuant to Norwegian tax legislation.

11.8 Subject to Bye-law 11.7, but notwithstanding anything to the contrary in these Bye-laws, shares that are listed or admitted to trading on an appointed stock exchange may be transferred in accordance with the rules and regulations of such exchange.

12. Transmission of Registered Shares

12.1 In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the provisions of the Act, for the purpose of this Bye-law, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member.

12.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share, and in such case the person becoming entitled shall execute in favour of such nominee an instrument of transfer in writing in the form, or as near thereto as circumstances admit, of the following:

Transfer by a Person Becoming Entitled on Death/Bankruptcy of a Member
BW LPG Limited (the "Company")

I/We, having become entitled in consequence of the [death/bankruptcy] of [name and address of deceased/bankrupt Member] to [number] share(s) standing in the Register of Members of the Company in the name of the said [name of deceased/bankrupt Member] instead of being registered myself/ourselves, elect to have [name of transferee] (the "Transferee") registered as a transferee of such share(s) and I/we do hereby accordingly transfer the said share(s) to the Transferee to hold the same unto the Transferee, his or her executors, administrators and assigns, subject to the conditions on which the same were held at the time of the execution hereof; and the Transferee does hereby agree to take the said share(s) subject to the same conditions.

DATED this [***insert date***]

Signed by:	In the presence of:
______________________	______________________
Transferor	Witness
______________________	______________________
Transferee	Witness

12.3 On the presentation of the foregoing materials to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration as it would have had in the case of a transfer of the share by that Member before such Member's death or bankruptcy, as the case may be.

12.4 Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to such share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

ALTERATION OF SHARE CAPITAL

13. Power to Alter Capital

13.1 The Company may if authorised by resolution of the Members increase, divide, consolidate, subdivide, change the currency denomination of, diminish or otherwise alter or reduce its share capital in any manner permitted by the Act.

13.2 Where, on any alteration or reduction of share capital, fractions of shares or some other difficulty would arise, the Board may deal with or resolve the same in such manner as it thinks fit.

14. Variation of Rights Attaching to Shares

If, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of the class at which meeting the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class. The rights conferred upon the holders of the shares of any class or series issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class or series, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

DIVIDENDS AND CAPITALISATION

15. Dividends

15.1 The Board may, subject to these Bye-laws and in accordance with the Act, declare a dividend to be paid to the Members, in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly in specie in which case the Board may fix the value for distribution in specie of any assets. No unpaid dividend shall bear interest as against the Company.

15.2 The Board may fix any date as the record date for determining the Members entitled to receive any dividend.

15.3 The Company may pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.

15.4 The Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of the assets of the Company. No unpaid distribution shall bear interest as against the Company.

16. Power to Set Aside Profits

The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such amount as it thinks proper as a reserve to be used to meet contingencies or for equalising dividends or for any other purpose.

17. Method of Payment

17.1 Any dividend, interest, or other moneys payable in cash in respect of the shares may be paid through the VPS system or any other relevant system, by cheque or draft sent through the post directed to the Member at such Member's address in the Register of Members, or to such person and to such address as the holder may in writing direct.

17.2 In the case of joint holders of shares, any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or draft sent through the post directed to the address of the holder first named in the Register of Members, or to such person and to such address as the joint holders may in writing direct. If two or more persons are registered as joint holders of any shares any one can give an effectual receipt for any dividend paid in respect of such shares.

17.3 The Board may deduct from the dividends or distributions payable to any Member all moneys due from such Member to the Company on account of calls or otherwise.

17.4 Any dividend and or other monies payable in respect of a share which has remained unclaimed for 6 years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company. The payment of any unclaimed dividend or other moneys payable in respect of a share may (but need not) be paid by the Company into an account separate from the Company's own account. Such payment shall not constitute the Company a trustee in respect thereof.

17.5 The Company shall be entitled to cease sending dividend cheques and warrants by post or otherwise to a Member if those instruments have been returned undelivered to, or left uncashed by, that Member on at least two consecutive occasions, or, following one such occasion, reasonable enquiries have failed to establish the Member's new address. The entitlement conferred on the Company by this Bye-law 17.5 in respect of any Member shall cease if the Member claims a dividend or cashes a dividend cheque or warrant.

18. Capitalisation

18.1 The Board may resolve to capitalise any amount for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such amount in paying up unissued shares to be allotted as fully paid bonus shares pro-rata (except in connection with the conversion of shares of one class to shares of another class) to the Members.

18.2 The Board may capitalise any amount for the time being standing to the credit of a reserve account or amounts otherwise available for dividend or distribution by applying such amounts in paying up in full partly or nil paid shares of those Members who would have been entitled to such amounts if they were distributed by way of dividend or distribution.

MEETINGS OF MEMBERS

19. Annual General Meetings

Notwithstanding the provisions of the Act entitling the Members of the Company to elect to dispense with the holding of an annual general meeting, an annual general meeting shall be held in each year (other than the year of incorporation) at such time and place as the president of the Company (if any) or the Chairman or the Board shall appoint.

20. Special General Meetings

The president of the Company (if any) or the Chairman or the Board may convene a special general meeting of the Company whenever in their judgment such a meeting is necessary.

21. Requisitioned General Meetings

The Board shall, on the requisition of Members holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as at the date of the deposit carries the right to vote at general meetings of the Company, forthwith proceed to convene a special general meeting of the Company and the provisions of the Act shall apply.

22. Notice

22.1 At least 14 clear days notice of an annual general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held, that the election of Directors will take place thereat, and as far as practicable, the other business to be conducted at the meeting.

22.2 At least 14 clear days notice of a special general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, time, place and the general nature of the business to be considered at the meeting.

22.3 The Board may fix any date as the record date for determining the Members entitled to receive notice of and to vote at any general meeting, provided that the date for determining Members entitled to vote at any general meeting may not be more than 5 days before the date fixed for the meeting.

22.4 A general meeting shall, notwithstanding that it is called on shorter notice than that specified in these Bye-laws, be deemed to have been properly called if it is so agreed by (i) all the Members entitled to attend and vote thereat in the case of an annual general meeting; and (ii) by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving a right to attend and vote thereat in the case of a special general meeting.

22.5 The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

23. Giving Notice

23.1 A notice may be given by the Company to a Member:

(a) by delivering it to such Member in person, in which case the notice shall be deemed to have been served upon such delivery; or

(b) by sending it by post to such Member's address in the Register of Members, in which case the notice shall be deemed to have been served five days after the date on which it is deposited, with postage prepaid, in the mail; or

(c) by sending it by courier to such Member's address in the Register of members, in which case the notice shall be deemed to have been served two days after the date on which it is deposited, with courier fees paid, with the courier service; or

(d) by transmitting it by electronic means (including facsimile and electronic mail, but not telephone) in accordance with such directions as may be given by such Member to the Company for such purpose, in which case the notice shall be deemed to have been served at the time that it would in the ordinary course be transmitted; or

(e) by delivering it in accordance with the provisions of the Act pertaining to delivery of electronic records by publication on a website, in which case the notice shall be deemed to have been served at the time when the requirements of the Act in that regard have been met.

23.2 Any notice required to be given to a Member shall, with respect to any shares held jointly by two or more persons, be given to whichever of such persons is named first in the Register of Members and notice so given shall be sufficient notice to all the holders of such shares.

23.3 In proving service under Bye-laws 23.1(b), (c) and (d), it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted or sent by courier, and the time when it was posted, deposited with the courier, or transmitted by electronic means.

24. Postponement or Cancellation of General Meeting

The Secretary may, and on the instruction of the Chairman or the president (if any), the Secretary shall, postpone or cancel any general meeting called in accordance with these Bye-laws (other than a meeting requisitioned under these Bye-laws) provided that notice of postponement or cancellation is given to the Members before the time for such meeting.

Fresh notice of the date, time and place for the postponed or cancelled meeting shall be given to each Member in accordance with these Bye-laws.

25. Attendance and Security at General Meetings

25.1 Members may participate in any general meeting by such telephonic, electronic or other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

25.2 The Board may, and at any general meeting, the chairman of such meeting may make any arrangement and impose any requirement or restriction it or he considers appropriate to ensure the security of a general meeting including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place. The Board and, at any general meeting, the chairman of such meeting are entitled to refuse entry to a person who refuses to comply with any such arrangements, requirements or restrictions.

26. Quorum at General Meetings

26.1 At any general meeting two or more persons present in person throughout the meeting and representing in person or by proxy in excess of 33% of the total issued voting shares in the Company throughout the meeting shall form a quorum for the transaction of business.

26.2 If within half an hour from the time appointed for the meeting a quorum is not present, then, in the case of a meeting convened on a requisition, the meeting shall be deemed cancelled and, in any other case, the meeting shall stand adjourned to the same day one week later, at the same time and place or to such other day, time or place as the Secretary may determine. Unless the meeting is adjourned to a specific date, time and place announced at the meeting being adjourned, fresh notice of the resumption of the meeting shall be given to each Member entitled to attend and vote thereat in accordance with these Bye-laws.

27. Chairman to Preside

Unless otherwise agreed by a majority of those attending and entitled to vote thereat, the Chairman or the president of the Company, if there be one, shall act as chairman of the meeting at all general meetings at which such person is present. In their absence a chairman of the meeting shall be appointed or elected by those present at the meeting and entitled to vote.

28. Voting on Resolutions

28.1 Subject to the Act and these Bye-laws, any question proposed for the consideration of the Members at any general meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with these Bye-laws and in the case of an equality of votes the resolution shall fail.

28.2 No Member shall be entitled to vote at a general meeting unless such Member has paid all the calls on all shares held by such Member.

28.3 At any general meeting a resolution put to the vote of the meeting shall, in the first instance, be voted upon by a show of hands and, subject to any rights or restrictions for the time being lawfully attached to any class of shares and subject to the provisions of these Bye-laws, every Member present in person and every person holding a valid proxy at such meeting shall be entitled to one vote and shall cast such vote by raising his or her hand.

28.4 In the event that a Member participates in a general meeting by telephone, electronic or other communication facilities or means, the chairman of the meeting shall direct the manner in which such Member may cast his vote on a show of hands.

28.5 At any general meeting if an amendment shall be proposed to any resolution under consideration and the chairman of the meeting rules on whether or not the proposed amendment is out of order, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

28.6 At any general meeting a declaration by the chairman of the meeting that a question proposed for consideration has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in a book containing the minutes of the proceedings of the Company shall, subject to these Bye-laws, be conclusive evidence of that fact.

29. Power to Demand a Vote on a Poll

29.1 Notwithstanding the foregoing, a poll may be demanded by any of the following persons:

(a) the chairman of such meeting; or

(b) at least three Members present in person or represented by proxy; or

(c) any Member or Members present in person or represented by proxy and holding between them not less than one-tenth of the total voting rights of all the Members having the right to vote at such meeting; or

(d) any Member or Members present in person or represented by proxy holding shares in the Company conferring the right to vote at such meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total amount paid up on all such shares conferring such right.

29.2 Where a poll is demanded, subject to any rights or restrictions for the time being lawfully attached to any class of shares, every person present at such meeting shall have one vote for each share of which such person is the holder or for which such person holds a proxy and such vote shall be counted by ballot as described herein, or in the case of a general meeting at which one or more Members are present by telephone, electronic or other communication facilities or means, in such manner as the chairman of the meeting may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded and shall replace any previous resolution upon the same matter which has been the subject of a show of hands. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

29.3 A poll demanded for the purpose of electing a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and in such manner during such meeting as the chairman (or acting chairman) of the meeting may direct. Any business other than that upon which a poll has been demanded may be conducted pending the taking of the poll.

29.4 Where a vote is taken by poll, each person physically present and entitled to vote shall be furnished with a ballot paper on which such person shall record his vote in such manner as shall be determined at the meeting having regard to the nature of the question on which the vote is taken, and each ballot paper shall be signed or initialled or otherwise marked so as to identify the voter and the registered holder in the case of a proxy. Each person present by telephone, electronic or other communication facilities or means shall cast his vote in such manner as the chairman of the meeting shall direct. At the conclusion of the poll, the ballot papers and votes cast in accordance with such directions shall be examined and counted by a committee of not less than two Members or proxy holders appointed by the chairman of the meeting for the purpose and the result of the poll shall be declared by the chairman of the meeting.

30. Voting by Joint Holders of Shares

In the case of joint holders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

31. Instrument of Proxy

31.1 An instrument appointing a proxy shall be in writing in substantially the following form or such other form as the chairman of the meeting shall accept:

Proxy

BW LPG Limited (the "Company")

I/We, [insert names here], being a Member of the Company with [number] shares, HEREBY APPOINT [name] of [address] or failing him, [name] of [address] to be my/our proxy to vote for me/us at the meeting of the Members to be held on the [***insert date***] and at any adjournment thereof. (Any restrictions on voting to be inserted here.)

Signed this [***insert date]***

____

Member(s)

31.2 The instrument appointing a proxy must be received by the Company at the registered office or at such other place or in such manner as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting at which the person named in the instrument appointing a proxy proposes to vote, and an instrument appointing a proxy which is not received in the manner so prescribed shall be invalid.

31.3 A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf in respect of different shares.

31.4 The decision of the chairman of any general meeting as to the validity of any appointment of a proxy shall be final.

32. Representation of Corporate Member

32.1 A corporation which is a Member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting of the Members and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

32.2 Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Member.

33. Adjournment of General Meeting

33.1 The chairman of a general meeting at which a quorum is present may, with the consent of the Members holding a majority of the voting rights of those Members present in person or by proxy (and shall if so directed by Members holding a majority of the voting rights of those Members present in person or by proxy), adjourn the meeting.

33.2 The chairman of a general meeting may adjourn a meeting to another time and place without the consent or direction of the Members if it appears to him that:

(a) it is likely to be impracticable to hold or continue that meeting because of the number of Members wishing to attend who are not present; or

(b) the unruly conduct of persons attending the meeting prevents, or is likely to prevent, the orderly continuation of the business of the meeting; or

(c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

33.3 Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, fresh notice of the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote thereat in accordance with these Bye-laws.

34. Written Resolutions

34.1 Subject to these Bye-laws, anything which may be done by resolution of the Company in general meeting or by resolution of a meeting of any class of the Members may be done, without a meeting by written resolution in accordance with these Bye-laws.

34.2 Notice of a written resolution shall be given, and a copy of the resolution shall be circulated to all Members who would be entitled to attend a meeting and vote thereon. The accidental omission to give notice to, or the non-receipt of a notice by, any Member does not invalidate the passing of a resolution.

34.3 A written resolution is passed when it is signed by (or in the case of a Member that is a corporation, on behalf of) the Members who at the date that the notice is given represent such majority of votes as would be required if the resolution was voted on at a meeting of Members at which all Members entitled to attend and vote thereat were present and voting.

34.4 A resolution in writing may be signed in any number of counterparts.

34.5 A resolution in writing made in accordance with this Bye-law is as valid as if it had been passed by the Company in general meeting or by a meeting of the relevant class of Members, as the case may be, and any reference in any Bye-law to a meeting at which a resolution is passed or to Members voting in favour of a resolution shall be construed accordingly.

34.6 A resolution in writing made in accordance with this Bye-law shall constitute minutes for the purposes of the Act.

34.7 This Bye-law shall not apply to:

(a) a resolution passed to remove an auditor from office before the expiration of his term of office; or

(b) a resolution passed for the purpose of removing a Director before the expiration of his term of office.

34.8 For the purposes of this Bye-law, the effective date of the resolution is the date when the resolution is signed by, (or in the case of a Member that is a corporation, on behalf of,) the last Member whose signature results in the necessary voting majority being achieved and any reference in any Bye-law to the date of passing of a resolution is, in relation to a resolution made in accordance with this Bye-law, a reference to such date.

35. Directors Attendance at General Meetings

The Directors shall be entitled to receive notice of, attend and be heard at any general meeting.

DIRECTORS AND OFFICERS

36. Election of Directors

36.1 The Board shall consist of not less than three Directors or such number in excess thereof as the Members may determine. The Board shall be elected or appointed at the annual general meeting of the Members or at any special general meeting of the Members called for that purpose.

36.2 Where the number of persons validly proposed for re-election or election as a Director is greater than the number of Directors to be elected, the persons receiving the most votes (up to the number of Directors to be elected) shall be elected as

Directors, and an absolute majority of the votes cast shall not be a prerequisite to the election of such Directors.

36.3 Only persons who are proposed or nominated in accordance with this Bye-law shall be eligible for election as Directors. Any Member, the Board or the nomination committee may propose any person for re-election or election as a Director. Where any person, other than a Director retiring at the meeting or a person proposed for re-election or election as a Director by the Board or the nomination committee, is to be proposed for election as a Director, notice must be given to the Company of the intention to propose him and of his willingness to serve as a Director. Whether a Director is to be elected at an annual general meeting or a special general meeting, that notice must be given not less than 10 days before the date of such general meeting.

36.4 The Company in general meeting may appoint a nomination committee (the "nomination committee"), comprising such number of persons as the Members may determine in general meeting from time to time, and members of the nomination committee shall be appointed by resolution of the Members. Members, the Board and members of the nomination committee may suggest candidates for the election of Directors and members of the nomination committee to the nomination committee provided such suggestions are in accordance with any nomination committee guidelines or corporate governance rules adopted by the Company in general meeting from time to time and Members, Directors and the nomination committee may also propose any person for election as a Director in accordance with Bye-laws 36.2 and 36.3. The nomination committee may or may not recommend any candidates suggested or proposed by any Member, the Board or any member of the nomination committee in accordance with any nomination committee guidelines or corporate governance rules adopted by the Company in general meeting from time to time. The nomination committee may provide recommendations on the suitability of candidates for the Board and the nomination committee, as well as the remuneration of the members of the Board and the nomination committee. The Members at any general meeting may stipulate guidelines for the duties of the nomination committee.

36.5 At any general meeting the Members may authorise the Board to fill any vacancy in their number left unfilled at a general meeting.

37. Classes of Directors

The Directors shall be divided into two classes designated Class I and Class II. Each class of Directors shall consist, as nearly as possible, of half of the total number of Directors constituting the entire Board.

38. Term of Office of Directors

At the general meeting at which these Bye-laws are adopted, the Class I Directors shall be elected for an initial term of office that expires at the Company's 2015 annual general meeting, and the Class II Directors shall be elected for an initial term of office that expires at the Company's 2016 annual general meeting. At each succeeding annual general meeting (commencing, for the avoidance of doubt, at the Company's 2015 annual general meeting), successors to the class of Directors whose term expires at that annual general meeting shall be elected for a two year term. If the number of Directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of Directors in each class as nearly equal as possible, and any Director of any class elected to fill a vacancy shall hold office for a term that shall coincide with the remaining term of the other Directors of that class, but in no case shall a decrease in the number of Directors shorten the term of any Director then in office. A Director shall hold office until the annual general meeting for the year in which his term expires, subject to his office being vacated pursuant to Bye-law 41.

39. Alternate Directors

39.1 At any general meeting, the Members may elect a person or persons to act as a Director in the alternative to any one or more Directors or may authorise the Board to appoint such Alternate Directors.

39.2 Unless the Members otherwise resolve, any Director may appoint a person or persons to act as a Director in the alternative to himself by notice deposited with the Secretary.

39.3 Any person elected or appointed pursuant to this Bye-law shall have all the rights and powers of the Director or Directors for whom such person is elected or appointed in the alternative, provided that such person shall not be counted more than once in determining whether or not a quorum is present.

39.4 An Alternate Director shall be entitled to receive notice of all Board meetings and to attend and vote at any such meeting at which a Director for whom such Alternate Director was appointed in the alternative is not personally present and generally to perform at such meeting all the functions of such Director for whom such Alternate Director was appointed.

39.5 An Alternate Director's office shall terminate –

(a) in the case of an alternate elected by the Members:

(i) on the occurrence in relation to the Alternate Director of any event which, if it occurred in relation to the Director for whom he was elected to act, would result in the termination of that Director; or

(ii) if the Director for whom he was elected in the alternative ceases for any reason to be a Director, provided that the alternate removed in these circumstances may be re-appointed by the Board as an alternate to the person appointed to fill the vacancy; and

(b) in the case of an alternate appointed by a Director:

(i) on the occurrence in relation to the Alternate Director of any event which, if it occurred in relation to his appointor, would result in the termination of the appointor's directorship; or

(ii) when the Alternate Director's appointor revokes the appointment by notice to the Company in writing specifying when the appointment is to terminate; or

(iii) if the Alternate Director's appointor ceases for any reason to be a Director.

