

BW LPG

Q4 2014 Results Presentation

27 February 2015



BW LPG



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Fourth quarter 2014 highlights

- Q4 2014 caps off a historically exceptional year of profits for BW's LPG fleet
- Board recommends 2nd half 2014 dividend at 100% NPAT: USD1.15 per share, providing exceptional dividend yield for 2014
- Market-leading long-haul fleet of 36 owned / operated vessels plus 7 newbuilds
- Newbuilding program on time / cost / functionality targets
 - BW Aries delivered 17 November 2014 onto time charter with oil major
 - 3 next VLGCs named in Korea on 25-Feb for delivery Feb, March & April
- Q4 utilization of 98% demonstrates technical quality and the strength of commercial deployment driven by long-term relationships with blue-chip charterers
- Balance sheet remains solid with year-end leverage c. 33%
- Newbuild financing delivered – USD 400 million at LIBOR + 170bps



Fourth quarter 2014 financial highlights

- TCE earnings were USD 138.7 million - 36% above Q4 2013
- EBITDA was USD 87.9 million – 92% above Q4 2013
- Net profit was USD 65.0 million – 81% above Q4 2013
- This results in a 2014 annual profit of USD 256.0 million – more than double that achieved in 2013
- Key metrics:

	Q4 2014	Full Year 2014
EPS ¹	\$0.48	\$1.87
Dividend yield ²		27.20%
ROE ³	6.00%	23.70%
ROCE ³	4.20%	16.70%
Leverage ratio ⁴	32.90%	32.90%



- Notes: 1) EPS is computed basis number of shares outstanding as of 31 December 2014
2) Dividend yield (proposed) is calculated as total proposed 2014 dividend per share divided by 31 December 2014 share price in USD terms
3) ROE and ROCE on a rolling 12 months basis is computed basis equity and capital employed as at 31 December 2014
4) Leverage ratio is computed as total debt over total debt and equity

Subsequent events

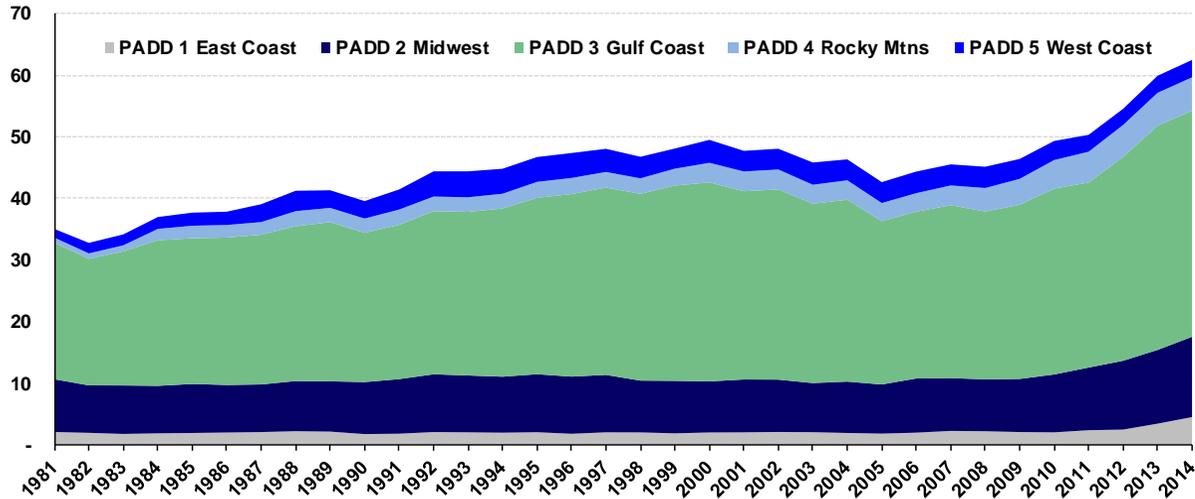
- Facility Agreement signed on 17 Feb 2015 for USD400 million financing against seven VLGC newbuildings
 - Lenders: KEXIM, DNB, SEB
 - Advisors: HSBC, DNB
 - LIBOR + 1.70% p.a. (blended); weighted amortisation profile 18 years.
- Board-recommended 2nd half 2014 cash dividend USD 1.15 per share:
 - 100% NPAT, reflecting exceptional cash flow performance in the half
 - Dividend policy unchanged: 50% NPAT subject to financial commitments