40. Removal of Directors

40.1 Subject to any provision to the contrary in these Bye-laws, the Members entitled to vote for the election of Directors may, at any special general meeting convened and held in accordance with these Bye-laws, remove a Director, provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director not less than 14 days before the meeting and at such meeting the Director shall be entitled to be heard on the motion for such Director's removal.

40.2 If a Director is removed from the Board under this Bye-law the Members may fill the vacancy at the meeting at which such Director is removed. In the absence of such election or appointment, the Board may fill the vacancy.

41. Vacancy in the Office of Director

41.1 The office of Director shall be vacated if the Director:

(a) is removed from office pursuant to these Bye-laws or is prohibited from being a Director by law;

(b) is or becomes bankrupt, or makes any arrangement or composition with his creditors generally;

(c) is or becomes of unsound mind or dies; or

(d) resigns his office by notice to the Company.

41.2 The Members in general meeting or the Board shall have the power to appoint any person as a Director to fill a vacancy on the Board occurring as a result of the death, disability, disqualification or resignation of any Director or as a result of an increase in the size of the Board and to appoint an Alternate Director to any Director so appointed.

42. Remuneration of Directors

The remuneration (if any) of the Directors shall be determined by the Company in general meeting and shall be deemed to accrue from day to day. The Directors may also be paid all travel, hotel and other expenses properly incurred by them (or in the case of a director that is a corporation, by their representative or representatives) in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally.

43. Defect in Appointment

All acts done in good faith by the Board, any Director, a member of a committee appointed by the Board, any person to whom the Board may have delegated any of its powers, or any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that he was, or any of them were, disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or act in the relevant capacity.

44. Directors to Manage Business

The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by the Act or by these Bye-laws, required to be exercised by the Company in general meeting.

45. Powers of the Board of Directors

The Board may:

(a) appoint, suspend, or remove any manager, secretary, clerk, agent or employee of the Company and may fix their remuneration and determine their duties;

(b) exercise all the powers of the Company to borrow money and to mortgage or charge or otherwise grant a security interest in its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;

(c) appoint one or more Directors to the office of managing director or chief executive officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;

(d) appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;

(e) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney;

(f) procure that the Company pays all expenses incurred in promoting and incorporating the Company and listing of the shares of the Company;

(g) delegate any of its powers (including the power to sub-delegate) to a committee of one or more persons appointed by the Board which may consist partly or entirely of non-Directors, provided that every such committee shall conform to such directions as the Board shall impose on them and provided further that the meetings and proceedings of any such committee shall be governed by the provisions of these Bye-laws regulating the meetings and proceedings of the Board, so far as the same are applicable and are not superseded by directions imposed by the Board;

(h) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board may see fit;

(i) present any petition and make any application in connection with the liquidation or reorganisation of the Company;

(j) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law;

(k) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any deed, agreement, document or instrument on behalf of the Company; and

(l) take all necessary or desirable actions within its control to ensure that the Company is not deemed to be a Controlled Foreign Company as such term is defined pursuant to Norwegian tax legislation.

46. Register of Directors and Officers

The Board shall cause to be kept in one or more books at the registered office of the Company a Register of Directors and Officers and shall enter therein the particulars required by the Act.

47. Appointment of Officers

The Chairman shall be appointed by the Members from amongst the Directors. The Board may appoint such other Officers (who may or may not be Directors) as the Board may determine for such terms as the Board deems fit.

48. Appointment of Secretary

The Secretary shall be appointed by the Board from time to time for such term as the Board deems fit.

49. Duties of Officers

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

50. Remuneration of Officers

The Officers shall receive such remuneration as the Board may determine.

51. Conflicts of Interest

51.1 Any Director, or any Director’s firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company on such terms, including with respect to remuneration, as may be agreed between the parties. Nothing herein contained shall authorise a Director or a Director's firm, partner or company to act as Auditor to the Company.

51.2 A Director who is directly or indirectly interested in a contract or proposed contract with the Company shall declare the nature of such interest as required by the Act.

51.3 Following a declaration being made pursuant to this Bye-law, and unless disqualified by the chairman of the relevant Board meeting, a Director may vote in respect of any contract or proposed contract or arrangement in which such Director is interested and may be counted in the quorum for such meeting.

51.4 Notwithstanding Bye-law 51.3 and save as provided herein, a Director shall not vote, be counted in the quorum or act as chairman at a meeting in respect of (A) his appointment to hold any office or place of profit with the Company or any body corporate or other entity in which the Company owns an equity interest or (B) the approval of the terms of any such appointment or of any contract or arrangement in which he is materially interested (otherwise than by virtue of his interest in shares, debentures or other securities of the Company), provided that, a Director shall be entitled to vote (and be counted in the quorum and act as chairman) in respect of any resolution concerning any of the following matters, namely:

(a) the giving of any security, guarantee or indemnity to him in respect of money lent or obligations incurred by him for the benefit of the Company; or

(b) any proposal concerning any other body corporate in which he is interested directly or indirectly, whether as an officer, Shareholder, creditor or otherwise, provided that he is not the holder of or beneficially interested (other than as a bare custodian or trustee in respect of shares in which he has no beneficial interest) in more than 1% of any class of the issued share capital of such body corporate (or of any third body corporate through which his interest is derived) or of the voting rights attached to all of the issued shares of the relevant body corporate (any such interest being deemed for the purpose of this Bye-law to be a material interest in all circumstances); and

in the case of an Alternate Director, an interest of a Director for whom he is acting as alternate shall be treated as an interest of such Alternate Director in addition to any interest which the Alternate Director may otherwise have.

51.5 If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote, and such question is not resolved by such Director voluntarily agreeing to abstain from voting and not be counted in the quorum of such meeting, such question shall be referred to the chairman of the meeting (except in the event the Director is also the chairman of the meeting, in which case the question shall be referred to the other Directors present at the meeting) and his (or their, as the case may be) ruling in relation to such Director shall be final and conclusive, except in a case where the nature or extent of the interest of the Director concerned has not been fully disclosed.

52. Indemnification and Exculpation of Directors and Officers

52.1 The Directors, Resident Representative, Secretary and other Officers (such term to include any person appointed to any committee by the Board) acting in relation to any of the affairs of the Company or any subsidiary thereof and the liquidator or trustees (if any) acting in relation to any of the affairs of the Company or any subsidiary thereof and every one of them (whether for the time being or formerly), and their heirs, executors and administrators (each of which an "indemnified party"), shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no indemnified party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty in relation to the Company which may attach to any of the indemnified parties. Each Member agrees to waive any claim or right of action such Member might have, whether individually or by or in the right of the Company, against any Director or Officer on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of his duties with or for the Company or any subsidiary thereof, PROVIDED THAT such waiver shall not extend to any liability arising from prospectus responsibility statements signed by any Director or Officer or to any matter in respect of any fraud or dishonesty in relation to the Company which may attach to such Director or Officer.

52.2 The Company may purchase and maintain insurance for the benefit of any Director or Officer against any liability incurred by him under the Act in his capacity as a Director or Officer or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any subsidiary thereof.

52.3 The Company may advance moneys to a Director or Officer for the costs, charges and expenses incurred by the Director or Officer in defending any civil or criminal proceedings against him, on condition that the Director or Officer shall repay the advance if any allegation of fraud or dishonesty in relation to the Company is proved against him.

MEETINGS OF THE BOARD OF DIRECTORS

53. Board Meetings

The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. A resolution put to the vote at a Board meeting shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

54. Notice of Board Meetings

A Director may, and the Secretary on the requisition of a Director shall, at any time summon a Board meeting. Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to such Director verbally (including in person or by telephone) or otherwise communicated or sent to such Director by post, electronic means or other mode of representing words in a visible form at such Director's last known address or in accordance with any other instructions given by such Director to the Company for this purpose.

55. Electronic Participation in Meetings by Telephone

Directors may participate in any meeting by such telephonic, electronic or other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

56. Quorum at Board Meetings

The quorum necessary for the transaction of business at a Board meeting shall be a majority of the Directors then in office.

57. Board to Continue in the Event of Vacancy

The Board may act notwithstanding any vacancy in its number but, if and so long as its number is reduced below the number fixed by these Bye-laws as the quorum necessary for the transaction of business at Board meetings, the continuing Directors or Director may act for the purpose of (i) summoning a general meeting; or (ii) preserving the assets of the Company.

58. Chairman to Preside

Unless otherwise agreed by a majority of the Directors attending, the Chairman or the president of the Company, if there be one, shall act as chairman at all Board meetings at which such person is present. In their absence a chairman of the meeting shall be appointed or elected by the Directors present at the meeting.

59. Written Resolutions

A resolution signed by (or in the case of a Director that is a corporation, on behalf of) all the Directors, which may be in counterparts, shall be as valid as if it had been passed at a Board meeting duly called and constituted, such resolution to be effective on the date on which the resolution is signed by (or in the case of a Director that is a corporation, on behalf of) the last Director. For the purposes of this Bye-law, an Alternate Director can sign written resolutions.

60. Validity of Prior Acts of the Board

No regulation or alteration to these Bye-laws made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

CORPORATE RECORDS

61. Minutes

The Board shall cause minutes to be duly entered in books provided for the purpose:

(a) of all elections and appointments of Officers;

(b) of the names of the Directors present at each Board meeting and of any committee appointed by the Board; and

(c) of all resolutions and proceedings of general meetings of the Members, Board meetings, and meetings of managers and of committees appointed by the Board.

62. Place Where Corporate Records Kept

Minutes prepared in accordance with the Act and these Bye-laws shall be kept by the Secretary at the registered office of the Company.

63. Form and Use of Seal

63.1 The Company may adopt a seal in such form as the Board may determine. The Board may adopt one or more duplicate seals for use in or outside Bermuda.

63.2 A seal may, but need not, be affixed to any deed, instrument or document, and if the seal is to be affixed thereto, it shall be attested by the signature of (i) any Director, or (ii) any Officer, or (iii) the Secretary, or (iv) any person authorised by the Board for that purpose.

63.3 A Resident Representative may, but need not, affix the seal of the Company to certify the authenticity of any copies of documents.

ACCOUNTS

64. Records of Account

64.1 The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:

(a) all amounts of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;

(b) all sales and purchases of goods by the Company; and

(c) all assets and liabilities of the Company.

64.2 Such records of account shall be kept at the registered office of the Company or subject to the Act, at such other place as the Board thinks fit and shall be available for inspection by the Directors during normal business hours.

64.3 Such records of account shall be retained for a minimum period of five years from the date on which they are prepared.

65. Financial Year End

The financial year end of the Company may be determined by resolution of the Board and failing such resolution shall be 31st December in each year.

AUDITS

66. Annual Audit

Subject to any rights to waive laying of accounts or appointment of an Auditor pursuant to the Act, the accounts of the Company shall be audited at least once in every year.

67. Appointment of Auditors

67.1 Subject to the Act, the Members shall appoint an auditor to the Company to hold office for such term as the Members deem fit or until a successor is appointed.

67.2 The Auditor may be a Member but no Director, Officer or employee of the Company shall, during his continuance in office, be eligible to act as an Auditor of the Company.

68. Remuneration of Auditor

68.1 The remuneration of an Auditor appointed by the Members shall be fixed by the Company in general meeting or in such manner as the Members may determine.

68.2 The remuneration of an Auditor appointed by the Board to fill a casual vacancy in accordance with these Bye-laws shall be fixed by the Board.

69. Duties of Auditors

69.1 The financial statements provided for by these Bye-laws shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards.

69.2 The generally accepted auditing standards referred to in this Bye-law may be those of a country or jurisdiction other than Bermuda or such other generally accepted auditing standards as may be provided for in the Act. If so, the financial statements and the report of the Auditor shall identify the generally accepted auditing standards used.

70. Access to Records

The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto, and the Auditor may call on the Directors or Officers for any information in their possession relating to the books or affairs of the Company.

71. Financial Statements and the Auditor's Report

71.1 Subject to the following Bye-law, financial statements and/or the auditor's report as required by the Act shall:

(a) be laid before the Members at the annual general meeting; or

(b) be received, accepted, adopted, approved or otherwise acknowledged by the Members by written resolution passed in accordance with these Bye-laws.

71.2 If all Members and Directors shall agree, either in writing or at a meeting, that in respect of a particular interval no financial statements and/or auditor's report thereon need be made available to the Members, and/or that no auditor shall be appointed then there shall be no obligation on the Company to do so.

72. Vacancy in the Office of Auditor

The Board may fill any casual vacancy in the office of the auditor.

VOLUNTARY WINDING-UP AND DISSOLUTION

73. Winding-Up

If the Company shall be wound up the liquidator may, with the sanction of a resolution of the Members, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

CHANGES TO CONSTITUTION

74. Changes to Bye-laws

74.1 Subject to Bye-law 74.2, no Bye-law shall be rescinded, altered or amended and no new Bye-law shall be made until the same has been approved by a resolution of the

Board and by a resolution of the Members including the affirmative vote of not less than two-thirds of the votes cast in a general meeting.

74.2 Where the Board has, by a resolution passed by a majority of the Directors then in office and eligible to vote on that resolution, approved a revocation, alteration or amendment of Bye-law 75, the revocation, alteration or amendment will not be effective unless approved by a resolution of the Members holding not less than four-fifths of the issued shares of the Company carrying the right to vote at general meetings at the relevant time.

75. Change of Name

At such time as BW Group Limited and its affiliates' shareholding in the Company fall to 30% or below of the entire issued and outstanding share capital of the Company, at the written request of BW Group Limited, the Company shall, as soon as practicable following the date of such written request, convene a general meeting of the Company to change the name of the Company to remove reference to "BW" in the name of the Company AND at such general meeting, in respect of any resolution on a proposed change of name of the Company only, the shares held by BW Group Limited and its affiliates shall be deemed to have the number of votes equalling a multiple of ten (10) times the entire number of shares represented at such meeting.

76. Changes to the Memorandum of Association

No alteration or amendment to the Memorandum of Association may be made save in accordance with the Act and until same has been approved by a resolution of the Board and by a resolution of the Members including the affirmative vote of not less than two-thirds of the votes cast at a general meeting.

77. Discontinuance

The Board may exercise all the powers of the Company to discontinue the Company to a jurisdiction outside Bermuda pursuant to the Act.

APPENDIX B1:

COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011

APPENDIX B2:

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

BW LPG LIMITED (PREVIOUSLY KNOWN AS BW GAS LPG HOLDING LIMITED)

(Incorporated in Bermuda)
AND ITS SUBSIDIARIES

COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

Contents

INDEPENDENT AND REPORTING AUDITOR'S REPORT ON THE COMBINED FINANCIAL STATEMENTS OF BW LPG LIMITED FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2011 AND 2012

The Board of Directors
BW LPG Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Report on the combined financial statements

We have audited the accompanying combined financial statements of BW LPG Limited (the "Company") and its subsidiaries (the "Combined Group") set out on pages 2 to 48, which comprise the combined balance sheets as at 31 December 2011 and 2012, and the combined statements of comprehensive income, changes in equity and cash flows for the financial years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the combined financial statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with International Financial Reporting Standards, and for such internal controls as management determines necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying combined financial statements of the Combined Group present fairly, in all material respects, the combined state of affairs of the Combined Group as described in Note 3 to the combined financial statements as at 31 December 2011 and 2012, and of the combined results, changes in equity and cash flows of the Group for the financial years then ended in accordance with the International Financial Reporting Standards.

Other matter

This Report has been prepared for the inclusion in the Prospectus of BW LPG Limited in connection with the invitation in respect of the initial public offering of shares and listing on Oslo Børs ASA.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 04 November 2013
Partner in Charge: Kok Moi Lre

BW LPG LIMITED (PREVIOUSLY KNOWN AS BW GAS LPG HOLDING LIMITED)
AND ITS SUBSIDIARIES

COMBINED STATEMENT OF COMPREHENSIVE INCOME
For the financial years ended 31 December 2011 and 2012

		The Group	
	Note	2012 US$'000	2011 US$'000
Revenue	4	377,859	236,193
Voyage expenses	5	(153,941)	(104,978)
TCE income #		223,918	131,215
Other operating income	4	602	807
Other operating expenses	5	(128,114)	(120,670)
Operating profit before depreciation, amortisation and impairment		96,406	11,352
Gain on disposal of vessels		-	4,238
Gain on disposal of joint venture	12	-	15,777
		96,406	31,367
Amortisation charge	8	(7,095)	(7,094)
Depreciation charge	9	(50,395)	(26,291)
(Impairment charge)/Write-back of impairment charge-net	9	(55,630)	3,547
Operating (loss)/profit		(16,714)	1,529
Foreign currency exchange (loss)/gain - net		(21)	720
Interest income		8	5
Interest expense		(3,467)	(6,789)
Derivative loss - net		-	(441)
Other finance income/(expense)		45	(8)
Finance expense - net		(3,435)	(6,513)
Loss for the financial year		(20,149)	(4,984)
Other comprehensive gain			
Hedging reserve			
Fair value on cash flow hedges		-	2,132
Other comprehensive gain		-	2,132
Total comprehensive loss for the financial year		(20,149)	(2,852)
(Loss)/Profit attributable to:			
Equity holders of the Company		(21,446)	(4,175)
Non-controlling interests		1,297	(809)
		(20,149)	(4,984)
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		(21,446)	(2,043)
Non-controlling interests		1,297	(809)
		(20,149)	(2,852)

The accompanying notes form an integral part of these combined financial statements.
Independent Auditor's Report - Page 1.

COMBINED STATEMENT OF COMPREHENSIVE INCOME (continued)
For the financial years ended 31 December 2011 and 2012

		The Group	
		2012	2011
Loss per share attributable to the equity holders of the Company (expressed in US$ per share)			
Basic and diluted loss per share	7	(21)	(4)

"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.

BW LPG LIMITED (PREVIOUSLY KNOWN AS BW GAS LPG HOLDING LIMITED)
AND ITS SUBSIDIARIES

COMBINED BALANCE SHEET
As at 31 December 2011 and 2012

		The Group	
	Note	2012 US$'000	2011 US$'000
Vessels	9	944,493	851,617
Dry docking	9	17,892	16,134
Total property, plant and equipment	9	962,385	867,751
Charter-hire contracts acquired	8	42,429	49,524
Total intangible assets		42,429	49,524
Total non-current assets		1,004,814	917,275
Inventories	10	19,432	13,631
Trade and other receivables	11	73,154	39,741
Cash and cash equivalents	12	22,221	14,783
Total current assets		114,807	68,155
Total assets		1,119,621	985,430
Share capital	14	10	10
Other reserves		67,687	67,687
Accumulated losses		(72,382)	(45,515)
		(4,685)	22,182
Non-controlling interests		9,105	8,784
Total shareholder's equity		4,420	30,966
Borrowings	15	64,751	72,573
Deferred income		1,737	2,233
Long-term tax liability		-	101
Total non-current liabilities		66,488	74,907
Trade and other payables	16	912,070	871,600
Current income tax liabilities		108	101
Deferred income		496	496
Borrowings	15	136,039	7,360
Total current liabilities		1,048,713	879,557
Total liabilities		1,115,201	954,464
Total equity and liabilities		1,119,621	985,430

Billy Chiu
Director

Andreas Sohmen-Pao
Director

The accompanying notes form an integral part of these combined financial statements.
Independent Auditor's Report – Page 1.

COMBINED STATEMENT OF CHANGES IN EQUITY
For the financial years ended 31 December 2011 and 2012

		Attributable to equity holders of the Company						
	Note	Share capital US$'000	Hedging reserve US$'000	Capital reserve US$'000	Accumulated losses US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance at 1 January 2012		10	-	67,687	(45,515)	22,182	8,784	30,966
(Loss)/profit for the financial year		-	-	-	(21,446)	(21,446)	1,297	(20,149)
Dividends paid	24	-	-	-	(5,421)	(5,421)	(976)	(6,397)
Balance at 31 December 2012		10	-	67,687	(72,382)	(4,685)	9,105	4,420
Balance at 1 January 2011		10	(2,132)	67,687	(41,340)	24,225	9,593	33,818
Hedging reserve: Fair value gain on cash flow hedges		-	2,132	-	-	2,132	-	2,132
Loss for the financial year		-	-	-	(4,175)	(4,175)	(809)	(4,984)
Balance at 31 December 2011		10	-	67,687	(45,515)	22,182	8,784	30,966

The accompanying notes form an integral part of these combined financial statements.
Independent Auditor's Report – Page 1.

BW LPG LIMITED (PREVIOUSLY KNOWN AS BW GAS LPG HOLDING LIMITED)
AND ITS SUBSIDIARIES

COMBINED STATEMENT OF CASH FLOWS
For the financial years ended 31 December 2011 and 2012

	The Group	
	2012 US$'000	2011 US$'000
Cash flows from operating activities		
Loss for the financial year	(20,149)	(4,984)
Adjustments for:		
- amortisation charge	7,095	7,094
- amortisation of deferred income	(496)	(496)
- depreciation charge	50,395	26,291
- impairment charge/(write-back of impairment charge) - net	55,630	(3,547)
- gain on disposal of property, plant and equipment	-	(4,238)
- gain on disposal of joint venture	-	(15,777)
- interest income	(8)	(5)
- interest expense	3,467	6,789
- foreign currency exchange loss on long-term tax liability	8	(6)
- other finance (income)/expense	(45)	8
Operating cash flow before working capital changes	95,897	11,129
Changes in working capital:		
- inventories	(5,801)	(5,329)
- trade and other receivables	(19,550)	(14,217)
- trade and other payables	(26,915)	166,157
Cash generated from operations	43,631	157,740
Taxes paid	(101)	(124)
Net cash provided by operating activities	43,530	157,616
Cash flow from investing activities		
Purchases of property, plant and equipment	(200,659)	(669,338)
Disposal of property, plant and equipment	-	32,841
Disposal of joint venture, net of cash disposed	-	(2,322)
Interest received	8	5
Net cash used in investing activities	(200,651)	(638,814)
Cash flows from financing activities		
Funding from immediate holding corporation for purchase of property, plant and equipment	67,385	602,206
Proceeds from borrowings	126,500	54,604
Funding provided to fellow subsidiary	(13,863)	(268)
Repayments of borrowings	(7,361)	(165,030)
Dividends paid	(5,421)	-
Interest paid	(1,750)	(6,789)
Other finance income received/(expense paid)	45	(8)
Payment to non-controlling interests	(976)	-
Net cash provided by financing activities	164,559	484,715
Net increase in cash and cash equivalents	7,438	3,517
Cash and cash equivalents at beginning of the financial year	14,783	11,266
Cash and cash equivalents at end of the financial year	22,221	14,783

The accompanying notes form an integral part of these combined financial statements.
Independent Auditor's Report – Page 1.

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

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.

With effect from 3 September 2013, the name of the Company was changed from BW Gas LPG Holding Limited to BW LPG Limited.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are shipowning and chartering (Note 27).

2. Group restructuring

For the purpose of the listing on the Oslo Børs, the LPG business of BW Group Limited underwent a restructuring exercise (the "Restructuring") in 2013 as set out below:

(a) On 29 August 2013, the Company incorporated BW LPG Partners Pte Ltd, a wholly-owned subsidiary in Singapore. BW LPG Partners Pte Ltd then incorporated BW LPG Partners AS, a wholly-owned subsidiary in Norway. BW LPG Partners AS entered into a sales and purchase agreement on 25 October 2013 with BW LPG I AS (a fellow subsidiary of the Company) to acquire:

i. 100% equity interest in AS Havgas Partners (a Norwegian Tonnage Tax Company which holds 15% equity interest in KS Havgas Partners);

ii. 62.5% equity interest in KS Havgas Partners (a Norwegian Limited Partnership); and

iii. 86.17% equity interest in PR Bergesen d.y. Shipping DA (a Norwegian Limited Partnership).

The cash purchase consideration for this transaction amounted to US$ 42.1 million and was entirely satisfied by an account payable from BW LPG Partners AS to BW LPG I AS.

(b) On 29 August 2013, BW Gas Cyprus Limited (a fellow subsidiary of the Company) incorporated BW Cyan Limited, a wholly-owned subsidiary in Bermuda. BW Gas Cyprus Limited transferred four vessels and the related assets and liabilities of the four vessels to BW Cyan Limited as part of a capital reorganization. Three of these four vessels had been acquired by BW Gas Cyprus Limited and accounted for as asset acquisitions in 2012. The Company then entered into a sales and purchase agreement with BW Gas Cyprus Limited to acquire the entire equity interest in BW Cyan Limited for the cash purchase consideration of US$67.1 million which is entirely satisfied by an account payable by the Company to BW Gas Cyprus Limited.

2. Group restructuring (continued)

(c) On 9 July 2013, the Company incorporated BW Woodlands Pte Ltd (renamed as BW LPG Pte Ltd on 29 August 2013), as a wholly owned subsidiary in Singapore. On 17 September 2013, BW LPG Pte Ltd entered into a sale and purchase agreement with BW Gas AS (a fellow subsidiary of the Company) to acquire the entire equity interest of BW Green Transport AS and BW Green Carriers AS for a cash purchase consideration of US$2 which is entirely satisfied by an account payable by the BW LPG Pte Ltd to BW Gas Cyprus Limited.

(d) On 30 August 2013, the Company incorporated BW LPG AS, a wholly-owned subsidiary in Norway.

Upon completion of the Restructuring, the existing legal group of BW LPG Limited (note 27), together with AS Havgas Partners, KS Havgas Partners, PR Bergesen d.y. Shipping DA, BW Cyan Limited, BW Green Transport AS and BW Green Carriers AS forms the reporting Group (referred to as the "Combined Group") of these financial statements.

The acquisition of AS Havgas Partners, KS Havgas Partners, PR Bergesen d.y. Shipping DA, BW Cyan Limited, BW Green Transport AS and BW Green Carriers AS has been accounted for as a business acquisition involving entities under common control prior to restructuring. Accordingly, the combined financial statements of the Group are presented as follows:

i. The combined balance sheets of the Group as at 31 December 2011 and 31 December 2012, the combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of the Group for the financial years ended 31 December 2011 and 31 December 2012 have been prepared as if the Company had been the holding company of the Group throughout the financial years ended 31 December 2011 and 31 December 2012.

ii. The assets and liabilities of AS Havgas Partners, KS Havgas Partners, PR Bergesen d.y. Shipping DA, BW Cyan Limited, BW Green Transport AS and BW Green Carriers AS were brought into the Combined Group's books based on their existing carrying values in the consolidated financial statements of BW Gas Cyprus Limited, which was the previous intermediate holding company for these entities. No adjustments are made to the carrying values of those assets and liabilities, as the financial statements of the Combined Group, AS Havgas Partners, KS Havgas Partners, PR Bergesen d.y. Shipping DA, BW Cyan Limited, BW Green Transport AS and BW Green Carriers AS have been prepared using consistent accounting policies as the Combined Group and these entities have been under common control.

2. Group restructuring (continued)

Details of the assets acquired and liabilities assumed of these businesses on the respective dates are as follows:

	As at 31 December 2012	2011
Assets acquired and liabilities assumed		
Property, plant and equipment	212,993	101,218
Inventories	1,924	2,101
Trade and other receivables	33,573	8,356
Cash and cash equivalents	4,597	4,777
Total assets	253,087	116,452
Borrowings	128,217	-
Long-term tax liability	-	101
Current income tax liabilities	108	101
Trade and other payables	18,547	11,669
Total liabilities	146,872	11,871
Total net assets	106,215	104,581

In 2012, the acquired businesses contributed revenue of US$66,341 (2011: US$30,537) and net profit/ (loss) of US$8,029 (2011: US$(2,235)) to the Combined Group. Of these, BW Cyan Limited contributed US$43,007 of revenue (2011: US$14,192) and US$1,218 of net profit (2011: US$1,941).

iii. The share capital of the Combined Group reflects the share capital of the Company on the respective dates. The retained earnings of the Combined Group will include the retained earnings of AS Havgas Partners, KS Havgas Partners, PR Bergesen d.y. Shipping DA, BW Cyan Limited, BW Green Transport AS and BW Green Carriers AS. The resulting differences are presented in capital reserve.

iv. All significant intra-group transactions and balances have been eliminated on combination.

3. Significant accounting policies

(a) Basis of preparation

(1) The combined financial statements have been prepared in for the inclusion in the proposed initial public offering prospectus of the Company. The combined financial statements include the entities as disclosed in Note 27, after the Group restructuring as described in Note 2. The accounting of the group restructuring involving entities under common control and the impact are also described in Note 2.

As the combined Group, comprising the Company and the entities as described in Note 27, have not operated as a separate legal reporting group, these combined financial statements are therefore, not necessarily indicative of results that would have occurred if the Combined Group had existed during the year presented or of future results of the Group.

The combined financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

New standards, amendments to published standards and interpretations, effective in 2013 or later

IFRS 9	Financial Instruments
IFRS 10	Combined Financial Statements
IFRS 12	Disclosure of Interest in Other Entities
IFRS 13	Fair Value Measurement
IAS 27	Separate Financial Statements (Revised 2011)
Amendments to IAS 1	Presentation of items of Other Comprehensive Income

IFRS 9 is the first step in the process to replace IAS 39, 'Financial instruments: recognition and measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2015 but is available for early adoption. The Group does not anticipate the adoption of this standard to have a material impact on the combined financial statements.

3. Significant accounting policies (continued)

(a) Basis of preparation (continued)

New standards, amendments to published standards and interpretations, effective in 2013 or later (continued)

IFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group does not anticipate the adoption of this standard to have a material impact on the combined financial statements.

IFRS 12, 'Disclosure of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. Additional disclosures are required on the Group's interests in subsidiaries to assist users to make their assessment on the financial impact of these entities on the combined financial statements.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS or US GAAP. The Group does not anticipate the adoption of this standard to have a material impact on the combined financial statements.

IAS 27, 'Separate Financial Statements (Revised 2011)', outlines the accounting and disclosure requirements relating to separate financial statements, which are financial statements prepared by a parent, or an investor in a joint venture or associate, where those investments are accounted for either at cost or in accordance with IAS 39 'Financial Instruments: Recognition and Measurement' or IFRS 9 'Financial Instruments'. The Group does not anticipate the adoption of this standard to have a material impact on the combined financial statements.

3. Significant accounting policies (continued)

(a) Basis of preparation (continued)

New standards, amendments to published standards and interpretations, effective in 2013 or later (continued)

Amendments to IAS 1, 'Presentation of items of Other Comprehensive Income' require that items presented in 'other comprehensive income' (OCI) be separated into two groups, based on whether or not they may be recycled to profit or loss in the future. The amendments are applicable retrospectively to annual periods beginning on or after 1 July 2012. The Group does not anticipate the adoption of this standard to have a material impact on the combined financial statements.

The Group does not anticipate the adoption of other standards, amendments and interpretations to have material impact on the combined financial statements.

Critical accounting estimates and assumptions

The preparation of combined financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions discussed below.

Certain amounts included in or affecting the combined financial statements and related disclosures are estimated, requiring the Group to make assumptions with respect to values or conditions which cannot be known with certainty at the time the combined financial statements are prepared. A critical accounting estimate or assumption is one which is both important to the portrayal of the Group's financial condition and results and requires management's most difficult, subjective or complex judgements, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Management evaluates such estimates on an ongoing basis, using historical results and experience, consultation with experts, trends and other methods considered reasonable in the particular circumstances.

3. Significant accounting policies (continued)

(a) Basis of preparation (continued)

Critical accounting estimates and assumptions (continued)

The following is a summary of estimates and assumptions which have a material effect on the combined financial statements.

(1) *Useful life and residual value of assets*

The Group reviews the useful lives and residual values of its vessels at least at each financial year-end and any adjustments are made on a prospective basis. Residual value is estimated as the lightweight tonnage of each vessel multiplied by the scrap value per ton. If estimates of the residual values are revised, the amount of depreciation charge in the future years will be changed.

The estimated residual values for all vessels were revised as at 1 January 2012. The change in this estimate has a prospective impact on the depreciation expense recorded from 1 January 2012 onwards. The effect of the change was a reduction on depreciation expense of approximately US$1.5 million (2011: US$3.3 million) for the financial year ended 31 December 2012.

The useful lives of the vessels are assessed periodically based on the condition of the vessels, market conditions and other regulatory requirements. If the estimates of useful lives for the vessels are revised or there is a change in useful lives, the amount of depreciation charge recorded in future years will be changed.

(2) *Impairment*

The Group assesses at the balance sheet dates whether there is any objective evidence or indication that the values of the intangible assets, and property, plant and equipment may be impaired. If any such indication exists, the Group will estimate the recoverable amount of the asset, and write down the asset to the recoverable amount. The assessment of the recoverable amount is based on broker values received from third parties or contracted cash flows discounted by an estimated discount rate.

3. Significant accounting policies (continued)

(a) Basis of preparation (continued)

Critical accounting estimates and assumptions (continued)

(3) Revenue recognition

All freight revenues and voyage expenses are recognised on a percentage of completion basis. Discharge-to-discharge basis is used in determining the percentage of completion for all spot voyages and voyages servicing contracts of affreightment. Under this method, freight revenue is recognised evenly over the period from the departure of a vessel from its original discharge port to departure from the next discharge port.

Management uses its judgement in estimating the total number of days of a voyage based on historical trends, the operating capability of the vessel (speed and fuel consumption) and the distance of the trade route. Actual results may differ from estimates.

(b) Revenue and income recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities, net of rebates, discounts, off-hire charges and after eliminating sales within the Group.

(1) Rendering of services

Revenue from time charters accounted for as operating leases is recognised rateably over the rental periods of such charters, as service is performed. Revenue from voyage charters is recognised rateably over the estimated length of the voyage within the respective reporting period, in the event the voyage commences in one reporting period and ends in the subsequent reporting period.

The Group determines the percentage of completion of voyage freight using the discharge-to-discharge method. Under this method, voyage revenue is recognised rateably over the period from the departure of a vessel from its original discharge port to departure from the next discharge port.

Demurrage is included if a claim is considered probable. Losses arising from time or voyage charters are provided for in full as soon as they are anticipated.

3. Significant accounting policies (continued)

(b) Revenue and income recognition (continued)

(1) *Rendering of services* (continued)

The Group's vessels operate in chartering pools. The Group accounts for its share of pool revenues, expenses, assets and liabilities gross in the combined financial statements. Pool revenues, expenses, assets and liabilities are allocated to the pool participants according to an agreed upon formula. The formulae used to allocate pool revenues to pool participants on the basis of the number of days a vessel is available for operation in the pool with weighting adjustments made to reflect vessels' differing capacities and performance capabilities. The same principles are applied in determining the pool's expenses, assets and liabilities.

(2) *Interest income*

Interest income is recognised on a time proportion basis using the effective interest method.

(3) *Rental income*

Rental income from operating lease is recognised on a straight-line basis over the lease term.

(c) Group accounting

(1) *Subsidiaries*

(i) *Consolidation*

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

3. Significant accounting policies (continued)

(c) Group accounting (continued)

(1) *Subsidiaries* (continued)

(i) *Consolidation* (continued)

In preparing the combined financial statements, transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) *Acquisition of businesses*

Other than the acquisition undertaken through the Restructuring as described in Note 2, the acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

3. Significant accounting policies (continued)

(c) Group accounting (continued)

(1) Subsidiaries (continued)

(ii) Acquisition of businesses (continued)

The excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the net identifiable assets acquired, is recorded as goodwill.

(iii) Disposals of subsidiaries or businesses

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to the combined profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in the profit or loss.

(2) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

(3) Joint ventures

Joint ventures are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties. The Group's interest in joint ventures is accounted for in the combined financial statements using proportionate consolidation.

3. Significant accounting policies (continued)

(c) Group accounting (continued)

(3) Joint ventures (continued)

Proportionate consolidation involves combining the Group's share of joint ventures' income and expenses, assets and liabilities and cash flows of the joint ventures on a line-by-line basis with similar items in the combined financial statements.

When the Group sells assets to a joint venture, the Group recognises only the portion of unrealised gains or losses on the sale of assets that is attributable to the interests of the other venturers. The Group recognises the full amount of any loss when the sale provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

When the Group purchases assets from a joint venture, it does not recognise its share of the profits of the joint ventures arising from the Group's purchase of assets until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss. Where necessary, adjustments are made to the financial statements of joint ventures to ensure consistency of accounting policies with those of the Group.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be finite. Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets that are subject to amortisation over their estimated remaining useful lives ranging from 3 to 69 months (2011: 15 to 81 months), are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

3. Significant accounting policies (continued)

(e) Property, plant and equipment

(1) *Measurement*

(i) Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses [note 3(f)].

(ii) The cost of an item of property, plant and equipment initially recognised includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

(2) *Depreciation*

(i) Depreciation is calculated using a straight-line method to allocate the depreciable amounts of property, plant and equipment, after taking into account the residual values over their estimated useful lives. The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at least annually. The effects of any revision are recognised in the profit or loss when the changes arise. The estimated useful lives are as follows:

Vessels	30 years

(ii) A proportion of the price paid for new vessels is capitalised as dry docking. These costs are depreciated over the period to the next scheduled dry docking, which is generally 30 to 60 months. The remaining carrying amount of the old dry docking as a result of the commencement of new dry docking will be written off to the profit or loss.

3. Significant accounting policies (continued)

(e) Property, plant and equipment (continued)

(3) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment, including dry docking, that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expense is recognised in the profit or loss when incurred.

(4) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in the profit or loss.

(f) Impairment of non-financial assets

Intangibles with finite lives, and property, plant and equipment are tested for impairment whenever there is any objective evidence or an indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the profit or loss.

An impairment loss for an asset (or CGU) is reversed if, and only if, there has been a change in the estimates used to determine the asset's (or CGU's) recoverable amount since the last impairment loss was recognised. The carrying amount of this asset (or CGU) is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of impairment loss for an asset (or CGU) is recognised in the profit or loss.

3. Significant accounting policies (continued)

(g) Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The fair value of derivative financial instruments represents the amount estimated by banks or brokers that the Group will receive or pay to terminate the derivatives at the balance sheet date. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as current assets or liabilities.

For derivative financial instruments that are not designated or do not qualify for hedge accounting, any fair value gains or losses are recognised in the profit or loss as financial items. In particular, gains and losses on interest rate derivatives are presented in the profit or loss as 'other comprehensive income/(loss)'.

(h) Loans and receivables

The Group has only one class of non-derivative financial assets - loans and receivables.

Cash and cash equivalents and trade and other receivables are initially recognised at their fair values plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Group assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

3. Significant accounting policies (continued)

(h) Loans and receivables (continued)

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

These assets are presented as current assets except for those that are expected to be realised later than 12 months after the balance sheet date, which are presented as non-current assets.

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings using the effective interest method.

Borrowings are presented as current liabilities in the combined balance sheet unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

(j) Borrowing costs

Borrowing costs are recognised in the combined profit or loss using the effective interest method except for those costs that are directly attributable to the construction of vessels. This includes those costs in relation to general borrowings used to finance the construction of vessels.

Borrowing costs are capitalised in the cost of the vessel under construction. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to the construction expenditures that are financed by general borrowings.

(k) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

3. Significant accounting policies (continued)

(l) Fair value estimation of financial assets and liabilities

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analyses, are also used to determine fair value for the financial instruments.

The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows, discounted at actively quoted interest rates.

The carrying amounts of current financial assets and liabilities carried at amortised costs approximate their fair values due to the short term nature of the balances. The fair values of financial liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(m) Leases

(1) *When a group company is the lessor:*

Operating leases

Leases of vessels in which the Group does not transfer substantially all risks and rewards incidental to ownership are classified as operating leases. Vessels leased out under operating leases are included in property, plant and equipment. Lease income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

(2) *When a group company is the lessee:*

Operating leases

Leases of assets in which substantially all risks and rewards of ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in the combined profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

3. Significant accounting policies (continued)

(m) Leases (continued)

(2) *When a group company is the lessee:*

Finance leases

Leases of assets in which the Group assumes substantially the risks and rewards incidental to ownership of the leased asset are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Each lease payment is allocated between the reduction of the outstanding lease liability and finance charges. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is taken to the combined profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(n) Inventories

Inventories comprise mainly ship stores and fuel oil remaining on board. Inventories are measured at the lower of cost (on first-in, first-out basis) and net realisable value.

(o) Income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised as income or expense in profit or loss, except to the extent that it relates to items recognised in other comprehensive income in which case the tax is also recognised in other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Positions taken in tax returns are evaluated periodically, with respect to situations in which applicable tax regulations is subject to interpretation, and provisions are established where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Taxes payable with long-term maturity are recognised at present value.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the combined financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

3. Significant accounting policies (continued)

(o) Income taxes (continued)

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is recognised on temporary differences arising on income earned from investments in subsidiaries, associated companies and joint ventures which are subject to withholding taxes on distribution, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(p) Provisions for other liabilities and charges

Provisions are recognised when the Group has a present legal or constructive obligation where as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. When the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

(q) Foreign currency translation

(1) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The combined financial statements of the Group are presented in United States Dollars, which is the Company's functional currency

(2) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in the profit or loss.