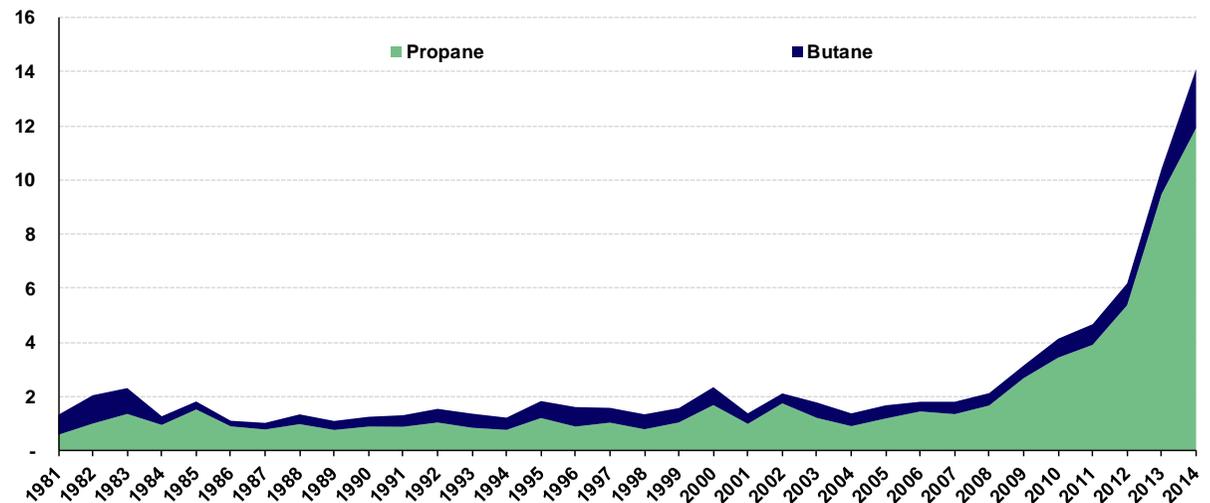
US LPG production & exports trending positively



U.S. LPG Production By PADD Region (MM Tons)

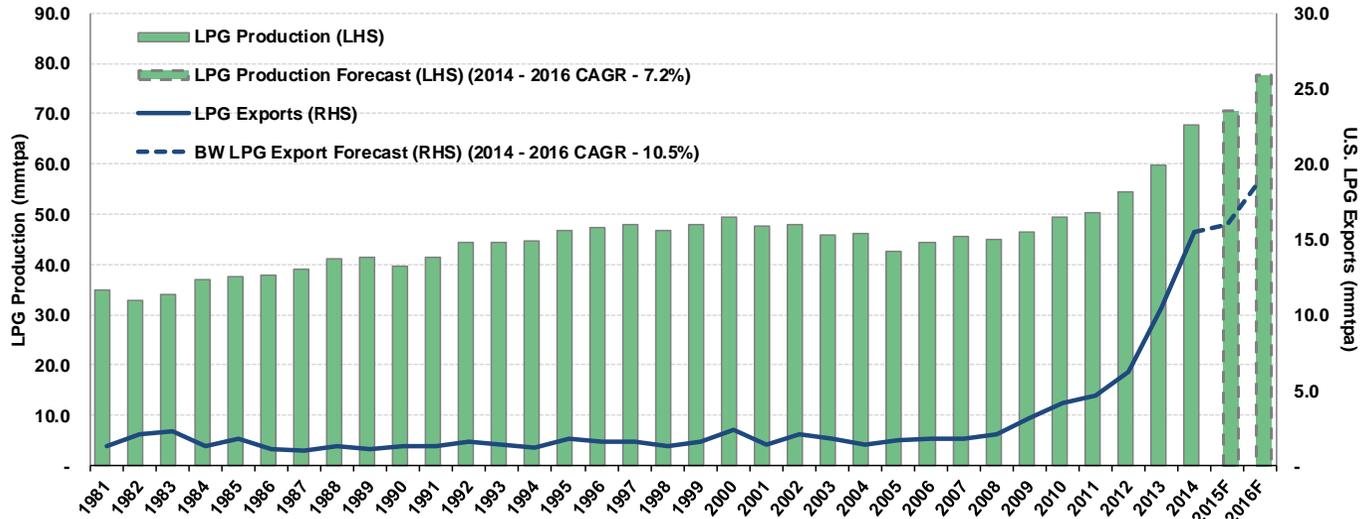


U.S. LPG Exports By Product Type (MM Tons)