3. Significant accounting policies (continued)

(r) Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be classified as an asset.

(1) *Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(2) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(s) Cash and cash equivalents

For the purpose of presentation in the combined statement of cash flows, cash and cash equivalents include cash on hand and deposits held at call with financial institutions which are subject to an insignificant risk of change in value. Bank overdrafts are presented as current borrowings on the combined balance sheet.

(t) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new equity instruments are taken to equity as a deduction, net of tax, from the proceeds.

(u) Dividends to Company's shareholders

Dividends to Company's shareholders are recognised when the dividends are approved for payment.

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

4. Revenue and other operating income

	The Group	
	2012 US$'000	2011 US$'000
Revenue from:		
- voyage charter	294,158	205,480
- time charter	83,701	30,713
	377,859	236,193
Other operating income:		
- sundry income	106	311
- amortisation of deferred income	496	496
	602	807

5. Expenses by nature

	The Group	
	2012 US$'000	2011 US$'000
Staff costs (note 6)	35,692	20,364
Maintenance and repair expense	23,698	15,416
Charter hire expenses	53,348	71,075
Fuel oil consumed (note 10)	121,476	83,939
Insurance expense	2,978	1,757
Port charges	19,912	14,798
Other expenses	24,951	18,299
Total voyage and other operating expenses	282,055	225,648

6. Staff costs

	The Group	
	2012 US$'000	2011 US$'000
Wages and salaries	35,692	20,364

Wages and salaries relate to crew wages and crew training expenses. Other operational and administrative support are provided by BW Maritime Pte Ltd, BW Gas AS and BW Fleet Management AS, which are fellow subsidiaries controlled by the ultimate holding corporation.

7. Loss per share

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	The Group	
	2012	2011
Net loss attributable to equity holders of the Company (US$'000)	(21,446)	(4,175)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	1,000	1,000
Basic loss per share (US$ per share)	(21)	(4)

As there were no dilutive potential ordinary shares during the financial years ended 31 December 2011 and 2012, basic and dilutive loss per share are the same.

On 28 October 2013, the Company split every one share into 100 shares. The loss per share calculations for the financial years as presented in these financial statements have been adjusted to reflect the change in numbers of shares.

8. Intangible assets

	The Group	
	2012 US$'000	2011 US$'000
Charter-hire contracts acquired		
At beginning of the financial year	49,524	56,618
Amortisation charge	(7,095)	(7,094)
At end of the financial year	42,429	49,524

9. Property, Plant and Equipment

	Vessels US$'000	Dry docking US$'000	Total US$'000
The Group			
Cost			
At 1 January 2012	966,359	20,700	987,059
Additions	188,001	12,658	200,659
Write-off on completion of dry-docking	-	(2,085)	(2,085)
At 31 December 2012	1,154,360	31,273	1,185,633
Accumulated depreciation and impairment charge			
At 1 January 2012	114,742	4,566	119,308
Depreciation charge	39,495	10,900	50,395
Impairment charge	58,030	-	58,030
Write-back of impairment charge	(2,400)	-	(2,400)
Write-off on completion of dry-docking	-	(2,085)	(2,085)
At 31 December 2012	209,867	13,381	223,248
Net book value			
At 31 December 2012	944,493	17,892	962,385
Cost			
At 1 January 2011	373,341	11,295	384,636
Additions	725,390	17,948	743,338
Write-off on completion of dry-docking	-	(5,669)	(5,669)
Disposals	(28,374)	(1,175)	(29,549)
Disposal of joint venture (Note 12)	(103,998)	(1,699)	(105,697)
At 31 December 2011	966,359	20,700	987,059
Accumulated depreciation and impairment charge			
At 1 January 2011	131,113	5,614	136,727
Depreciation charge	20,723	5,568	26,291
Impairment charge	700	-	700
Write-back of impairment charge	(4,247)	-	(4,247)
Write-off on completion of dry-docking	-	(5,669)	(5,669)
Disposals	(900)	(46)	(946)
Disposal of joint venture (Note 12)	(32,647)	(901)	(33,548)
At 31 December 2011	114,742	4,566	119,308
Net book value			
At 31 December 2011	851,617	16,134	867,751

9. Property, plant and equipment (continued)

(a) Included in additions in the combined financial statements are vessels under finance leases amounting to US$nil (2011: US$75.3 million).

The net book value of vessels held under finance leases as at 31 December 2012 amounted to US$74.9 million (2011: US$90.5 million)

(b) The Group has mortgaged vessels with carrying amount of US$712.0 million (2011: $728.3 million) as security for debts of the ultimate holding corporation amounting to US$1,243.0 million (2011: US$1,455.0 million)

(c) In 2012, the Group recognised net impairment charges of US$55.6 million (2011: recognised net write-back of impairment charges of US$3.5 million), which represent the adjustment on certain vessel values to their recoverable amounts. The recoverable amounts of the vessels were mainly determined based on fair value (based on independent third party valuation reports which made reference to comparable transaction prices of similar LPG vessels) less estimated costs to sell.

10. Inventories

	The Group	
	2012 US$'000	2011 US$'000
Fuel oil	19,432	13,631

The cost of inventories recognised as expense and included in "voyage expenses" amounted to US$121.5 million (2011: US$83.9 million) (Note 5).

11. Trade and other receivables

	The Group	
	2012 US$'000	2011 US$'000
Trade receivables – non-related parties	45,699	34,173
Prepayments	7,395	4,705
Other receivables – non-related parties	6,194	860
Other receivables – fellow subsidiary	13,866	3
	73,154	39,741

The carrying amounts of trade and other receivables, principally denominated in United States Dollars, approximate their fair values.

The other receivables due from related company are unsecured, interest-free and repayable on demand.

12. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, and amounts held under a pool arrangement.

Cash and cash equivalents are principally denominated in United States dollars.

Disposal of the joint venture

The Company and Tailwind Shipping Pte Ltd ("Tailwind"), as shareholders of the joint venture company BW Gas Tailwind Carriers Pte Ltd ("BWGTC"), have, through negotiations conducted in March 2011, agreed to terms and conditions whereby the Company is granted a put option and Tailwind is granted a call option effective from 1 January 2012 in relation to the sale of the Company's 50% shareholdings in BWGTC to Tailwind at a total consideration of US$1, subject to certain events and conditions.

The Company and Tailwind have also agreed to certain amendments to the Shareholders Agreement dated 9 August 2007 and to the Term Loan and Revolving Facility Agreement dated 16 August 2007 (as supplemented from time to time) (the "Facility") whereby, inter alia, the vessel BW Trader owned by BWGTC was withdrawn from its current employment in the BW Gas VLGC Pool and was bareboat chartered in by the Company's subsidiary, BW Gas LPG Chartering Limited ("BW Chartering") at terms securing the ability of BW Trader to service the portion of the Facility related to it. The obligations of BW Chartering under the bareboat charter party were secured by a performance guarantee from BW Gas Limited.

The effects of the de-consolidation of the joint venture on the cash flows of the Group in 2011 were as follows:

	The Group
	US$'000
Share of carrying amounts of assets and liabilities disposed	
Cash and cash equivalents	2,322
Trade and other receivables	1,436
Vessels and dry-docking (note 9)	72,149
Total assets	75,907
Borrowings	(87,034)
Derivative liability	(4,592)
Trade and other payables	(2,415)
Total liabilities	(94,041)
Net assets disposed	(18,134)
Reclassification of hedging reserve	2,357
	(15,777)
Gain on disposal of joint venture	15,777
Cash proceeds from disposal	-
Less: Share of cash and cash equivalents in joint venture disposed	(2,322)
Net cash outflow on disposal of joint venture	(2,322)

13. Investments in joint venture

The following amounts represent the Group's share of the assets, liabilities, income and expenses of the joint venture disposed during the year which were proportionately consolidated in the Group's combined balance sheet and combined statement of comprehensive income on a line-by-line basis during the investment period:

	The Group	
	2012 US$'000	2011 US$'000
Revenue	-	1,210
Expenses	-	(916)
Profit before and after income tax	-	294

Details of the joint venture are included in Note 27.

14. Share capital and other reserves

(a) Authorised share capital

The total authorised number of shares is 10,000 shares (2011: 10,000 shares) with a par value of US$1.00 per share (2011: US$1.00 per share).

(b) Issued and fully paid share capital

	2012 Shares	2011 Shares	2012 US$'000	2011 US$'000
At beginning and end of the financial year	10,000	10,000	10	10

See Note 25 for changes to share capital after 31 December 2012.

(c) The Company is a wholly-owned (2011: wholly-owned) subsidiary of BW Group Limited which is approximately 93% (2011: 93%) owned by companies controlled by Sohmen family interests.

(d) Capital reserve

The capital reserve of $67,687 arose from the business acquisition of entities under common control using the pooling-of-interest method of accounting, as described in Note 2.

15. Borrowings

	The Group	
	2012 US$'000	2011 US$'000
Non-current		
Finance lease liabilities (Note 17)	64,751	72,573
Current		
Finance lease liabilities (Note 17)	7,822	7,360
Loan from immediate holding corporation	128,217	-
	136,039	7,360
Total borrowings	200,790	79,933

Finance lease liabilities (note 17) of the Group are secured by the rights to two (2011: two) leased vessels, which would revert to the lessor in the event of default by the Group.

The loan from immediate holding corporation is unsecured, bears an effective interest rate of LIBOR + 1.4% per annum (2011: nil) at the balance sheet date, and is repayable on 13 May 2013.

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

16. Trade and other payables

	The Group	
	2012 US$'000	2011 US$'000
Current liabilities		
Trade payables - non-related parties	25,057	21,178
Other payables to fellow subsidiaries	200,062	237,728
Other payables to immediate holding corporation - For purchase of property, plant and equipment	669,591	602,206
Charter hire received in advance	767	3,056
Other accrued operating expenses - non-related parties	16,593	7,432
	912,070	871,600

Other payables due to fellow subsidiaries and immediate holding corporation are unsecured, interest-free and are payable on demand.

The carrying amounts of trade and other payables, principally denominated in United States Dollars, approximate their fair values.

17. Finance lease liability

The Group has leased two (2011: two) vessel on finance lease from a non-related party with option to purchase the vessel(s) at the end of the charter period.

	The Group	
	2012	2011
	US$'000	US$'000
Minimum lease payments due:		
- not later than one year	9,688	9,493
- later than one year and not later than five years	68,526	42,401
- later than five years	-	35,813
	78,214	87,707
Less: Future finance charges	(5,641)	(7,774)
Present value of finance lease liabilities	72,573	79,933

The present value of finance lease liabilities may be analysed as follows:

	The Group	
	2012	2011
	US$'000	US$'000
Current		
Not later than one year (note 15)	7,822	7,360
Non-current		
Later than one year (note 15):		
- later than one year and not later than five years	64,751	37,191
- later than five years	-	35,382
	72,573	79,933

Interest rate risks

The weighted average effective interest rates per annum of total finance lease liabilities at the balance sheet date are as follows:

	The Group	
	2012	2011
Finance lease liabilities	3%	2%

18. Immediate and ultimate holding corporation

The Company's immediate holding corporation is BW Gas Limited, incorporated in Bermuda.

The Company's ultimate holding corporation is BW Group Limited, incorporated in Bermuda.

19. Related party transactions

In addition to the information disclosed elsewhere in the combined financial statements, the following transactions took place between the Company and related parties during the financial year at terms agreed between the parties:

	The Group	
	2012 US$'000	2011 US$'000
Borrowings (payable)/repaid to immediate holding corporation/fellow subsidiary	(128,217)	95,386
Interest expenses paid to fellow subsidiaries	1,717	5,077
Support service fees expenses paid to ultimate holding corporation	920	900
Support service fees expenses paid to related companies	584	634
Commercial fees expenses paid to fellow subsidiaries	4,771	3,123
Ship management fees expenses paid to fellow subsidiaries	9,176	4,401

No fees or other emoluments were paid or payable to the key management of the Company for the financial year (2011: US$nil).

20. Commitments

(a) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the combined financial statements are as follows:

	The Group	
	2012 US$'000	2011 US$'000
Purchase of vessel	33,030	-

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

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

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

	The Group	
	2012 US$'000	2011 US$'000
Not later than one year	62,722	17,198
Later than one year but not later than five years	46,994	14,466
	109,716	31,664

(c) Operating lease commitments – where a group company is a lessee

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

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

	The Group	
	2012 US$'000	2011 US$'000
Not later than one year	42,821	49,897
Later than one year and not later than five years	118,439	125,757
Later than five years	55,036	81,255
	216,296	256,909

21. Contingent Liabilities

Details of contingent liabilities are as follows:

The Group participates in several Norwegian limited partnerships ('KS'/'PR'). For all limited partnerships classified as subsidiaries, the Group acts as the general partner with unlimited liability for the partnership, and will be responsible for liabilities that cannot be covered through uncalled capital from the limited partners.

22. Financial risk management

The Group's activities expose it to a variety of financial risks. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance of the Group.

The financial risk management of the Group is handled by the ultimate holding corporation as part of the operations of the Group and these processes and policies are described in the consolidated financial statements of the ultimate holding corporation.

(a) Market risk

(i) Fuel price risk

The Group is exposed to the risk of variations in fuel oil costs, which are affected by the global political and economic environment. In 2012, fuel oil costs comprised 53% (2011: 54%) of the Group's total operating expenses (excluding depreciation and charter hire expenses).

If the price of fuel oil increases/decreases by US$1 per metric ton (2011: US$1/MT) with all other variables held constant, the net loss will be higher/lower by US$183,000 (2011: US$129,000) as a result of higher/lower fuel oil consumption expense.

(ii) Currency risk

The Group's business operations are not exposed to significant foreign exchange risk as it has no significant transactions denominated in foreign currencies during the financial year.

Loan from a fellow subsidiary has been settled in full at 31 December 2011. At 31 December 2010, the loan was denominated in Norwegian Kroner.

22. Financial risk management (continued)

(b) Credit risk

Credit risk is concentrated on several key charterers. The Company performs ongoing credit evaluation of the charterer and has policies in place to ensure that services are rendered to charterers with appropriate credit histories. In this regard, the Company is of the opinion that the relevant credit risk of counterparty default is reduced. In addition, although the trade and other receivables consist of a small number of customers, the Company has policies in place for the control and monitoring of the concentration of credit risk. The Company has implemented policies to ensure cash are deposited with internationally recognised financial institution with a good credit rating.

The Group's credit risk is primarily attributable to trade and other receivables and cash and cash equivalents. Both balances as at the balance sheet date are neither past due nor impaired. The maximum exposure is represented by the carrying value of each financial asset on the combined balance sheet.

(c) Interest rate risks

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

The Group's borrowings are at variable rates on which effective hedging have not been entered into. If the US$ interest rates increase/decrease by 50 basis points (2011: 50 basis points) with all other variables including tax rate being held constant, the loss after tax will be higher/lower by approximately US$0.8 million (2011: US$1.7 million) as a result of higher/lower interest expense on these borrowings. The financing from the immediate holding corporation bears no interest.

22. Financial risk management (continued)

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group maintains sufficient cash for its daily operations via short-term cash deposit at banks and has access to unutilised portion of revolving facilities offered by financial institutions to its ultimate holding corporation.

	Less than 1 year US$'000	Between 1 and 2 years US$'000	Between 2 and 5 years US$'000	Over 5 years US$'000
At 31 December 2012				
Trade and other payables	912,070	-	-	-
Finance lease liabilities	7,822	8,313	56,438	-
Borrowings	128,217	-	-	-
Interest payments	1,867	1,586	2,188	-
	1,049,976	9,899	58,626	-
At 31 December 2011				
Trade and other payables	871,600	-	-	-
Finance lease liabilities	7,360	7,642	29,549	35,382
Interest payments	2,133	1,867	3,343	431
	881,093	9,509	32,892	35,813

22. Financial risk management (continued)

(e) Financial instruments by category

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

	2012 US$'000	2011 US$'000
Loans and receivables	87,980	49,819
Financial liabilities at amortised cost	1,112,093	948,477

As at 31 December 2012 and 2011, all financial liabilities of the Company are expected to mature within 12 months from the balance sheet date.

(f) Capital risks

As at 31 December 2011 and 31 December 2012, the Group's capital risk management is handled by the ultimate holding corporation as part of its operations. The Group's overall strategy remains unchanged from prior year.

See Note 25 for changes to capital structure after 31 December 2012.

23. Segment information

Operating segments are determined based on the reports submitted to the Chief Operating Decision Maker (CODM) to make strategic decisions. The CODM comprises the Chief Operating Officer and Chief Financial Officer of BW Group Limited which is the ultimate holding corporation of the Company. Management considers the 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, disposals of property, plant and equipment and disposal of a joint venture ("Operating EBITDA"). This measurement basis excludes the effects of gain on disposal of property, plant and equipment, impairment charges and gain on disposal of a joint venture that are not expected to recur regularly in every financial period. Interest income are not allocated to segments, as this type of activity is driven by the Group Finance, which manages the overall cash position of the Group. Unallocated items include general expenses that are not attributable to any segments.

23. Segment information (continued)

The reconciliation of the reports reviewed by the CODM based on Operating EBITDA to the basis as disclosed in these financial statements is as follows:

2012	VLGC US$'000	LGC US$'000	Total US$'000
Revenue	321,021	56,838	377,859
Operating EBITDA	74,699	23,628	98,327
Finance expense	(1,708)	(1,727)	(3,435)
Depreciation charge	(36,842)	(13,553)	(50,395)
Amortisation charge	(7,095)	-	(7,095)
Impairment charge on vessels - net	(54,960)	(670)	(55,630)
Unallocated items	-	-	(1,921)
Loss before income tax			(20,149)
Segment assets	891,127	178,818	1,069,945
Segment assets includes:			
Additions to:			
- vessels	54,965	133,036	188,001
- dry docking	8,161	4,497	12,658
	63,126	137,533	200,659
Segment liabilities	700,042	130,177	830,219

23. Segment information (continued)

2011	VLGC US$'000	LGC US$'000	Total US$'000
Revenue	218,638	17,555	236,193
Operating EBITDA	15,536	2,030	17,566
Gain on disposal of a joint venture	-	-	15,777
Finance expense	(6,509)	(4)	(6,513)
Gain on disposal of property, plant and equipment:	4,238	-	4,238
Depreciation charge	(20,674)	(5,617)	(26,291)
Amortisation charge	(7,094)	-	(7,094)
Write-back of Impairment charge on vessels - net	2,947	600	3,547
Unallocated items	-	-	(6,214)
Loss before income tax			(4,984)
Segment assets	913,284	51,794	965,078
Segment assets includes: Additions to:			
- vessels	725,390	-	725,390
- dry docking	13,088	4,860	17,948
	738,478	4,860	743,338
Segment liabilities	704,056	1,990	706,046

23. 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 financial statements. 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.

	The Group	
	2012 US$'000	2011 US$'000
Segment assets	1,069,945	965,078
Unallocated items:		
Cash and cash equivalents	22,221	14,783
Other receivables	27,455	5,569
Total assets	1,119,621	985,430

Reportable segments' liabilities

The amounts provided to management with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segments. Certain trade and other payables are allocated to the reportable segments. All other liabilities are reported as unallocated items.

	The Group	
	2012 US$'000	2011 US$'000
Segment liabilities	830,219	706,046
Unallocated items:		
Long-term tax liabilities	-	101
Other payables	284,874	248,216
Current income tax liabilities	108	101
Total liabilities	1,115,201	954,464

23. Segment information (continued)

Geographical segments' revenue

The geographical segments of external revenues are reported based on the country of domicile of customers. Analysis of revenue by geographical countries is as follows:

	The Group	
	2012 US$'000	2011 US$'000
Revenue		
Switzerland	119,100	99,300
United Kingdom	50,400	24,000
Brazil	47,200	17,100
United States of America	14,000	18,300
Japan	26,600	13,400
Bermuda	25,200	26,200
Singapore	22,300	-
Others *	73,059	37,893
	377,859	236,193

* Any single country of domicile contributed less than 5% (2011: 5%) of the Group's total revenue.

As non-current assets comprise mainly vessels, together with the related dry dockings, and are primarily utilised across many geographical markets, management does not consider it meaningful to allocate vessels to specific geographical locations.

There is no significant concentration of revenue derived from a single external customer.

24. Dividend

	The Group			
	2012 US$'000		2011 US$'000	
	Equity holders	Non-controlling interests	Equity holders	Non-controlling interests
Ordinary dividends paid				
Final dividend paid				
- KS Havgas Partners	1,250	450	-	-
- PR Bergesen d.y. Shipping DA	3,274	526	-	-
- AS Havgas Partners	897	-	-	-
	5,421	976	-	-

25. Events occurring after balance sheet date

Transactions and events occurring after the balance sheet date which relate to Group Restructuring are disclosed in Note 2.

The vessel "BW Havlys" was disposed on 21 March 2013 to a non-related party for a consideration of US$2.2 million. The loss on disposal of vessel was US$0.9 million.

On 25 March 2013, the Group exercised a purchase option, amounting to US$9.9 million, for the vessel "Yuyo Berge" (renamed to BW Empress) which had previously been charter-in by the Group at the end of the charter period. The vessel was acquired from a non-related party for a consideration of US$36.7 million. The cost capitalised on acquisition was US$46.6 million.

On 22 May 2013, the Group entered into a framework agreement with Maersk Tankers for the purchase of 5 VLGCs, 5 VLGC time charters and 2 contracts of affreightment (COAs) for a total consideration of US$311.5 million. The total transaction cost was capitalized as the acquisition cost of the 5 owned vessels.

In 2013, the vessel, BW Hermes, with a net book value of US$3.8 million, was reclassified from property, plant and equipment to asset held for sale. The disposal of the vessel to the immediate holding corporation was committed on 3 September 2013 for a consideration of US$3.8 million. The sale of the vessel will be completed upon expiry of current voyage commitments to Yara between December 2013 and January 2014. There will be no gain or loss recognised as a result of the disposal.

The Group has entered into shipbuilding contracts for the construction of four very large LPG carriers for US$286.2 million. The construction is to be paid in five instalments up to the scheduled delivery dates ranging from 31 October 2014 to 30 April 2015. As at 31 August 2013, the Group has capitalised US$28.7 million into vessels under construction. On 01 November 2013, the Group has exercised the option to purchase two units of vessel identical to the above for US$147.8 million in aggregate to be paid in five instalments up to the scheduled delivery dates in the second and third quarter of 2016.

25. Events occurring after balance sheet date (continued)

On 30 August 2013, the Group disposed its following subsidiaries to its fellow subsidiaries:

i. BW LNG Investments Pte Ltd (previously known as BW Trader Pte Ltd);
ii. BW GMC Investments Limited (previously known as BW Captain Limited); and
iii. BW Danuta Limited

These transactions do not have material impact in these financial statements.

On 16 October 2013, the Group exercised its right to terminate the bareboat charterparty agreement on 90 days' notice and exercised its purchase option, taking ownership of the vessel, BW Trader, and its related outstanding debit balance. As part of the transaction, the Group has also committed to sell its 50% shareholding in BWGTC which will be transferred at nominal value to BWGTC at the same time when the bareboat charterparty agreement terminates. This transaction is expected to be completed in January 2014.

On 28 October 2013, the Company transferred the net amount due to related parties of the Company to BW Gas Limited amounting to US$686.9 million (the "Intercompany Balance"). On 28 October 2013, the Company entered into a Capitalisation Agreement (the "Capitalisation Agreement") with BW Gas Limited under which the Company shall issue 99 million common shares of US$0.01 par value in the Company as settlement for US$1.0 million of amount due to BW Gas Limited (the "Capitalisation"), with the remainder of the Intercompany Balance (being the Intercompany Balance less the amount subject to the Capitalisation) be treated as a contribution by BW Gas Limited to the contributed surplus of the Company.

On 28 October 2013, the Company split every one share into 100 shares.

On 04 November 2013, the Group received a firm offer from a syndicate of banks consisting of a senior secured facility (the "Facility") in the aggregate amount of US$700 million, which comprised of a term loan facility of US$500 million (the "Term Loan") and a revolving credit facility of US$200 million (the "RCF"). The amounts borrowed under the facility will be applied to refinance the existing loan from BW Gas Limited.

The charterer of two vessels in the Group has presented the Group with a claim for losses allegedly caused by technical issues on those vessels, which the charterer claims resulted in damages under two of the Group's charter contracts. The aggregate amount claimed by the charterer is approximately US$1.3 million. The Group is disputing any liability for the claims and does not believe the claims will have any significant effect on the Company's and/or the Group's financial position or profitability.

26. Authorisation of combined financial statements

These combined financial statements were authorised for issue in accordance with a resolution of the Board of Directors of BW LPG Limited passed on 04 November 2013.

27. Listing of companies in the Group

Name of companies		Principal activities	Country of incorporation	Equity holding 2012 %	Equity holding 2011 %
(i) Subsidiaries					
BW Gas LPG Limited		Shipowning	Bermuda	100	100
BW Gas LPG Chartering Limited		Chartering	Bermuda	100	100
BW LNG Investments Pte Ltd.		Dormant	Singapore	100	100
BW Austria Limited		Shipowning	Bermuda	100	100
BW Borg Limited		Shipowning	Bermuda	100	100
BW GMC Investments Pte Ltd		Dormant	Bermuda	100	100
BW Danuta Limited		Shipowning	Bermuda	100	100
BW Lord Limited		Shipowning	Bermuda	100	100
BW Prince Limited		Shipowning	Bermuda	100	100
BW Princess Limited		Shipowning	Bermuda	100	100
LPG Transport Service Ltd.		Shipowning	Bermuda	100	100
BW Liberty Limited		Shipowning	Bermuda	100	100
BW Loyalty Limited		Shipowning	Bermuda	100	100
KS Havgas Partners	(b)	Shipowning	Norway	78	78
PR Bergesen d.y. Shipping DA	(b)	Shipowning	Norway	86	86
AS Havgas Partners	(b)	Investment & Holding	Norway	100	100
BW Green Transport AS	(b)	Chartering	Norway	100	100
BW Green Carriers AS	(b)	Chartering	Norway	100	100
BW LPG Partners Pte Ltd	(a)	Investment & Holding	Singapore	100	100
BW LPG Partners AS	(a)	Investment & Holding	Norway	100	100
BW LPG AS	(a)	Management	Norway	100	100
BW LPG Pte Ltd	(a)	Management	Singapore	100	100
BW Cyan Limited	(a,b)	Shipowning	Bermuda	100	100
(ii) Joint venture held by the Company					
BW Gas Tailwind Carriers Pte Ltd	(c)	Shipowning	Singapore	50	50

(a) Incorporated in 2013 as part of the Group restructuring exercise.
(b) Entities acquired in 2013 as part of the group restructuring. Results, assets and liabilities of these entities were accounted for using the pooling of interest method as these are entities under common control.[see note (2)]
(c) As at 31 December 2011, BW Gas Tailwind Carriers Pte. Ltd. was derecognised for accounting purposes, but it remains legally a joint venture of the Group.

BW GAS LPG HOLDING LIMITED

(Incorporated in Bermuda)
AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

Contents

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF BW GAS LPG HOLDING LIMITED

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of BW Gas LPG Holding Limited and its subsidiaries, which comprise the consolidated balance sheet as at 31 December 2010, and the consolidated statements of comprehensive income, changes in equity and cash flows for the financial year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal controls as management determines necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of BW Gas LPG Holding Limited and its subsidiaries as at 31 December 2010, and of their financial performance and cash flows for the financial year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Certified Public Accountants
Singapore

6 October 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2010

	Note	The Group 2010 US$'000	The Group 2009 US$'000
Revenue	3	84,705	29,564
Charter hire and voyage expenses	4	(91,188)	(23,015)
TCE income #		(6,483)	6,549
Other operating income	3	1,458	1,449
Other operating expenses	4	(13,425)	(8,099)
Operating loss before depreciation, amortisation and impairment		(18,450)	(101)
Amortisation charge	7	(5,513)	(25)
Depreciation charge	8	(6,721)	(5,219)
Impairment charge	8	(1,825)	(18,390)
Operating loss		(32,509)	(23,735)
Foreign currency exchange loss - net		(1,437)	(18)
Interest income		10	14
Interest expense		(4,761)	(3,397)
Other finance expense		(6)	(168)
Finance expense - net		(6,194)	(3,569)
Loss for the financial year		(38,703)	(27,304)
Other comprehensive (loss)/income			
Hedging reserve			
Fair value (loss)/gain on cash flow hedges		(2,178)	1,470
Reclassification to profit or loss		2,102	1,623
Other comprehensive (loss)/income		(76)	3,093
Total comprehensive loss for the financial year		(38,779)	(24,211)

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

The accompanying notes form an integral part of these consolidated financial statements.
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BW GAS LPG HOLDING LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET
As at 31 December 2010

	Note	The Group 2010 US$'000	2009 US$'000
Charter-hire contracts acquired	7	56,618	10,180
Intangible asset		56,618	10,180
Vessels	8	141,414	129,634
Dry docking	8	4,089	1,396
Total property, plant and equipment	8	145,503	131,030
Total non-current assets		202,121	141,210
Inventories	10	7,685	1,530
Trade and other receivables	11	24,718	5,179
Cash and cash equivalents	12	5,451	2,737
Total current assets		37,854	9,446
Total assets		239,975	150,656
Share capital	13	10	10
Hedging reserve		(2,132)	(2,056)
Accumulated losses		(70,877)	(32,174)
Total deficit on equity		(72,999)	(34,220)
Derivative financial instruments	14	3,901	4,037
Deferred income		2,730	-
Borrowings	15	191,333	154,079
Total non-current liabilities		197,964	158,116
Derivative financial instruments	14	466	254
Borrowings	15	10,669	3,258
Trade and other payables	16	103,379	22,170
Deferred income		496	1,078
Total current liabilities		115,010	26,760
Total liabilities		312,974	184,876
Total equity and liabilities		239,975	150,656

Billy Chiu
Director

Michael Gerard Smyth
Director

The accompanying notes form an integral part of these consolidated financial statements.
Independent Auditor's Report – Page 1.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2010

	Share capital US$'000	Hedging reserve US$'000	Accumulated losses US$'000	Total US$'000
Balance at 1 January 2010	10	(2,056)	(32,174)	(34,220)
Total comprehensive loss for the financial year	-	(76)	(38,703)	(38,779)
Balance at 31 December 2010	10	(2,132)	(70,877)	(72,999)
Balance at 1 January 2009	10	(5,149)	(4,870)	(10,009)
Total comprehensive income/(loss) for the financial year	-	3,093	(27,304)	(24,211)
Balance at 31 December 2009	10	(2,056)	(32,174)	(34,220)

BW GAS LPG HOLDING LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2010

	The Group	
	2010 US$'000	2009 US$'000
Cash flows from operating activities		
Loss for the financial year	(38,703)	(27,304)
Adjustments for:		
- amortisation charge	5,513	25
- amortisation of deferred income	(1,285)	(1,437)
- depreciation charge	6,721	5,219
- impairment charge	1,825	18,390
- interest income	(10)	(14)
- interest expense	4,761	3,397
- other finance expense	6	168
Operating cash flow before working capital changes	(21,172)	(1,556)
Changes in working capital:		
- inventories	(6,155)	(1,338)
- trade and other receivables	(19,539)	(1,444)
- trade and other payables	81,209	17,925
Net cash provided by operating activities	34,343	13,587
Cash flow from investing activities		
Purchases of property, plant and equipment	(2,707)	(57,500)
Payments for purchases of charter-hire contracts	(51,951)	(10,205)
Proceeds from purchases of charter-hire contracts	3,433	1,991
Interest received	10	14
Net cash used in investing activities	(51,215)	(65,700)
Cash flows from financing activities		
Proceeds from borrowings	27,283	56,456
Repayments of borrowings	(3,258)	(1,781)
Interest paid	(4,433)	(3,397)
Other finance expense paid	(6)	(168)
Net cash provided by financing activities	19,586	51,110
Net increase/(decrease) in cash and cash equivalents	2,714	(1,003)
Cash and cash equivalents at beginning of the financial year	2,737	3,740
Cash and cash equivalents at end of the financial year	5,451	2,737

The accompanying notes form an integral part of these consolidated financial statements.
Independent Auditor's Report – Page 1.

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

1. General information

BW Gas LPG Holding 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 (Note 25).

2. Significant accounting policies

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

New standards, amendments to published standards and interpretations, effective in 2010 and relevant for the Group's operations

BW Gas LPG Holding Limited and its subsidiaries (the "Group") have adopted the following relevant new standards and amendments to published standards as of 1 January 2010:

IFRS 3 (revised)	Business combinations
IAS 27 (revised)	Consolidated and separate financial statements
Amendment to IAS 1	Presentation of financial statements
Amendment to IAS 31	Interests in Joint Ventures
Amendment to IAS 36	Impairment of Assets

IFRS 3 (revised), 'Business combinations' and consequential amendments to IAS 27, 'Consolidated and separate financial statements' and IAS 31, 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. Please refer to note 2(c) for the revised accounting policy on business combinations. IFRS 3 (revised) has no impact on the current financial year, as there is no business combination acquisition by the Group during the financial year.

The adoption of other amendments to the published standards does not have material impact on the consolidated financial statements.

2. Significant accounting policies (continued)

(a) Basis of preparation (continued)

New standards, amendments to published standards and interpretations, effective in 2011 or later

The following new standards, amendments and interpretations have been published and are mandatory for accounting periods beginning on or after 1 January 2011 (or otherwise stated) or later periods, which are relevant to the Group's operations but not early adopted:

IFRS 9	Financial Instruments
IAS 24 (revised)	Related Party Disclosures
Amendment to IAS 1	Presentation of Financial Statements
Amendment to IAS 27	Consolidated and Separate Financial Statements
Amendment to IAS 32	Financial Instruments: Presentation
Amendment to IFRS 3	Business Combinations
Amendment to IFRS 7	Financial Instruments: Disclosures

IFRS 9 is the first step in the process to replace IAS 39, 'Financial instruments: recognition and measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. Management is still assessing IFRS 9's full impact on the Group's consolidated financial statements.

IAS 24 (revised) is mandatory for periods beginning on or after 1 January 2011. The revised standard clarifies and simplifies the definition of a related party. Management is currently considering the revised definition to determine whether any additional disclosures will be required and has yet to put systems in place to capture the necessary information. It is, therefore not possible to disclose the financial impact, if any, of the amendment on the related party disclosures.

Management does not anticipate the adoption of other standards, amendments and interpretations to have material impact on the consolidated financial statements.

Critical accounting estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions discussed below.

Certain amounts included in or affecting the consolidated financial statements and related disclosures are estimated, requiring the Group to make assumptions with respect to values or conditions which cannot be known with certainty at the time the consolidated financial statements are prepared. A critical accounting estimate or assumption is one which is both important to the portrayal of the Group's financial condition and results and requires management's most difficult, subjective or complex judgements, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Management evaluates such estimates on an ongoing basis, using historical results and experience, consultation with experts, trends and other methods considered reasonable in the particular circumstances.

2. Significant accounting policies (continued)

(a) Basis of preparation (continued)

Critical accounting estimates and assumptions (continued)

The following is a summary of estimates and assumptions which have a material effect on the consolidated financial statements.

(1) Useful life and residual value of assets

The Group reviews the useful lives and residual values of its vessels at least at each financial year-end and any adjustments are made on a prospective basis. Residual value is estimated as the lightweight tonnage of each vessel multiplied by the scrap value per ton. If estimates of the residual values are revised, the amount of depreciation charge in the future years will be changed.

There was no change to the estimated residual values for all vessels for the financial years ended 31 December 2010 and 2009.

The useful lives of the vessels are assessed periodically based on the condition of the vessels, market conditions and other regulatory requirements. If the estimates of useful lives for the vessels are revised or there is a change in useful lives, the amount of depreciation charge recorded in future years will be changed.

(2) Impairment

The Group assesses at the balance sheet date whether there is any objective evidence or indication that the values of the intangible assets, and property, plant and equipment may be impaired. If any such indication exists, the Group will estimate the recoverable amount of the asset, and write down the asset to the recoverable amount. The assessment of the recoverable amount is based on broker values received from third parties or contracted cash flows discounted by an estimated discount rate.

(3) Revenue recognition

All freight revenues and voyage expenses are recognised on a percentage of completion basis. Discharge-to-discharge basis is used in determining the percentage of completion for all spot voyages and voyages servicing contracts of affreightment. Under this method, freight revenue is recognised evenly over the period from the departure of a vessel from its original discharge port to departure from the next discharge port.

Management uses its judgement in estimating the total number of days of a voyage based on historical trends, the operating capability of the vessel (speed and fuel consumption) and the distance of the trade route. Actual results may differ from estimates.

2. Significant accounting policies (continued)

(b) Revenue and income recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities, net of rebates, discounts, off-hire charges and after eliminating sales within the Group.

(1) Rendering of services

Revenue from time charters accounted for as operating leases are recognised rateably over the rental periods of such charters, as service is performed. Revenue from voyage charters are recognised rateably over the estimated length of the voyage within the respective reporting period, in the event the voyage commences in one reporting period and ends in the subsequent reporting period.

The Group determines the percentage of completion of voyage freight using the discharge-to-discharge method. Under this method, voyage revenue is recognised rateably over the period from the departure of a vessel from its original discharge port to departure from the next discharge port.

Demurrage is included if a claim is considered probable. Losses arising from time or voyage charter are provided for in full as soon as they are anticipated.

For the Group's vessels operating in chartering pools, net pool revenues are allocated to the pool participants according to an agreed upon formula. The formula used to allocate pool revenues may vary among different pools, but generally allocate revenues to pool participants on the basis of the number of days a vessel is available for operation in the pool with weighing adjustments made to reflect vessels' differing capacities and performance capabilities. The same principles as stated above are applied in determining the pool's revenues and expenses. The Group accounts for its share of pool revenues, expenses, assets and liabilities gross in the consolidated financial statements.

(2) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

(3) Rental income

Rental income from operating lease is recognised on a straight-line basis over the lease term.

2. Significant accounting policies (continued)

(c) Group accounting

(1) Subsidiaries

(i) Consolidation

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisition of businesses

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

2. Significant accounting policies (continued)

(c) Group accounting (continued)

(1) *Subsidiaries (continued)*

(ii) *Acquisition of businesses (continued)*

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

(iii) *Disposals of subsidiaries or businesses*

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to the consolidated profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in the consolidated profit or loss.

(2) *Transactions with non-controlling interests*

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

(3) *Joint ventures*

Joint ventures are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties. The Group's interest in joint ventures is accounted for in the consolidated financial statements using proportionate consolidation.

Proportionate consolidation involves combining the Group's share of joint ventures' income and expenses, assets and liabilities and cash flows of the joint ventures on a line-by-line basis with similar items in the consolidated financial statements.

When the Group sells assets to a joint venture, the Group recognises only the portion of unrealised gains or losses on the sale of assets that is attributable to the interests of the other venturers. The Group recognises the full amount of any loss when the sale provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

2. Significant accounting policies (continued)

(c) Group accounting (continued)

(3) Joint ventures (continued)

When the Group purchases assets from a joint venture, it does not recognise its share of the profits of the joint ventures arising from the Group's purchase of assets until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss. Where necessary, adjustments are made to the financial statements of joint ventures to ensure consistency of accounting policies with those of the Group.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be finite. Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets that are subject to amortisation over their estimated useful lives ranging from 27 to 93 months (2009: 7 to 43 months), are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(e) Property, plant and equipment

(1) Measurement

(i) Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses [note 2(f)].

(ii) The cost of an item of property, plant and equipment initially recognised includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

(2) Depreciation

(i) Depreciation is calculated using a straight-line method to allocate the depreciable amounts of property, plant and equipment, after taking into account the residual values over their estimated useful lives. The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at least annually. The effects of any revision are recognised in the consolidated profit or loss when the changes arise. The estimated useful lives are as follows:

Vessels	30 years

2. Significant accounting policies (continued)

(e) Property, plant and equipment (continued)

(2) Depreciation (continued)

(ii) A proportion of the price paid for new vessels is capitalised as dry docking. These costs are depreciated over the period to the next scheduled dry docking, which is generally 30 to 60 months. The remaining carrying amount of the old dry docking as a result of the commencement of new dry docking will be written off to the consolidated profit or loss.

(3) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment, including dry docking, that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expense is recognised in the consolidated profit or loss when incurred.

(4) Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in the consolidated profit or loss.

(f) Impairment of non-financial assets

Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the consolidated profit or loss.