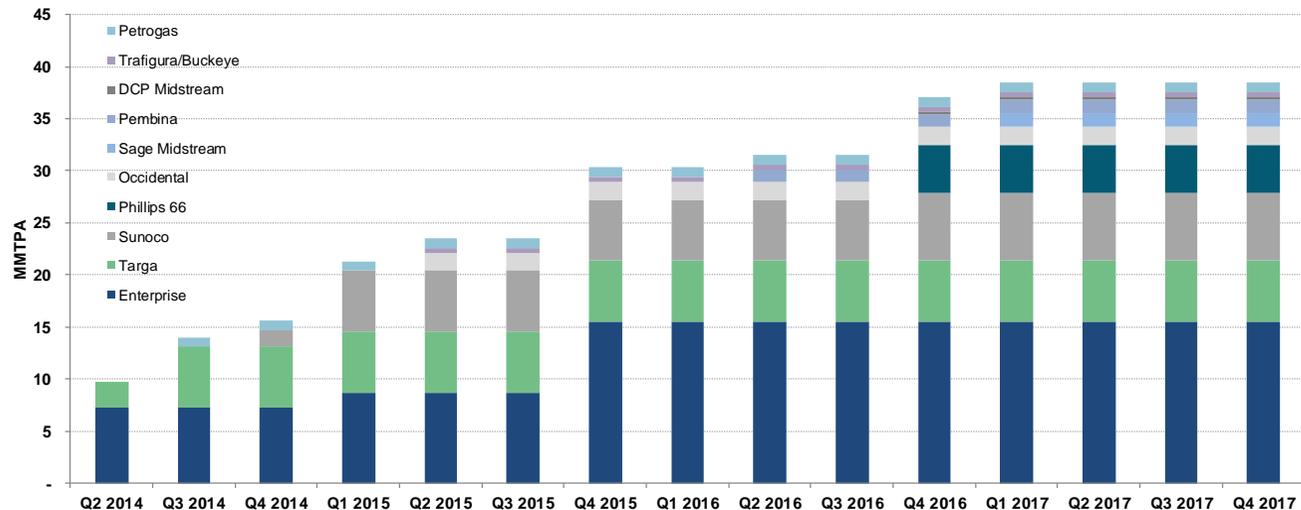


US export growth outlook remains positive

US LPG Production & Exports (mmtpa)



US LPG Export Terminal Capacity Expansions



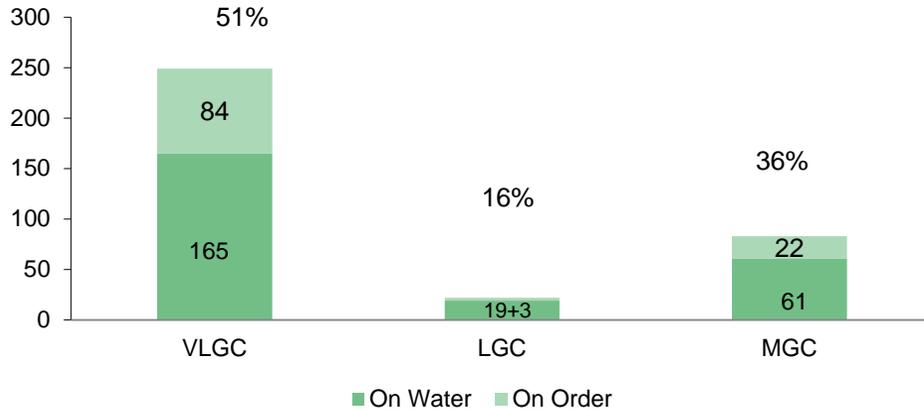
Demand development remains robust

EMERGING MARKETS	Demand Source: Infrastructure Examples : Sub-Saharan Africa, U.S. Virgin Islands
EXISTING MARKETS	Demand Source: Natural demand growth, kerosene-to-LPG, subsidies Examples : India, Indonesia, Thailand, Vietnam
DEVELOPING MARKETS	Demand Source: Industry Examples : China (PDH), Egypt

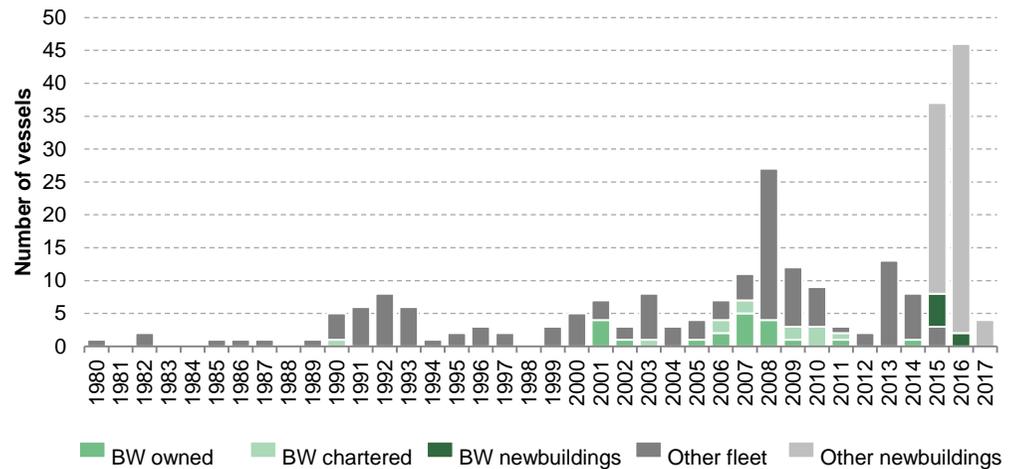
	Ranking			Δ mmtpa			CAGR		
	2013-17	2013-20	2013-25	2013-17	2013-20	2013-25	2013-17	2013-20	2013-25
1	China	China	China	8.2	11.8	10.3	31.1%	21.0%	10.9%
2	India	India	India	2.6	3.0	4.2	9.4%	6.0%	4.5%
3	Korea	Indonesia	Indonesia	2.1	2.5	3.5	8.1%	8.1%	6.1%
4	Indonesia	Thailand	Egypt	1.8	1.4	2.2	11.1%	7.9%	8.9%
5	Thailand	Egypt	Vietnam	1.1	1.4	1.9	11.6%	11.8%	11.6%

Fleet and new build orderbook

Global LPG Fleet Development (>20k CBM) and New Build (Jan'15)



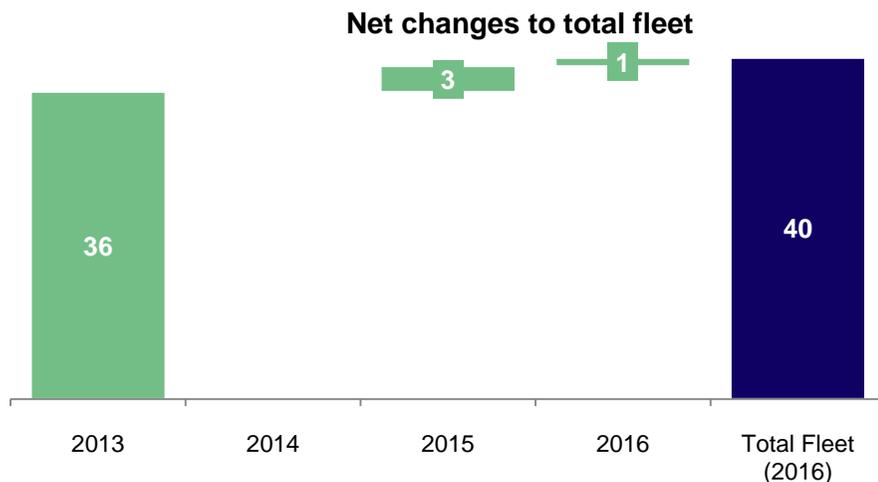
VLGC Fleet Profile¹



33 vessels above 20 years and 84 newbuildings on order with 165 on water (Jan'15)

BW LPG's fleet development

BW LPG fleet growing through 2014-2016¹



BW LPG Fleet Outlook

- BW Aries, the first HHI newbuilding, was delivered on 17 November 2014
- The remaining 7 HHI newbuildings are scheduled to be delivered as follows:

Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q2 2016
2	1	1	1	2

Source: Internal

1) The BW LPG fleet timeline assumes that vessels on time charter-in will be redelivered at charter expiry