An impairment loss for an asset (or CGU) is reversed if, and only if, there has been a change in the estimates used to determine the asset's (or CGU's) recoverable amount since the last impairment loss was recognised. The carrying amount of this asset (or CGU) is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of impairment loss for an asset (or CGU) is recognised in the consolidated profit or loss.

2. Significant accounting policies (continued)

(g) Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The fair value of derivative financial instruments represents the amount estimated by banks or brokers that the Group will receive or pay to terminate the derivatives at the balance sheet date. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

For derivative financial instruments that are not designated or do not qualify for hedge accounting, any fair value gains or losses are recognised in the consolidated profit or loss as a financial item. In particular, gains and losses on interest rate derivatives are presented in the consolidated profit or loss as 'other comprehensive income/(loss)'.

The Group has derivative instruments that are designated as hedging instruments under IAS 39. For these instruments, the Group has documented at the inception of the transaction, the hedging relationship between the hedging instruments and the hedged items, as well as its risk management objectives and strategy for undertaking the hedging transactions. The Group also documents its assessment, both at the hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in cash flows of the hedged items.

Cash flow hedge - interest rate swaps

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated profit or loss. Amounts accumulated in hedging reserve are transferred to the consolidated profit or loss within 'interest expenses' in periods when the interest expense is recognised in the consolidated profit or loss.

When a hedging instrument expires or is disposed, or when a hedge is discontinued no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in hedging reserve at that time remains in equity and is recognised in the consolidated profit or loss when the hedged transaction is ultimately recognised. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated profit or loss.

2. Significant accounting policies (continued)

(h) Loans and receivables

The Group has only one class of non-derivative financial assets - loans and receivables.

Cash and cash equivalents and trade and other receivables are initially recognised at their fair values plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Group assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

These assets are presented as current assets except for those that are expected to be realised later than 12 months after the balance sheet date, which are presented as non-current assets.

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the consolidated profit or loss over the period of the borrowings using the effective interest method.

Borrowings are presented as current liabilities in the consolidated balance sheet unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

(j) Borrowing costs

Borrowing costs are recognised in the consolidated profit or loss using the effective interest method except for those costs that are directly attributable to the construction of vessels. This includes those costs in relation to general borrowings used to finance the construction of vessels.

Borrowing costs are capitalised in the cost of the vessel under construction. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to the construction expenditures that are financed by general borrowings.

(k) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2. Significant accounting policies (continued)

(l) Fair value estimation of financial assets and liabilities

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analyses, are also used to determine fair value for the financial instruments.

The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows, discounted at actively quoted interest rates.

The carrying amounts of current financial assets and liabilities carried at amortised cost, approximate their fair values due to the short term nature of the balances. The fair values of financial liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(m) Leases

(1) When a group company is the lessor:

Operating leases

Leases of assets in which the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Assets leased out under operating leases are included in property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

(2) When a group company is the lessee:

Operating leases

Leases of assets in which substantially all risks and rewards of ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in the consolidated profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Finance leases

Leases of assets in which the Group assumes substantially the risks and rewards incidental to ownership of the leased asset are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Each lease payment is allocated between the reduction of the outstanding lease liability and finance charges. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is taken to the consolidated profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2. Significant accounting policies (continued)

(n) Inventories

Inventories comprise mainly ship stores and fuel oil remaining on board. Inventories are measured at the lower of cost (on first-in, first-out basis) and net realisable value.

(o) Provisions for other liabilities and charges

Provisions are recognised when the Group has a present legal or constructive obligation where as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. When the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

(p) Foreign currency translation

(1) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements of the Group are presented in United States Dollars, which is the Company's functional currency.

(2) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in the consolidated profit or loss.

(q) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and amounts held under a pool arrangement.

(r) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new equity instruments are taken to equity as a deduction, net of tax, from the proceeds.

(s) Dividends

Interim dividends are recognised in the financial year in which they are declared payable. Final dividends are recognised when the dividends are approved for payments by the shareholder.

3. Revenue and other operating income

	2010 US$'000	2009 US$'000
Revenue from		
- voyage charter	70,705	23,915
- time charter	14,000	5,649
	84,705	29,564
Other operating income		
- other fees	173	12
- amortisation of deferred income	1,285	1,437
	1,458	1,449

4. Expenses by nature

	The Group	
	2010 US$'000	2009 US$'000
Staff costs (note 5)	5,076	3,957
Maintenance and repair expense	4,157	2,705
Charter hire expenses	59,581	16,259
Fuel oil consumed (note 10)	23,230	4,689
Insurance expense	442	432
Port charges	6,214	2,377
Other expenses	5,913	695
Total voyage expenses and other operating expenses	104,613	31,114

5. Staff costs

	The Group	
	2010 US$'000	2009 US$'000
Wages and salaries	5,076	3,957

Wages and salaries relate to crew wages and crew training expenses. Other operational and administrative support is provided by Singa Ship Management Pte Ltd and BW Gas AS*.

* BW Gas AS is a related party as it is a company controlled by the ultimate holding corporation.

6. Income taxes

No provision for tax has been made as the Group has no profit for the financial year that is subject to income tax based on the local tax legislations applicable to the Company and its subsidiaries.

7. Intangible assets

	The Group	
	2010 US$'000	2009 US$'000
Charter-hire contracts acquired		
At beginning of the financial year	10,180	-
Additions	51,951	10,205
Amortisation charge	(5,513)	(25)
At end of the financial year	56,618	10,180

8. Property, plant and equipment

	Vessels US$'000	Dry docking US$'000	Total US$'000
The Group			
Cost			
At 1 January 2010	160,664	2,212	162,876
Additions	19,204	3,815	23,019
Write-off on completion of dry-docking cycle	-	(207)	(207)
At 31 December 2010	179,868	5,820	185,688
Accumulated depreciation and impairment charge			
At 1 January 2010	31,030	816	31,846
Depreciation charge	5,599	1,122	6,721
Write-off on completion of dry-docking cycle	-	(207)	(207)
Impairment charge	1,825	-	1,825
At 31 December 2010	38,454	1,731	40,185
Net book value			
At 31 December 2010	141,414	4,089	145,503
Cost			
At 1 January 2009	103,998	1,378	105,376
Additions	56,666	834	57,500
At 31 December 2009	160,664	2,212	162,876
Accumulated depreciation and impairment charge			
At 1 January 2009	8,030	207	8,237
Depreciation charge	4,610	609	5,219
Impairment charge	18,390	-	18,390
At 31 December 2009	31,030	816	31,846
Net book value			
At 31 December 2009	129,634	1,396	131,030

(a) Included in additions in the consolidated financial statements are vessels under finance leases amounting to US$21.0 million (2009: nil).

(b) The Group has mortgaged vessels with a carrying amount of US$72.4 million at 31 December 2010 (2009: US$ 76.5 million) as security for bank borrowings amounting to US$87.4 million (2009: US$ 90.2 million) [Note 15].

(c) In 2010, the Group recognised an impairment charge of US$1.8 million (2009: US$18.4 million), which represents the write down of certain vessels to their recoverable amounts. The recoverable amount was based on the higher of fair value less cost to sell and value-in-use calculation, with each vessel being regarded as one cash-generating unit.

9. Investments in joint venture

The following amounts represent the Group's share of the assets, liabilities, income and expenses of the joint venture and are proportionately consolidated in the Group's consolidated balance sheet and consolidated statement of comprehensive income on a line-by-line basis:

	The Group	
	2010 US$'000	2009 US$'000
Non-current assets	72,427	76,529
Current assets	5,145	4,483
Total assets	77,572	81,012
Non-current liabilities	87,367	86,867
Current liabilities	3,568	5,443
Total liabilities	90,935	92,310
Net liabilities	13,363	11,298

	The Group	
	2010 US$'000	2009 US$'000
Revenue	18,179	16,446
Expenses	(20,245)	(34,565)
Loss before income tax	(2,066)	(18,119)
Income tax expense	-	-
Loss for the financial year	(2,066)	(18,119)

Details of the joint venture are included in Note 25.

10. Inventories

	The Group	
	2010 US$'000	2009 US$'000
Fuel oil	452	135
Ship stores	7,233	1,395
	7,685	1,530

The cost of inventories recognised as expense and included in "voyage expenses" amounted to US$23.2 million (2009: US$ 4.7 million).

11. Trade and other receivables

	The Group	
	2010	2009
	US$'000	US$'000
Trade receivables - third parties	7,943	5,155
Trade receivables - related parties*	10,139	24
Other receivables - third parties	6,636	-
	24,718	5,179

* Related parties refer to companies controlled by the ultimate holding corporation.

The carrying amounts of trade and other receivables, principally denominated in United States Dollars, approximate their fair values.

The trade and other receivables due from related parties are unsecured, interest free and repayable on demand.

12. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, and amounts held under a pool arrangement.

Cash and cash equivalents are principally denominated in United States dollars.

13. Share capital

(a) Authorised share capital

The total authorised number of shares is 10,000 shares (2009: 10,000 shares) with a par value of US$1.00 per share (2009: US$1.00 per share).

(b) Issued and fully paid share capital

	2010	2009	2010	2009
	Shares	Shares	US$'000	US$'000
At beginning and end of the financial year	10,000	10,000	10	10

(c) The Company is a substantially owned subsidiary of BW Group Limited which is approximately 93% (2009: 93%) owned by companies controlled by Sohmen family interests.

14. Derivatives financial instruments

	The Group	
	Notional amount US$'000	Fair value liability US$'000
2010		
Cash flow hedge		
- Interest rate swaps	42,434	4,367
Total		4,367
Less: Current portion		(466)
Non current portion		3,901
2009		
Cash flow hedge		
- Interest rate swaps	45,104	4,291
Total		4,291
Less: Current portion		(254)
Non current portion		4,037

Interest rate swaps are entered into to hedge floating quarterly interest payments on borrowings that will mature on 15 September 2017.

As at 31 December 2010, the fixed interest rates on interest rate swaps ranged from 4.81% to 5.36% per annum (2009: 4.90% to 5.45% per annum) and floating interest rate was 0.302% per annum (2009: 0.953% per annum).

15. Borrowings

	The Group	
	2010 US$'000	2009 US$'000
Non-current		
Bank Borrowings	79,204	86,867
Finance lease liability (Note 17)	18,134	-
Loan from a related party	93,995	67,212
	191,333	154,079
Current		
Bank Borrowings	8,163	3,258
Finance lease liability (Note 17)	2,506	-
	10,669	3,258
Total borrowings	202,002	157,337

The loan from a related party, Bergesen Gas Shipping AS as at 31 December 2010 was unsecured, bore an effective interest rate of LIBOR + 1.50% per annum (2009: LIBOR + 0.70% per annum) at balance sheet date and repayable by 30 June 2030.

Bank borrowings include secured liabilities of US$87.4 million (2009: US$90.2 million) of the Group which are secured by mortgages over certain Group's vessels. Finance lease liability (note 17) of the Group is secured by the rights to one leased vessel, which would revert to the lessor in the event of default by the Group.

Maturity of borrowings

The non-current borrowings, excluding finance lease liabilities (note 17), have the following maturity:

	The Group	
	2010 US$'000	2009 US$'000
Later than one year and not later than five years	26,272	24,781
Later than five years	146,927	129,298
	173,199	154,079

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

16. Trade and other payables

	The Group	
	2010 US$'000	2009 US$'000
Current liabilities		
Trade payables – third parties	11,130	1,083
Other payables to related corporations	90,668	17,121
Other accrued operating expenses – third parties	1,581	3,966
	103,379	22,170

Other payables due to related corporations are unsecured, interest-free and are repayable on demand.

The carrying amounts of trade and other payables approximate their fair values.

17. Finance lease liability

The Group has leased a vessel on finance lease to a third party with option to purchase the vessel at the end of the charter period.

	The Group	
	2010 US$'000	2009 US$'000
Minimum lease payments due:		
- not later than one year	3,780	-
- later than one year and not later than five years	21,230	-
	25,010	-
Less: Future finance charges	(4,370)	-
Present value of finance lease liabilities	20,640	-

The present value of finance lease liabilities may be analysed as follows:

	The Group	
	2010 US$'000	2009 US$'000
Current		
Not later than one year (note 15)	2,506	-
Non-current		
Later than one year (note 15):		
- later than one year and not later than five years	18,134	-
	20,640	-

18. Immediate and ultimate holding corporation

The Company's immediate holding corporation is BW Gas Limited, incorporated in Bermuda.

The Company's ultimate holding corporation is BW Group Limited, incorporated in Bermuda.

19. Related party transactions

In addition to the information disclosed elsewhere in the consolidated financial statements, the following transactions took place between the Company and related parties during the financial year at terms agreed between the parties:

	The Group	
	2010 US$'000	2009 US$'000
Borrowings received from a related party	26,783	57,500
Payments made on purchases of charter-hire contracts	51,951	-
Interest expenses paid to immediate holding corporation	13	55
Interest expenses paid to a related party	976	-
Fees expenses paid to related parties	1,160	940

No fees or other emoluments were paid or payable to the key management of the Company for the financial year (2009: US$nil).

20. Commitments

(a) Operating lease commitments – where the group company is a lessor

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

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

	The Group	
	2010 US$'000	2009 US$'000
Not later than one year	4,191	7,190
Later than one year but not later than five years	-	5,450
	4,191	12,640

20. Commitments (continued)

(b) Operating lease commitments – where a group company is a lessee

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

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

	The Group	
	2010 US$'000	2009 US$'000
Not later than one year	74,039	82,648
Later than one year and not later than five years	178,887	222,313
Later than five years	111,868	142,481
	364,794	447,442

21. Financial risk management

The Group's activities expose it to a variety of financial risks. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance of the Group.

The financial risk management of the Group is handled by the ultimate holding corporation as part of the operations of the Group and these processes and policies are described in the consolidated financial statements of the ultimate holding corporation.

(a) Market risk

(i) Fuel price risk

The Group is exposed to the risk of variations in fuel oil costs, which are affected by the global political and economic environment. In 2010, fuel oil costs comprised 21% (2009: 15%) of the Group's total operating expenses (excluding depreciation).

If price of fuel oil increase/decrease by US$1 per metric ton (2009: US$1/MT) with all other variables held constant, the net profit will be lower/higher by US$49,904 (2009: US$12,648) as a result of higher/lower fuel oil consumption expense.

21. Financial risk management (continued)

(a) Market risk (continued)

(ii) Currency risk

The Group's business operations are not exposed to significant foreign exchange risk as it has no significant transactions denominated in foreign currencies, other than a loan from related party denominated in NOK.

The Group's business is exposed to Norwegian Kroner ("NOK") as the loan from a related party is denominated in NOK.

At 31 December 2010, if NOK had strengthened/weakened by 5% (2009: 5%) against the USD with all other variables including tax rate being held constant, the Group's loss after tax for the financial year would have been US$1,506,905 (2009: US$269,681) higher/lower as a result of currency translation losses/gains on the remaining NOK-denominated loan.

(b) Credit risk

Credit risk is concentrated on a few key charterers. The Group performs ongoing credit evaluation of its charterers and has policies in place to ensure that services are rendered to charterers with appropriate credit histories. The Group has implemented policies to ensure cash are deposited with internationally recognised financial institutions with a good credit rating and the vessels are fixed to charterers with an appropriate credit rating or who provide sufficient guarantees.

The Group's credit risk is primarily attributable to trade and other receivables and cash and cash equivalents.

Trade and other receivables as at the balance sheet date are neither past due nor impaired. The maximum exposure is represented by the carrying value of each financial asset on the consolidated balance sheet.

(c) Interest rate risks

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

Loan from a related party amounts to US$94.0 million (2009: US$67.2 million), bears an effective interest rate of LIBOR + 1.50% per annum (2009: LIBOR + 0.70% per annum) at balance sheet date and is repayable by 30 June 2030.

The Group's borrowings at variable rates on which effective hedges have not been entered into, and bank deposits at variable rates are denominated mainly in US$. If the US$ interest rates increase/decrease by 50 basis points (2009: 50 basis points) with all other variables including tax rate being held constant, the profit after tax will be lower/higher by approximately US$0.9 million (2009: US$0.8 million) as a result of higher/lower interest expense on these borrowings.

21. Financial risk management (continued)

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group maintains sufficient cash for its daily operations via short-term cash deposit at banks and has access to unutilised portion of revolving facilities offered by financial institutions to its ultimate holding corporation.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	US$'000	US$'000	US$'000	US$'000
At 31 December 2010				
Trade and other payables	103,379	-	-	-
Finance lease liabilities	2,506	2,675	15,459	-
Interest rate swaps - derivative financial liabilities	466	-	-	3,901
Borrowings	8,163	12,369	13,903	146,927
	114,514	15,044	29,362	150,828
At 31 December 2009				
Trade and other payables	22,170	-	-	-
Interest rate swaps - derivative financial liabilities	254	-	-	4,037
Borrowings	3,258	11,667	20,268	122,144
	25,682	11,667	20,268	126,181

(e) Capital risks

The Group's capital risk management is handled by the ultimate holding corporation as part of its operations. The Company's overall strategy remains unchanged from prior year.

22. Dividends

The directors do not recommend the payment of a dividend for the financial year ended 31 December 2010 (2009: US$ nil).

23. Subsequent events

The Company and Tailwind Shipping Pte Ltd ("Tailwind"), as shareholders of the joint venture company BW Gas Tailwind Carriers Pte Ltd ("BWGTC"), have through negotiations in March 2011 agreed to the terms and conditions whereby the Company is granted a put option and Tailwind is granted a call option effective on 1 January 2012 in relation to the sale of the Company's 50% shareholdings in BWGTC at a total consideration of US$1.00, subject to certain events and conditions.

The Company and Tailwind have also agreed to certain amendments to the Shareholders Agreement dated 9 August 2007 and to the Term Loan and Revolving Facility Agreement dated 16 August 2007 (as supplemented from time to time) (the "Facility") whereby, inter alia, the vessel BW Trader is withdrawn from its current employment in the BW Gas VLGC Pool by BWGTC (as Owner) and is bareboat chartered in by the Company's subsidiary, BW Gas LPG Chartering Limited ("BW Chartering") at terms securing the ability of BW Trader to service the portion of the Facility related to it. The obligations of BW Chartering under the bareboat charter party are secured by a performance guarantee from BW Gas Limited. Management does not anticipate that the transaction will have a material impact on the consolidated financial statements.

In July 2011, the Company entered into an agreement to purchase the entire issued share capital of LPG Transport Service Ltd. Management is still assessing the impact of this transaction on the consolidated financial statements.

24. Authorisation of consolidated financial statements

These consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors of BW Gas LPG Holding Limited passed on 6 October 2011.

25. Listing of companies in the Group

Name of companies		Principal activities	Country of incorporation	Equity holding 2010 %	Equity holding 2009 %
(i) Subsidiaries held by the Company					
BW Gas LPG Limited		Shipowning	Bermuda	100	100
BW Gas LPG Chartering Limited		Chartering	Bermuda	100	100
BW Trader Pte. Ltd.	a	Dormant	Singapore	100	-
(ii) Joint venture held by the Company					
BW Gas Tailwind Carriers Pte Ltd		Shipowning	Singapore	50	50

(a) Company was incorporated during the financial year.

APPENDIX C:

COMBINED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 AND 2012

BW LPG LIMITED (PREVIOUSLY KNOWN AS BW GAS LPG HOLDING LIMITED)

(Incorporated in Bermuda)
AND ITS SUBSIDIARIES

COMBINED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

Contents

REPORT ON REVIEW OF COMBINED CONDENSED INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF BW LPG LIMITED AND ITS SUBSIDARIES

Introduction
We have reviewed the accompanying combined condensed balance sheet of BW LPG Limited ("the Company") and its subsidiaries ("the Combined Group") as of 30 June 2013 and the related combined condensed statements of comprehensive income, changes in equity and cash flows for the 6-month period then ended. Management is responsible for the preparation and presentation of this combined condensed interim financial information in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting.* Our responsibility is to express a conclusion on this combined condensed 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 combined condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting.*

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 04 November 2013
Partner in Charge: Kok Moi Lre

COMBINED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 30 June 2013 US$'000 Unaudited	Six months ended 30 June 2012 US$'000 Unaudited
Revenue		183,168	175,246
Voyage expenses		(72,114)	(78,013)
TCE income #		111,054	97,233
Other operating income		248	360
Other operating expenses		(62,931)	(63,620)
Operating profit before depreciation, amortisation and impairment		48,371	33,973
Loss on disposal of vessel		(882)	-
		47,489	33,973
Amortisation charge	3	(3,528)	(3,547)
Depreciation charge	4	(25,558)	(23,485)
Write-back of impairment charge/(impairment charge) - net	4	4,447	(9,700)
Operating profit/(loss)		22,850	(2,759)
Foreign currency exchange loss - net		(28)	(26)
Interest income		1	2
Interest expense		(2,021)	(1,433)
Other finance income/(expense)		80	(2)
Finance expense - net		(1,968)	(1,459)
Profit/(loss) for the financial period		20,882	(4,218)
Other comprehensive income for the financial period		-	-
Net profit/(loss) and total comprehensive income/(loss) for the financial period		20,882	(4,218)
Profit/(Loss) attributable to:			
Equity holders of the Company		21,043	(4,533)
Non-controlling interests		(161)	315
		20,882	(4,218)
Earnings/(Loss) per share attributable to the equity holders of the Company (expressed in US$ per share)			
Basic and diluted earnings/(loss) per share		21	(5)

"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 combined condensed interim financial statements.
Independent Auditor's Report – Page 1.