Q4 2014 income statement

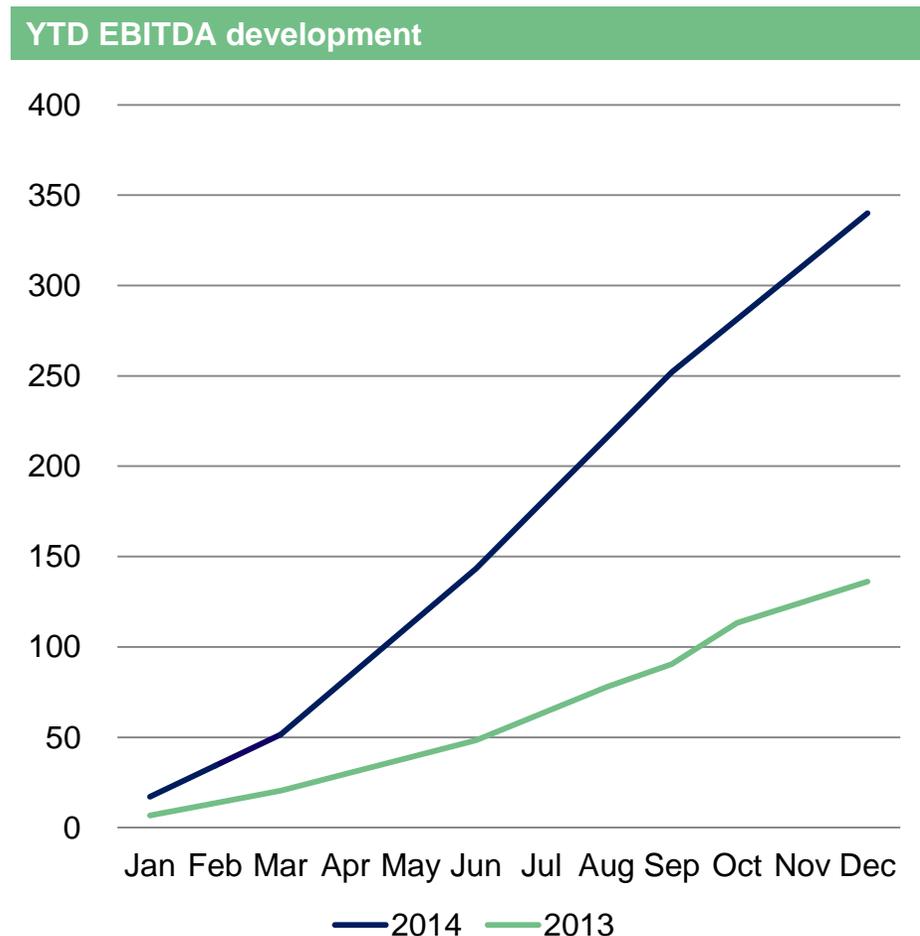


Figures in USD thousands

	(Reviewed) Q4 2014	(Reviewed) Q4 2013	(Audited) FY 2014	(Audited) FY 2013
Revenue	182,278	153,705	747,362	449,248
Voyage expenses	(43,564)	(51,931)	(208,192)	(160,516)
TCE income	138,714	101,774	539,170	288,732
Other operating income	495	514	1,867	886
Charter hire expense	(24,189)	(22,710)	(98,099)	(60,835)
Other operating expenses	(27,117)	(33,815)	(102,893)	(92,600)
Operating profit before depreciation, amortisation and impairment	87,903	45,763	340,045	136,183
Loss on disposal of property, plant and equipment	-	-	-	(880)
Loss on disposal of subsidiaries	-	-	-	(1,025)
	87,903	45,763	340,045	134,278
Amortisation charge	(1,227)	(1,227)	(4,910)	(6,335)
Depreciation charge	(18,162)	(15,504)	(66,127)	(53,117)
Write-back of impairment charge/(impairment charge)-net	-	9,000	-	56,347
Operating profit/(loss)	68,514	38,032	269,008	131,173
Finance expense—net	(3,238)	(2,130)	(12,642)	(5,463)
Profit/(loss) before tax and other comprehensive income for the financial period/year	65,276	35,902	256,366	125,710
Income tax	(275)	-	(697)	-
Profit/(loss) after tax for the financial period/year	65,001	35,902	255,669	125,710
Items that may be subsequently reclassified to income statement				
- Cash flow hedges	(1,713)	-	(1,806)	-
Total comprehensive income/(loss) for the financial period/year	63,288	35,902	253,863	125,710

EBITDA cumulative trend

Audited figures in USD millions



Comments

- VLGC TCE income was in line with expectations with TCE per day at USD 44,100 for Q4 and USD 43,900 YTD
 - Continued strong COA performance and west to east movement keeping the supply of vessels tight

- LGC TCE income was in line with expectations with TCE per day at USD 32,300 for Q4 and USD 27,100 YTD

- EBITDA continues to trend positively
 - Continued strong utilisation in Q4

Q4 2014 balance sheet and cash flow

Figures in USD thousands

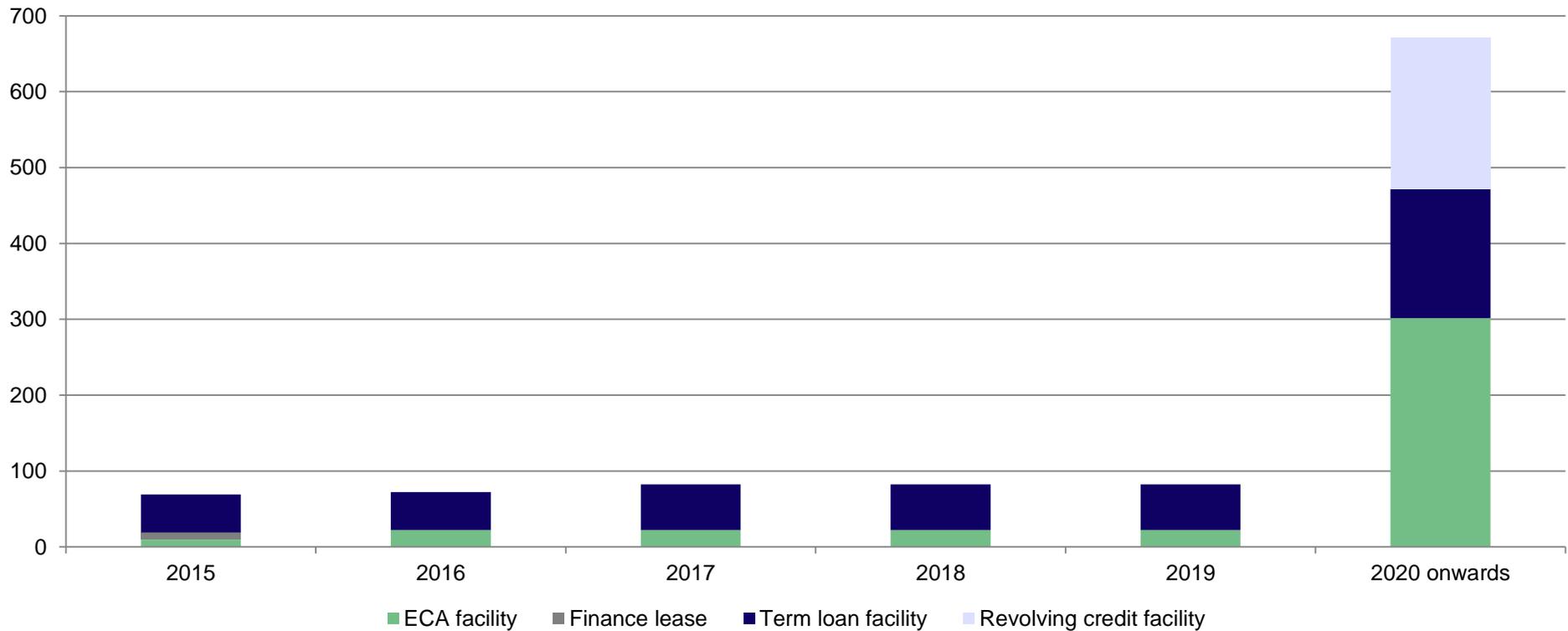
Balance sheet			(Audited) 31 Dec 2014	(Audited) 31 Dec 2013
Total non-current assets			1,490,994	1,377,574
Total current assets			173,070	253,839
Total assets			1,664,064	1,631,413
Total shareholders' equity			1,080,954	974,729
Total non-current liabilities			471,397	504,603
Total current liabilities			111,713	152,081
Total liabilities			583,110	656,684
Total equity and liabilities			1,664,064	1,631,413
Cash flow	(Reviewed) Q4 2014	(Reviewed) Q4 2013	(Audited) FY 2014	(Audited) FY 2013
Cash flows from operating activities				
Profit/(loss) before tax for the financial period/year	65,276	35,902	256,366	125,710
Adjustments	21,501	9,733	82,227	9,931
Operating cash flow before working capital changes	86,777	45,635	338,593	135,641
Changes in working capital	44,006	51,852	42,860	(13,416)
Cash generated from operations	130,783	97,487	381,453	122,225
Taxes paid	-	-	(22)	(108)
Net cash provided by operating activities	130,783	97,487	381,431	122,117
Net cash used in investing activities	(77,011)	(290,283)	(183,433)	(424,389)
Net cash used by financing activities	(44,046)	292,588	(238,660)	390,958
Net (decrease)/increase in cash and cash equivalents	9,726	99,792	(40,662)	88,686
Cash and cash equivalents at beginning of the financial period/year	60,519	11,115	110,907	22,221
Cash and cash equivalents at end of the financial period/year	70,245	110,907	70,245	110,907