BW LPG LIMITED (PREVIOUSLY KNOWN AS BW GAS LPG HOLDING LIMITED)
AND ITS SUBSIDIARIES

COMBINED CONDENSED INTERIM BALANCE SHEET

	Note	30 June 2013 US$'000 Unaudited	31 December 2012 US$'000 Audited
Charter-hire contracts acquired	3	28,965	42,429
Intangible asset		28,965	42,429
Vessels	4	922,307	944,493
Dry docking	4	18,214	17,892
Total property, plant and equipment		940,521	962,385
Total non-current assets		969,486	1,004,814
Inventories		10,023	19,432
Trade and other receivables		98,738	73,154
Cash and cash equivalents		18,423	22,221
Total current assets		127,184	114,807
Disposal group classified as held-for-sale	5	54,177	-
Total assets		1,150,847	1,119,621
Share capital	6	10	10
Capital reserve		67,687	67,687
Accumulated losses		(51,339)	(72,382)
		16,358	(4,685)
Non-controlling interest		8,944	9,105
Total shareholder's equity		25,302	4,420
Borrowings	7	60,658	64,751
Deferred income		1,489	1,737
Total non-current liabilities		62,147	66,488
Borrowings	7	137,566	136,039
Current income tax liabilities		-	108
Trade and other payables		875,552	912,566
Total current liabilities		1,013,118	1,048,713
Liabilities directly associated with disposal group classified as held-for-sale	5	50,280	-
Total liabilities		1,125,545	1,115,201
Total equity and liabilities		1,150,847	1,119,621

Billy Chiu
Director

Andreas Sohmen-Pao
Director

The accompanying notes form an integral part of these combined condensed interim financial statements.
Independent Auditor's Report – Page 1.

COMBINED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company					
	Share capital US$'000	Capital Reserve US$'000	Accumulated Losses US$'000	Total US$'000	Non-controlling interests US$'000	Total Equity US$'000
Balance at 1 January 2013	10	67,687	(72,382)	(4,685)	9,105	4,420
Profit/(loss) for the financial period	-	-	21,043	21,043	(161)	20,882
Balance at 30 June 2013 (unaudited)	10	67,687	(51,339)	16,358	8,944	25,302
Balance at 1 January 2012	10	67,687	(45,515)	22,182	8,784	30,966
Profit/(loss) for the financial period	-	-	(4,533)	(4,533)	315	(4,218)
Balance at 30 June 2012 (unaudited)	10	67,687	(50,048)	17,649	9,099	26,748

The accompanying notes form an integral part of these combined condensed interim financial statements.
Independent Auditor's Report – Page 1.

BW LPG LIMITED (PREVIOUSLY KNOWN AS BW GAS LPG HOLDING LIMITED)
AND ITS SUBSIDIARIES

COMBINED CONDENSED INTERIM STATEMENT OF CASH FLOWS

	Six months ended	
	30 June 2013 US$'000 Unaudited	30 June 2012 US$'000 Unaudited
Cash flows from operating activities		
Profit/(Loss) for the financial period	20,882	(4,218)
Adjustments for:		
- amortisation charge	3,528	3,547
- amortisation of deferred income	(248)	(248)
- depreciation charge	25,558	23,485
- (impairment charge)/write back of impairment charge - net	(4,447)	9,700
- loss on disposal of property, plant and equipment	882	-
- foreign exchange currency loss on long-term tax liability	-	8
- interest income	(1)	(2)
- interest expense	2,021	1,433
- other finance (income)/expense	(80)	2
Operating cash flow before working capital changes	48,095	33,707
Changes in working capital:		
- inventories	9,409	(5,132)
- trade and other receivables	(18,040)	(14,015)
- trade and other payables	(19,771)	10,436
Cash generated from operations	19,693	24,996
Taxes paid	(108)	(101)
Net cash provided by operating activities	19,585	24,895
Cash flow from investing activities		
Purchases of property, plant and equipment	(43,590)	(139,651)
Disposal of property, plant and equipment	2,247	-
Interest received	1	2
Net cash used in investing activities	(41,342)	(139,649)
Cash flows from financing activities		
Funding from immediate holding corporation for purchase of property, plant & equipment	33,037	8,750
Proceeds from borrowings	-	126,500
Funding provided to fellow subsidiary	(10,571)	(1,388)
Repayments of borrowings	(3,851)	(3,624)
Interest paid	(736)	(894)
Other finance income received	80	(2)
Net cash provided by financing activities	17,959	129,342
Net (decrease)/increase in cash and cash equivalents	(3,798)	14,588
Cash and cash equivalents at beginning of the financial period	22,221	14,783
Cash and cash equivalents at end of the financial period	18,423	29,371

The accompanying notes form an integral part of these combined condensed interim financial statements.
Independent Auditor's Report – Page 1.

NOTES TO THE COMBINED CONDENSED INTERIM FINANCIAL STATEMENTS

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

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.

These combined condensed interim financial statements were approved for issue on 04 November 2013.

These combined condensed interim financial statements have been reviewed, not audited.

2. Significant accounting policies

(a) Basis of preparation

(1) The combined condensed interim financial statements for the six months ended 30 June 2013 have been prepared pursuant to the Restructuring as described in the combined annual financial statements of the Group for the year ended 31 December 2012.

(2) These combined condensed interim financial statements for the six months ended 30 June 2013 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The combined condensed interim financial statements should be read in conjunction with the combined annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

2. Significant accounting policies (continued)

(a) Basis of preparation (continued)

Critical accounting estimates and assumptions

The preparation of combined condensed interim financial statements 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 these combined condensed interim financial statements, 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 2012.

3. Intangible assets

	30 June 2013 US$'000	30 June 2012 US$'000
Charter-hire contracts acquired		
At 1 January	42,429	49,524
Exercise of purchase option (Note 4)	(9,936)	-
Amortisation charge	(3,528)	(3,547)
At 30 June	28,965	45,977

In 2013, the Group exercised an option to purchase a vessel which had previously been chartered-in by the Group, at the end of the charter-in period. The Group had acquired the charter-hire contract and purchase option in the prior year. The purchase option, amounting to US$9.9 million, is included in the acquisition cost of the vessel (Note 4).

4. Property, plant and equipment

	Vessels US$'000	Dry docking US$'000	Total US$'000
Cost			
At 1 January 2013	1,154,360	31,273	1,185,633
Additions	35,965	7,625	43,590
Exercise of purchase option (Note 3)	9,936	-	9,936
Disposal	(3,750)	(502)	(4,252)
Reclassed to asset held for sale	(57,196)	(4,035)	(61,231)
Write-off on completion of dry-docking	-	(5,512)	(5,512)
At 30 June 2013	1,139,315	28,849	1,168,164
Accumulated depreciation and impairment charge			
At 1 January 2013	209,867	13,381	223,248
Depreciation charge	19,960	5,598	25,558
Impairment charge	3,593	-	3,593
Write-back of impairment charge	(8,040)	-	(8,040)
Disposal	(662)	(461)	(1,123)
Reclassed to asset held for sale	(7,710)	(2,371)	(10,081)
Write-off on completion of dry-docking	-	(5,512)	(5,512)
At 30 June 2013	217,008	10,635	227,643
Net book value			
At 30 June 2013	922,307	18,214	940,521
Cost			
At 1 January 2012	966,359	20,700	987,059
Additions	133,035	6,616	139,651
Write-off on completion of dry-docking	-	(774)	(774)
At 30 June 2012	1,099,394	26,542	1,125,936
Accumulated depreciation and impairment charge			
At 1 January 2012	114,742	4,566	119,308
Depreciation charge	18,535	4,950	23,485
Impairment charge	11,200	-	11,200
Write-back of impairment charge	(1,500)	-	(1,500)
Write-off on completion of dry-docking	-	(774)	(774)
At 30 June 2012	142,977	8,742	151,719
Net book value			
At 30 June 2012	956,417	17,800	974,217

4. Property, plant and equipment (continued)

(a) The Group has mortgaged vessels with an aggregate carrying amount of US$845.5 million (31 December 2012: US$712.0 million) as security for debts of the ultimate holding corporation amounting to US$1,335.0 million (31 December 2012: US$1,243.0 million).

(b) In 2013, the Group recognised a net write back of impairment charge of US$4.4 million (30 June 2012: recognised a net impairment charge of US$9.7 million), which represents the adjustment on certain vessel values to their recoverable amounts. The recoverable amounts of the vessels were mainly determined based on fair value (based on independent third party valuation reports which made reference to comparable transaction prices of similar LPG vessels) less estimated costs to sell.

5. Disposal group classified as held-for-sale

	30 June 2013 US$'000
(a) Details of the assets in disposal group classified as held-for-sale are as follows:	
Vessels	49,486
Dry docking	1,664
Property, plant and equipment	51,150
Inventories	407
Trade and other receivables – current	2,119
Cash and cash equivalents	501
	54,177
(b) Details of the liabilities directly associated with disposal group classified as held-for-sale are as follows:	
Trade and other payables	50,280

6. Share Capital

The Company's share capital comprises 10,000 (2012:10,000) fully paid ordinary shares with a par value of US$1.00 (2012: US$1.00) per share, amounting to a total of US$10,000 (2012: US$10,000).

On 28 October 2013, the Company split every one share into 100 shares. The earnings per share calculations for the financial periods as presented in these financial statements have been adjusted to reflect the change in numbers of shares.

7. Borrowings

	The Group	
	30 June 2013 US$'000	31 December 2012 US$'000
Non-current	60,658	64,751
Current	137,566	136,039
	198,224	200,790

Movement in borrowings are analysed as follows:

Six months ended 30 June 2013	
Opening amount as at 1 January 2013	200,790
Effective interest charged	1,285
Repayment of borrowings	(3,851)
Closing amount as at 30 June 2013	198,224
Six months ended 30 June 2012	
Opening amount as at 1 January 2012	79,933
Proceeds from borrowings	126,500
Effective interest charged	539
Repayment of borrowings	(3,624)
Closing amount as at 30 June 2012	203,348

Finance lease liabilities of the Group are secured by the rights to two (2012: two) leased vessels, which would revert to the lessor in the event of default by the Group.

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

8. Related party transactions

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

	30 June 2013 US$'000	30 June 2012 US$'000
Borrowings payable to immediate holding corporation	(129,503)	(127,039)
Interest expenses charged by immediate holding corporation	1,285	539
Support service fees expenses charged by ultimate holding corporation	647	348
Support service fees expenses charged by related companies	289	355
Commercial fees expenses charged by fellow subsidiaries	2,305	2,300
Ship management fees expenses charged by fellow subsidiaries	5,337	4,177

No fees or other emoluments were paid or payable to the key management of the Company for the six months ended 30 June 2013 (30 June 2012: US$nil).

9. Commitments

(a) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the combined condensed interim financial statements are as follows:

	30 June 2013 US$'000	31 December 2012 US$'000
Purchase of vessels	311,500	33,030

In May 2013, the Group entered into a framework agreement with Maersk Tankers for the purchase of 5 VLGCs, 5 VLGC time charters and 2 charters of affreightment (COAs) for a total consideration of US$311.5 million. The total transaction cost was capitalized as the acquisition cost of the 5 owned vessels.

9. Commitments (continued)

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

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

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

	The Group	
	30 June 2013 US$'000	31 December 2012 US$'000
Not later than one year	42,525	62,722
Later than one year but not later than five years	27,269	46,994
	69,794	109,716

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

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

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

	The Group	
	30 June 2013 US$'000	31 December 2012 US$'000
Not later than one year	35,531	42,821
Later than one year and not later than five years	111,633	118,439
Later than five years	45,905	55,036
	193,069	216,296

10. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including fuel price risk and currency 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 financial performance of the Group.

The combined condensed 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 financial statements as at 31 December 2012. There have been no changes in the risk management department or in any risk management policies since the year end.

11. Event occurring after balance sheet date

Transactions and events occurring after the balance sheet date which relate to Group Restructuring are disclosed in Note 2 of the combined annual financial statements of the Group for the year ended 31 December 2012.

The Group has entered into shipbuilding contracts for the construction of four very large LPG carriers for US$286.2 million. The construction is to be paid in five instalments up to the scheduled delivery dates ranging from 31 October 2014 to 30 April 2015. As at 31 August 2013, the Group has capitalised US$28.7 million into vessels under construction. On 01 November 2013, the Group has exercised the option to purchase two units of vessel identical to the above for US$147.8 million in aggregate to be paid in five instalments up to the scheduled delivery dates in the second and third quarter of 2016.

On 30 August 2013, the Group disposed the following subsidiaries to its related parties.

a. BW LNG Investments Pte Ltd (previously known as BW Trader Pte Ltd);
b. BW GMC Investments Limited (previously known as BW Captain Limited); and
c. BW Danuta Limited

These transactions do not have a material impact on these financial statements.

In 2013, the vessel, BW Hermes, with a net book value of US$3.8 million, was reclassified from property, plant and equipment to asset held for sale. The disposal of the vessel to the immediate holding corporation was committed on 3 September 2013 for a consideration of US$3.8 million. The sale of the vessel will be completed upon expiry of current voyage commitments to Yara between December 2013 and January 2014. There will be no gain or loss recognised as a result of the disposal.

On 16 October 2013, the Group exercised its right to terminate the bareboat charterparty agreement on 90 days' notice and exercised its purchase option, taking ownership of the vessel, BW Trader, and its related outstanding debit balance. As part of the transaction, the Group has also committed to sell its 50% shareholding in BW Gas Tailwinds Carriers Pte Ltd ("BWGTC") which will be transferred at nominal value to BWGTC at the same time when the bareboat charterparty agreement terminates. This transaction is expected to be completed in January 2014.

On 28 October 2013, the Company transferred the net amount due to related parties of the Company to BW Gas Limited amounting to US$686.9 million (the "Intercompany Balance"). On 28 October 2013, the Company entered into a Capitalisation Agreement (the "Capitalisation Agreement") with BW Gas Limited under which the Company shall issue 99 million common shares of US$0.01 par value in the Company as settlement for US$1.0 million of amount due to BW Gas Limited (the "Capitalisation"), with the remainder of the Intercompany Balance (being the Intercompany Balance less the amount subject to the Capitalisation) be treated as a contribution by BW Gas Limited to the contributed surplus of the Company.

On 28 October 2013, the Company split every one share into 100 shares.

11. Event occurring after balance sheet date (continued)

On 04 November 2013, the Group received a firm offer from a syndicate of banks consisting of a senior secured facility (the "Facility") in the aggregate amount of US$700 million, which comprised of a term loan facility of US$500 million (the "Term Loan") and a revolving credit facility of US$200 million (the "RCF"). The amounts borrowed under the facility will be applied to refinance the existing loan from BW Gas Limited.

The charterer of two vessels in the Group has presented the Group with a claim for losses allegedly caused by technical issues on those vessels, which the charterer claims resulted in damages under two of the Group's charter contracts. The aggregate amount claimed by the charterer is approximately US$1.3 million. The Group is disputing any liability for the claims and does not believe the claims will have any significant effect on the Company's and/or the Group's financial position or profitability.

APPENDIX D:

APPLICATION FORM FOR THE RETAIL OFFERING

APPLICATION FORM FOR THE RETAIL OFFERING

General information: The terms and conditions for the Retail Offering are set out in the prospectus dated 7 November 2013 (the "**Prospectus**"), which has been issued by BW LPG Limited (the "**Company**") in connection with the sale of newly issued common shares by the Company and the secondary sale of existing common shares in the Company by BW Group Limited (the "**Selling Shareholder**"), and the listing of the Company's Shares on the Oslo Stock Exchange. All capitalised terms not defined herein shall have the meaning as assigned to them in the Prospectus.

Application procedure: Applicants in the Retail Offering who are residents of Norway with a Norwegian personal identification number may apply for Offer Shares by using the following internet pages: www.seb.no/mb, www.abgsc.no and www.nordea.no/bw. Applications in the Retail Offering can also be made by using this Retail Application Form (see definition in Section 20.5.1 "Offer Price" of the Prospectus). Retail Application Forms must be correctly completed and submitted by the applicable deadline to one of the following application offices:

SEB	**ABG Sundal Collier**	**Nordea Markets**
Filipstad Brygge 1 P.O.Box 1843 Vika N-0123 Oslo Norway Tel: +47 22 82 70 00 Fax: +47 21 00 89 05 www.seb.no/mb	Munkedamsveien 45 D P.O.Box 1444 Vika N-0115 Oslo Norway Tel: +47 22 01 60 00 Fax +47 22 01 60 62 subscription@abgsc.no www.abgsc.no	Middelthuns gate 17 P.O.Box 1166 Sentrum N-0107 Oslo Norway Tel: +47 22 48 62 62 Fax: +47 22 48 63 49 www.nordea.no/bw

The applicant is responsible for the correctness of the information filled in on this Retail Application Form. Retail Application Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after expiry of the Application Period, and any application that may be unlawful, may be disregarded without further notice to the applicant. **Subject to any shortening or extension of the Application Period, applications made through the VPS online application system must be duly registered by 12:00 hours (CET) on 22 November 2013, while applications made on Retail Application Forms must be received by one of the application offices listed above by the same time**. None of the Company, the Selling Shareholder or any of the Managers may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by any of the application offices. All applications made in the Retail Offering will be irrevocable and binding upon receipt of a duly completed Retail Application Form, or in the case of applications through the VPS online application system, upon registration of the application, irrespective of any shortening or extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by the application office, or in the case of applications through the VPS online application system, upon registration of the application.

Price of Offer Shares: The indicative price range (the "**Indicative Price Range**") for the Offering is from NOK 40 to NOK 50 per Offer Share. The Company and the Selling Shareholder will, in consultation with the Joint Lead Bookrunners, determine the final Offer Price on the basis of applications received and not withdrawn in the Institutional Offering during the Bookbuilding Period and the number of applications received in the Retail Offering. The Offer Price will be determined on or about 22 November 2013. The Offer Price may be set within, below or above the Indicative Price Range. Each applicant in the Retail Offering will be permitted, but not required, to indicate when ordering through the VPS online application system or on the Retail Application Form that the applicant does not wish to be allocated Offer Shares should the Offer Price be set higher than the highest price in the Indicative Price Range. If the applicant does so, the applicant will not be allocated any Offer Shares in the event that the Offer Price is set higher than the highest price in the Indicative Price Range. If the applicant does not expressly stipulate such reservation when ordering through the VPS online application system or on the Retail Application Form, the application will be binding regardless of whether the Offer Price is set within or above (or below) the Indicative Price Range. Investors in the Retail Offering will receive a discount of NOK 1,000 on their aggregate amount payable for the Offer Shares allocated to such investors.

Allocation, payment and delivery of Offer Shares: SEB, acting as settlement agent for the Retail Offering, expects to issue notifications of allocation of Offer Shares in the Retail Offering on or about 25 November 2013 by issuing allocation notes to the applicants by mail or otherwise. Any applicant wishing to know the precise number of Offer Shares allocated to it may contact one of the application offices listed above from on or about 25 November 2013 during business hours. Applicants who have access to investor services through an institution that operates the applicant's VPS account should be able to see the number of Offer Shares they have been allocated from on or about 25 November 2013. In registering an application through the VPS online application system or by completing and submitting a Retail Application Form, each applicant in the Retail Offering will authorise SEB (on behalf of the Managers) to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. Accounts will be debited on or about 27 November 2013 (the "**Payment Date**"), and there must be sufficient funds in the stated bank account from and including 26 November 2013. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date. Further details and instructions will be set out in the allocation notes to the applicant to be issued on or about 25 November 2013, or can be obtained by contacting SEB at +47 22 82 70 00. SEB (on behalf of the Managers) is only authorised to debit each account once, but reserves the right (but has no obligation) to make up to three debit attempts through 3 December 2013 if there are insufficient funds on the account on the Payment Date. Should any applicant have insufficient funds on its account, or should payment be delayed for any reason, or if it is not possible to debit the account, overdue interest will accrue and other terms will apply as set out under the heading "Overdue and missing payment" below. Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Retail Offering is expected to take place on or about 27 November 2013 (or such later date upon the successful debit of the relevant account).