Financing

Figures in USD millions

Gross debt	529.4
Cash	(70.2)
Net debt	459.2

- Available liquidity of USD 195.2 million



Summary and outlook

- NGL export market continues to grow in Q4 2014 despite a rapid decrease in oil price
- Export projections continue to show growth, although rig count is reducing, as production efficiencies have improved markedly
- The demand side has demonstrated continued strong appetite for LPG on both retail and industrial consumption, with new markets developing
- Q1 2015 has so far been the historic strongest chartering market for this time of year
- Supply, demand, and infrastructure build-out suggest continued strength in 2015
- Fleet expansion and the rate of export growth will dictate the overall impact on the 2016 chartering market, with longer-term continuing growth expected
- Strategic intent remains high utilization and profitability through the cycle, with continued market leadership in larger assets and high-quality service delivery to blue-chip charterers
- Strong balance sheet and blended contract portfolio (long-term cover and spot exposure) create a stable platform for long-term value generation

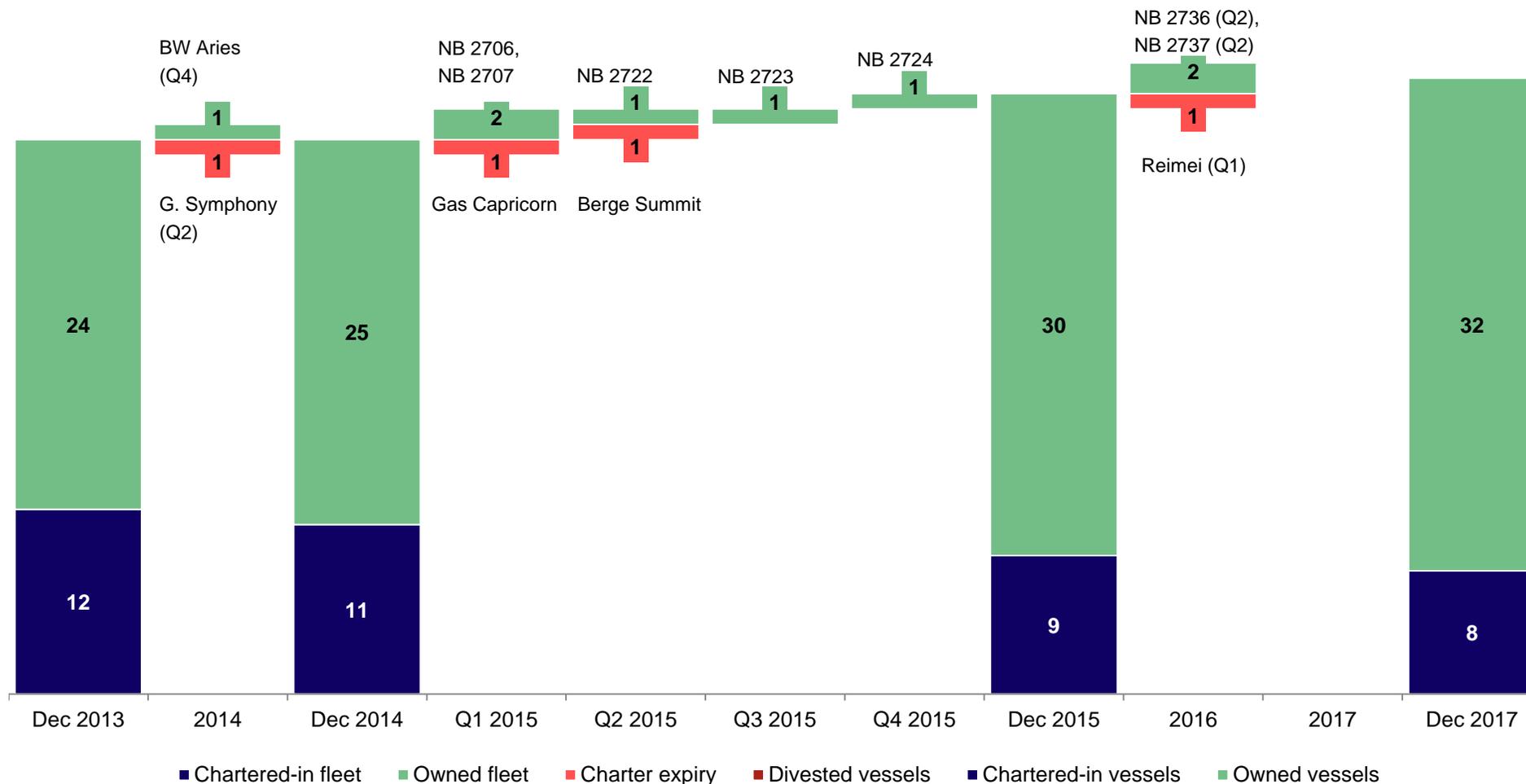


Q&A session

Appendix

BW LPG fleet development (detailed)

Timeline based on current contracts



Note: The fleet timeline assumes that vessels on time charter-in will be redelivered at charter expiry. However, most of these time charter-in contracts have purchase options attached to them. With the conclusion of commercial arrangements with regards to BW Tokyo and BW Kyoto, BW LPG now derives full economic benefit from BW Kyoto whereas BW Tokyo is chartered-out on a back to back arrangement. Reimei charter-in contract has been renewed for a period of one-year on similar terms.

Long-term contract portfolio 2014 through 2017 (value)



Review of achieved TCE 2014 and fixed income outlook

VLGC	2014	2015E	2016E	2017E
Voyage Charter	53,536			
COA-Spot	47,048			
COA-Fixed	41,957	35,483	35,991	35,987
Time Charter-Out	34,135	35,590	32,045	30,900

LGC	2014	2015E	2016E	2017E
Voyage Charter	26,822			
COA-Spot				
COA-Fixed	51,647			
Time Charter-Out	27,934	36,123	32,462	

VLGC

- Fixed income from Time Charter–Out for 2014 accounted for USD 72.3 million or 15% of total TCE income and COA–Fixed accounted for USD 125.0 million or 26%
- 2015 income for Time Charter–Out is expected to be USD 108.6 million and COA-Fixed is expected to be USD 116.7 million, based on certain assumptions* relating to voyages direction and duration during the period

LGC

- 2014 income for Time Charter–Out accounted for USD 27.8 million or 56% of total TCE income and COA–Fixed accounted for USD 3.2 million or 7%, in the LGC segment

Notes:

COA-Fixed is based on certain assumptions for example with regards to routes and days of employment

Time Charter-Out and COAs are based only on contracted duration. It is likely that the Company renews some or all of its Time Charter-Out and COAs in the years ahead

Long-term contract portfolio 2014 through 2017 (ship days)



VLGC	2014	2015E	2016E	2017E
Available days		5,655	8,033	8,165
Voyage Charter	2,835			
COA-Spot	2,989			
COA-Fixed	2,979	3,289	2,667	2,660
Time Charter-Out	2,119	3,053	2,097	1,798
Technical downtime	237	121	196	208
Total shipdays	11,158	12,118	12,993	12,831
Time Charter-Out % of Total	19%	25%	16%	14%

VLGC

- Time charter income accounted for 19% of the available days for 2014
- In 2015, time charter income is expected to account for 25% of available days

LGC	2014	2015E	2016E	2017E
Available days		764	1,435	1,810
Voyage Charter	687			
COA-Spot				
COA-Fixed	63			
Time Charter-Out	996	1,030	346	
Technical downtime	79	31	49	15
Total shipdays	1,825	1,825	1,830	1,825
Time Charter-Out % of Total	55%	56%	19%	0%