Guidelines for the applicant: Please refer to the second page of this Retail Application Form for further application guidelines.

Applicant's VPS-account (12 digits):	**I/we apply for Offer Shares for a total of NOK (minimum NOK 10,500 and maximum NOK 1,999,999)**	**Applicant's bank account to be debited (11 digits):**

OFFER PRICE: My/our application is conditional upon the final Offer Price not being set above the upper end of the Indicative Price Range (insert cross) **(must only be completed if the application is conditional upon the final Offer Price not being set above the upper end of the Indicative Price Range):**	

I/we hereby irrevocably (i) apply for the number of Offer Shares allocated to me/us, at the Offer Price, up to the aggregate application amount as specified above subject to the terms and conditions set out in this Retail Application Form and in the Prospectus, (ii) authorise and instruct each of the Managers (or someone appointed by any of them) acting jointly or severally to take all actions required to purchase and/or subscribed the Offer Shares allocated to me/us on my/our behalf, to take all other actions deemed required by them to give effect to the transactions contemplated by this Retail Application Form, and to ensure delivery of such Offer Shares to me/us in the VPS, on my/our behalf, (iii) authorise SEB to debit my/our bank account as set out in this Retail Application Form for the amount payable for the Offer Shares allotted to me/us, and (iv) confirm and warrant to have read the Prospectus and that I/we are eligible to apply for and purchase Offer Shares under the terms set forth therein.

Date and place*:	**Binding signature****:

* Must be dated during the Application Period.
** The applicant must be of legal age. If the Retail Application Form is signed by a proxy, documentary evidence of authority to sign must be attached in the form of a Power of Attorney or Company Registration Certificate.

DETAILS OF THE APPLICANT — ALL FIELDS MUST BE COMPLETED	
First name	Surname/Family name/Company name
Home address (for companies: registered business address)	Zip code and town
Identity number (11 digits) / business registration number (9 digits)	Nationality
Telephone number (daytime)	E-mail address

GUIDELINES FOR THE APPLICANT

THIS RETAIL APPLICATION FORM IS NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL. OTHER RESTRICTIONS ARE APPLICABLE. PLEASE SEE "SELLING RESTRICTIONS" BELOW.

Regulatory issues: Legislation passed throughout the European Economic Area (the "**EEA**") pursuant to the Markets and Financial Instruments Directive ("**MiFID**") implemented in the Norwegian Securities Trading Act, imposes requirements in relation to business investment. In this respect the Managers must categorise all new clients in one of three categories: Eligible counterparties, Professional and Non-professional clients. All applicants applying for Offer Shares in the Offering who/which are not existing clients of one of the Managers will be categorised as Non-professional clients. The applicant can by written request to the Managers ask to be categorised as a Professional client if the applicant fulfils the provisions of the Norwegian Securities Trading Act. For further information about the categorisation the applicant may contact the Managers. The applicant represents that it has sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision to invest in the Company by applying for Offer Shares, and the applicant is able to bear the economic risk, and to withstand a complete loss of an investment in the Company.

Execution only: As the Managers are not in the position to determine whether the application for Offer Shares is suitable for the applicant, the Managers will treat the application as an execution only instruction from the applicant to apply for Offer Shares in the Offering. Hence, the applicant will not benefit from the corresponding protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information barriers: The Managers are securities firms, offering a broad range of investment services. In order to ensure that assignments undertaken in the Managers' corporate finance departments are kept confidential, the Managers' other activities, including analysis and stock broking, are separated from their corporate finance departments by information barriers known as "Chinese walls". The applicant acknowledges that the Managers' analysis and stock broking activity may act in conflict with the applicant's interests with regard to transactions in the Offer Shares as a consequence of such Chinese walls.

VPS account and anti-money laundering procedures: The Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act No. 11 of 6 March 2009 and the Norwegian Money Laundering Regulation No. 302 of 13 March 2009 (collectively the "**Anti-Money Laundering Legislation"**). Applicants who are not registered as existing customers of one of the Managers must verify their identity to one of the Managers in accordance with requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the Retail Application Form are exempted, unless verification of identity is requested by a Manager. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period will not be allocated Offer Shares. Participation in the Offering is conditional upon the applicant holding a VPS account. The VPS account number must be stated in the Retail Application Form. VPS accounts can be established with authorised VPS registrars, who can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian FSA.

Selling restrictions: The Offering is subject to specific legal or regulatory restrictions in certain jurisdictions, see Section 21 "Selling and Transfer Restrictions" in the Prospectus. Neither the Company nor the Selling Shareholder assumes any responsibility in the event there is a violation by any person of such restrictions. The Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or under any securities laws of any state or other jurisdiction of the United States and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offer in the United States. The Offer Shares will, and may, not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from any jurisdiction where the offer or sale of the Offer Shares is not permitted, or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any jurisdiction where the offer or sale is not permitted, except pursuant to an applicable exemption. In the Retail Offering, the Offer Shares are being offered and sold to certain persons outside the United States in offshore transactions within the meaning of and in compliance with Rule 903 of Regulation S under the U.S. Securities Act. Nordea Markets is not a SEC registered broker/dealer and will only participate in the Offering outside the U.S.

The Company has not authorised any offer to the public of its securities in any Member State of the EEA other than Norway. With respect to each Member State of the EEA other than Norway and which has implemented the EU Prospectus Directive (each, a "**Relevant Member State**"), no action has been undertaken or will be undertaken to make an offer to the public of the Offer Shares requiring a publication of a prospectus in any Relevant Member State. Any offers outside Norway will only be made in circumstances where there is no obligation to produce a prospectus.

Stabilisation: In connection with the Offering, SEB (as the "**Stabilisation Manager**") (or persons acting on behalf of the Stabilisation Manager) may over-allot shares or effect transactions with a view to supporting the market price of the shares at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager (or persons acting on behalf of the Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final price of the Offer Shares is made and, if begun, may be ended at any time, but it must end no later than 30 days after allotment of the Offer Shares.

Investment decisions based on full Prospectus: Investors must neither accept any offer for, nor acquire any Offer Shares, on any other basis than on the complete Prospectus.

Terms and conditions for payment by direct debiting - securities trading: Payment by direct debiting is a service provided by cooperating banks in Norway. In the relationship between the payer and the payer's bank the following standard terms and conditions apply.

1. The service "Payment by direct debiting — securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
2. Costs related to the use of "Payment by direct debiting — securities trading" appear from the bank's prevailing price list, account information and/or information is given by other appropriate manner. The bank will charge the indicated account for incurred costs.
3. The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
4. In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Financial Contracts Act, the payer's bank shall assist if payer withdraws a payment instruction which has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
5. The payer cannot authorise for payment a higher amount than the funds available at the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall be covered by the payer immediately.
6. The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.
7. If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Financial Contracts Act.

Overdue and missing payments: Overdue payments will be charged with interest at the applicable rate under the Norwegian Act on Interest on Overdue Payments of 17 December 1976, No. 100, which at the date of the Prospectus is 9.50% per annum. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allot or otherwise dispose of the allocated Offer Shares, on such terms and in such manner as the Managers may decide (and that the applicant will not be entitled to any profit therefrom). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company, the Selling Shareholder and/or the Managers may enforce payment of any such amount outstanding.

APPENDIX E:

VALUATION REPORTS FOR THE GROUP’S VESSELS

Vessel Valuations

30-09-2013

Prepared for:

BW LPG Ltd.
10 Pasir Panjang Road,
#18-01 Mapletree Business City
Singapore 117438

Attn: Finance Department

By:

Drewry
Maritime Advisors

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1. Drewry Maritime Services (Asia) Pte. Ltd.

Drewry Maritime Services (Asia) Pte. Ltd. is registered in Singapore and is a 100% subsidiary of Drewry Shipping Consultants Holdings Limited which is a UK registered company (Drewry).

Drewry is an independent research organization offering extensive and highly experienced business and economic services in all sectors of the international maritime industry. The company also produces an extensive range of maritime publications covering a broad spectrum of commercial and economic topics.

Drewry's consultancy services extend from the provision of data and information to large assignments calling for a broad mix of disciplines. Typical commissions encompass such diverse remits as strategic planning; market research; forecasting; management consultancy; feasibility studies; project evaluation and fleet valuations.

Since the founding of the company in 1970 Drewry has grown into one of the world's leading independent international maritime consultancy and publishing organizations. Today, Drewry publications are sold in more than 90 countries and consultancy services have been commissioned by clients in over 70 countries. Since 1970 Drewry has built up an extensive data library on trades, shipping costs, ship prices, fleets and freight rates. Computer based forecasting systems are used to project trade flows, ship demand and supply, freight rates, costs and prices.

This report has been prepared by Drewry Maritime Services (Asia) Pte Limited using consultants from its Singapore office. All of the team members have a significant amount of experience in the shipping industry.

2. Declarations, consent and copyright

Declarations

Drewry will receive a professional fee for the preparation of this report in accordance with normal consulting practice. This fee is not dependent on the outcome of the IPO and Drewry will receive no other benefit for the preparation of this report. Drewry does not have any financial or other interests that could reasonably be regarded as capable of affecting its ability to provide a fair opinion in relation to BW LPG fleet valuation.

Drewry does not have, at the date of this report, and has not had within the previous two years, any shareholding in BW LPG and consequently considers itself to be independent of BW LPG Ltd.

Consent and copyright

Drewry consents for this report in its full form only to be included in a prospectus for an IPO at the Oslo Stock Exchange.

Copyright of all text and other matter in this document, including the manner of presentation, is the exclusive property of Drewry.

Charter free valuations

The information and data contained in this document has been provided by Drewry Maritime Services (Asia) Pte. Ltd. and was taken from Drewry databases and other sources, including vessel specific information provided by BW LPG Ltd. While Drewry has taken reasonable care with respect to compiling and analysing information and data, it makes no representation as to the accuracy of such information and Drewry accepts no liability for any loss suffered as a consequence of reliance on such information and data.

Assumptions & Caveats

ACTIVITY IN THE SHIPPING MARKETS IS VERY VOLATILE. LIQUIDITY HAS FALLEN CONSIDERABLY AND SHIP VALUES ARE VERY UNCERTAIN. IT IS THEREFORE EXTREMELY DIFFICULT TO MAKE ANY EVALUATION AS THERE HAVE BEEN FEW RECENT SALE TRANSACTIONS OR INFORMATION ON COMPARABLE SALE TRANSACTIONS. THE VALUES GIVEN ARE THUS A “NOTIONAL AMOUNT” BASED ON OUR OPINION OF THE MARKET. IT IS TO BE FULLY NOTED THAT ACTUAL LEVELS WHICH THESE VESSELS MAY ACHIEVE IN A SALE MAY BE SIGNIFICANTLY DIFFERENT.

The valuations for the fleet are as of 30 September 2013. Vessel valuations are based on comparable sale and purchase transactions, or current asset value expectations for vessels being circulated in the market for sale. Where, there have been few recent comparative sale and purchase, Drewry has looked at and based the valuations, on historical second hand values, newbuilding costs, freight markets, etc. to come to a reasonable opinion of the vessel value.

These valuations have been based on the understanding that the vessels have been built to a high standard and maintained to a high standard. In carrying out these appraisals, Drewry has not carried out any physical inspection of the vessels. This appraisal has been made on the assumption that the vessels are:

- safely afloat,
- in seaworthy condition.
- maintained to a level consistent with that of a vessel of her type and age.
- has no material defects and deficiencies in hull, machinery and equipments.

The assessment for vessel valuations have been arrived at by utilising known information from the international shipping market and on the assumption that the vessel would be able to be transacted between two willing parties, i.e. the buyer and the seller.

The presumption also includes that the vessels will be delivered at a time and place mutually agreed, free of cargo, free of charter or any contract of employment and free of any encumbrances, maritime liens, debts or restraints of governments.

Drewry accepts no liability for any loss suffered as a result of any reliance on these valuations.

Valuations

The valuations are presented in the table below:

Vessels	Year Built	CBM	Values (as on 30 Sep 2013) *USD mill.*
VLGC (70,000+ CBM)	24		
BW Austria	2009	84,603	76.0
BW Borg	2001	84,333	54.0
BW Boss	2001	84,300	54.0
BW Confidence	2006	83,269	69.0
BW Denise	2001	78,645	55.0
BW Empress	2005	78,908	66.0
BW Energy	2002	82,548	56.0
BW Liberty	2007	84,597	71.0
BW Lord	2008	84,614	74.0
BW Loyalty	2008	84,600	73.0
BW Prince	2007	82,383	71.0
BW Princess	2008	82,361	73.0
Berge Summit	1990	78,488	25.0
BW Trader	2006	80,236	68.0
BW Vision	2001	81,952	54.0
BW Birch	2007	82,302	71.0
BW Cedar	2007	82,270	71.0
BW Maple	2007	82,290	71.0
BW Oak	2008	82,252	73.0
BW Pine	2011	80,156	85.0
NB(HHI 2705)	Nov-14	84,000	79.0
NB(HHI 2706)	Feb-15	84,000	78.0
NB(HHI 2707)	Mar-15	84,000	78.0
NB(HHI 2722)	Apr-15	84,000	78.0
LGC (50-70,000 CBM)	5		
BW Havfrost	1991	57,180	25.0
BW Havis	1993	57,140	29.0
BW Helios	1992	57,160	28.0
BW Nantes	2003	59,399	53.0
BW Nice	2003	59,374	53.0
MGC (22-50,000 CBM)	1		
BW Hermes	1983	24,977	4.5

Arjun Batra

(Director)

On behalf of: **Drewry Maritime Services (Asia) Pte. Ltd.**

BW LPG Limited
C/o 10 Pasir Panjang Road
Singapore 117438

Attention: Ying Li, Finance Dept

Oslo, October 23rd 2013
KSO / TEIHAV

With reference to your request for an opinion of fair market value on the vessels named in the Attachment, based on the assumption that the vessels are in good and seaworthy condition, based on cash payment on normal commercial terms, prompt Charter free delivery and also assuming that the vessels are in a fully maintained class, free of conditions and recommendations, undamaged and fully equipped, we are of the opinion that the fair market value of the vessels as of September 30th 2013 was in the region of (see Attachment).

We would like to point out that this assessment is based on limited information, either obtained from relevant works of reference or technical descriptions supplied to us by your good self, the accuracy of which we do not accept any responsibility for. This assessment is also made without inspection of the vessels or their Classification Records, and the positions should be verified by inspection. The above value is a statement of opinion and not to be taken as a representation of fact. Furthermore, the value is based solely upon our opinion of a fair market value as of September 30th 2013 and should not be applied to any other date.

Any person contemplating entering into a transaction or otherwise relying upon this Valuation should satisfy himself by inspection of the vessel(s) or otherwise as to the correctness of the statements and assumptions which this Opinion of Value contains. This Opinion is given in good faith, but neither the company nor its officers shall in any circumstances whatsoever be held responsible for any errors or omissions herein or otherwise. No assurance is given that such a value will be sustained or can be realised in an actual transaction.

Without prejudice or precedence, we permit BW LPG Limited to disclose the valuation of these vessels for internal, accounting and debt covenant calculation, and the valuations of the vessels (individually or in aggregate) might be disclosed in a prospectus for an IPO at the Oslo Stock Exchange, for this one occasion only.

Kind regards,
LORENTZEN & STEMOCO AS

Knut Stangebye Olsen

Attachment

Lorentzen & Stemoco AS
Munkedamsveien 45 E

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N-0125 Oslo, Norway

Phone +47 22 52 77 00
www.lorstem.com

Foretaksnummer
NO 938 053 103 MVA

MARKET VALUE OF VESSELS - BW LPG LIMITED:

	VESSELS	BUILT	CBM	IMO NO	Dry Docking	*values* *USD mill.*
SHIP CODE	**VLGC (+ 70.000 CBM)**	24				
D2320	BW Austria	2009	84 603	9370537		67
BORG	BW Borg	2001	84 333	9208227		48
BOSS	BW Boss	2001	84 300	9208239		48
CONFIDENCE	BW Confidence	2006	83 269	9307736		58
DENISE	BW Denise	2001	78 645	9193733		47
Yuyo	BW Empress	2005	78 908	9317298		55
Energy	BW Energy	2002	82 548	9232515		50
Liberty	BW Liberty	2007	84 597	9350288		61
D2318	BW Lord	2008	84 614	9350604		64
Loyalty	BW Loyalty	2008	84 600	9350290		64
PRINCE	BW Prince	2007	82 383	9350422		61
PRINCESS	Bw Princess	2008	82 361	9353242		64
SUMMIT	Berge Summit	1990	78 488	8902371		24
TRADER	BW Trader	2006	80 236	9306548		58
Vision	BW Vision	2001	81 952	9232503		47
BIRCH	**BW Birch**	2007	82 302	9320740		61
CEDAR	**BW Cedar**	2007	82 270	9320738		61
MAPLE	**BW Maple**	2007	82 290	9320752		61
OAK	**BW Oak**	2008	82 252	9320764		64
PINE	**BW Pine**	2011	80 156	9479929		72
	NB(HHI 2705)	nov.14	84 000			78
	NB(HHI 2706)	feb.15	84 000			78
	NB(HHI 2707)	mar.15	84 000			78
	NB(HHI 2722)	apr.15	84 000			78

	LGC (50-70.000 CBM)	5				
HAVFROST	BW Havfrost	1991	57 180	8814768		21
HAVIS	BW Havis	1993	57 140	9009023		25
HELIOS	BW Helios	1992	57 160	8912182		23
NANTES	BW Nantes	2003	59 399	9253818		43
NICE	BW Nice	2003	59 374	9247819		43

	MGC (22-50.000 CBM)	1				
HERMES	BW Hermes	1983	24 977	8131104		4

APPENDIX F:

INDEPENDENT ASSURANCE ON PRO FORMA FINANCIAL INFORMATION

pwc

BW LPG Limited
(formerly known as BW Gas LPG Holding Limited)
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Attention: Board of Directors

4 November 2013

Independent assurance report on pro forma financial information

We have examined the Pro Forma Financial Information in Section 12 of the International Offering Memorandum (the "Prospectus") prepared by BW LPG Limited (the "Company"), comprising the pro forma combined interim balance sheet as of 30 June 2013 of BW LPG Limited and its subsidiaries (the " Combined Group)". The Pro Forma Financial Information has been prepared for illustrative purposes solely to show what the significant effects on the combined interim balance sheet of the Combined Group might have been had the Transactions, described in Section 12 of the Prospectus, occurred on 30 June 2013. This Pro Forma Financial Information is the responsibility of the Board of Directors of the Company. It is our responsibility to provide the opinion required by item 7 Annex II to the EU Regulation No 809/2004 as included in Section 7-13 of the Norwegian Securities Trading Act. We are not responsible for expressing any other opinion on the Pro Forma Financial Information or on any of its constituent elements.

We conducted our examination in accordance with International Standard on Assurance Engagement ("ISAE") 3420, "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", issued by the International Auditing and Assurance Standards Board. Our work consisted primarily of comparing the unadjusted financial information with the source documents, obtaining evidence supporting the adjustments and discussing the pro forma financial information with the Directors of the Company.

Based on our examination, in our opinion:

a) the Pro Forma Financial Information has been properly compiled on the basis stated; and

b) such basis is consistent with the accounting policies of the Company.

This report is issued for the sole purpose of the Prospectus required by item 7 of Annex II to the EU Regulation No 809/2004 as included in Section 7-13 of the Norwegian Securities Trading Act as set out in the Prospectus. This report is not appropriate for other jurisdictions than Norway and should not be used or relied upon for any purpose other than to comply with item 7 of Annex II to the EU Regulation No 809/2004. It should be noted that the Pro Forma Financial Information was not prepared in connection with an offering registered with the US Securities and Exchange ("SEC") under the US Securities Act and consequently is not compliant with the SEC's rules on presentation of pro forma financial information. Furthermore, our work has not been carried out in accordance with auditing standards generally accepted in the United States of America and accordingly should not be relied upon as if it had been carried out in accordance with those standards. As such a US investor should not place reliance on the pro forma financial information included in the Prospectus.

Yours faithfully

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore

Partner-in-charge: Kok Moi Lre

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