LGC

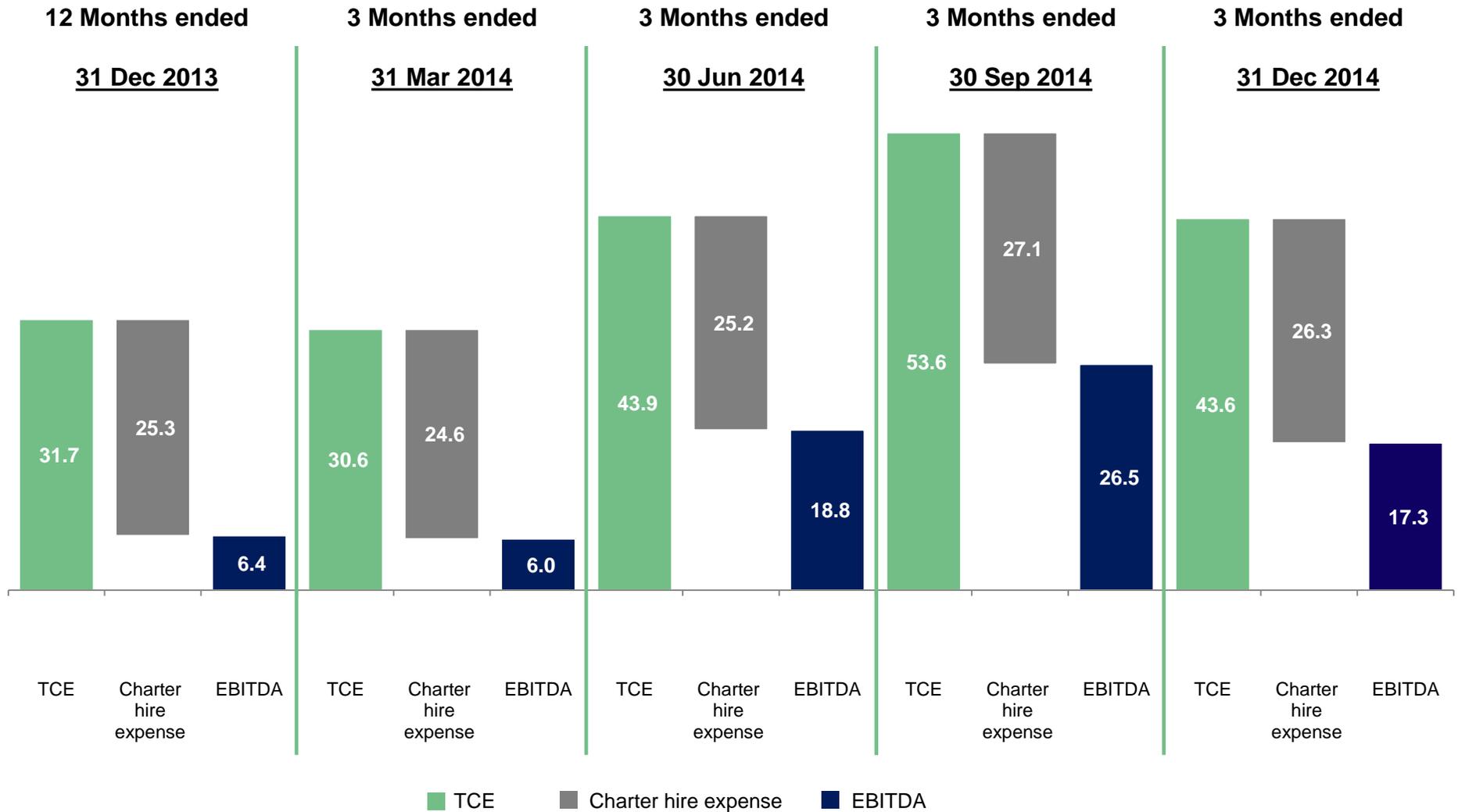
- Time charter income accounted for 55% of the available days for 2014
- In 2015, time charter income is expected to account for 56% of available days

Notes:

- Available days is calculated as total ship days (365 days per available vessel) less planned maintenance (including dry docking days) and less expected Time Charter-Out days and COA-Fixed days
- COA-Fixed (COA days at fixed day rates) is determined applying certain assumptions, for example with regards to routes and days of employment
- Time Charter-Out and COAs are calculated based on contracted duration. It is likely that the Company renews some or all of its Time Charter-Out and COAs in the future, at rates reflecting the fixed income market outlook at time of renewal

Charter-in portfolio

Reviewed figures in USD thousands



Note: BW Broker is a bareboat-in vessel and included in the figures above

Glossary of terms

<u>Terms</u>	<u>Explanation</u>
Time Charter-Out	: charter hires with a fixed hire rate for a fixed duration (term of charter)
Voyage Charter	: charter hires negotiated on spot/market rates
COA-Spot	: contracts of affreightment with variable element(s) in the hire rates for a specified range of duration (term of charter) and frequency (number of cargoes lifted). These contracts are typically determined with reference to the Baltic rate for VLGCs
COA-Fixed	: contracts of affreightment with fixed day rates applicable for a specified duration (term of charter) and frequency (number of cargoes lifted)



BW LPG