



FIRST QUARTER OPERATING PROFIT AFFECTED BY WEAK VLGC MARKET

HIGHLIGHTS

- Q1 operating profit hit by weak VLGC market and repairs on LNG vessels
- Strong results from LGC and MGC segments
- Sale of BW Sisu
- Joint venture with Tailwind
- Scrapping of Berge Arrow

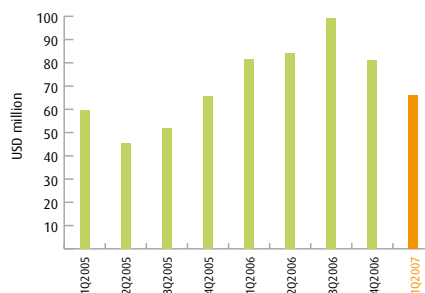


VLGC BW Sisu was sold in February



BW Boss ex. Formosagas Bright was purchased in March

Operating result before depreciation and disposals



BW GAS – THE LEADING CLEAN ENERGY CARRIER

BW Gas is a leading global provider of gas marine transportation services. The company is the largest owner and operator of LPG (liquefied petroleum gas) carriers and one of the largest independent owners and operators of LNG (liquefied natural gas) carriers. BW Gas owns, part-owns and/or operates a fleet

of 96 vessels including newbuildings, of which 81 are LPG vessels transporting mainly LPG and ammonia and 15 are LNG vessels. Currently the company employs approximately 1,750 seagoing personnel and 160 onshore employees.



## KEY OPERATIONAL AND FINANCIAL DATA

(Unaudited figures in USD million)	First quarter		Full year
	2007	2006	2006
Operating profit before depreciation and disposals	66.4	80.8	345.1
Operating profit	46.4	58.8	258.7
Net profit from continuing operations *	20.7	66.4	224.7
Net profit incl. discontinued operations	20.7	65.8	223.7
Earnings per share, continued operations	0.1	0.5	1.7
Cash and cash equivalents	224.8	406.8	248.9
Interest bearing debt	1,604.7	1,466.7	1,605.7
Average number of shares outstanding	128,097,885	128,097,885	128,097,885

\* Continuing operations consist of the gas segments LPG and LNG

## RESULTS

BW Gas recorded a first-quarter operating profit before depreciation and disposals of USD 66.4 million, compared to USD 80.8 million in first quarter 2006. Operating profit was USD 46.4 million in the first quarter 2007, compared with USD 58.8 million in the same period of 2006. Gain on sale of vessels amounted to USD 6.5 million, while there was no sale of vessels during first quarter 2006.

First quarter 2007 showed decreased freight rates in all segments. The decline was most significant for the VLGCs, offsetting the increased MGC profit resulting from the Yara transaction. The operating profit in the LPG segment amounted to USD 27.7 million in first quarter 2007 compared to USD 45.2 million in first quarter 2006. The average number of LPG vessels increased from 40.0 to 50.7 - mainly due to the Yara transaction.

The LNG segment increased the operating profit to USD 20.0 million in first quarter 2007 from USD 17.2 million in first quarter 2006, due to an increase in the number of vessels from 7.0 to 7.5. The LNG results were negatively affected by 69 offhire days, of which 13 days are covered under the insurance, due to damage on stern tube bearings on three vessels. Another sister vessel has experienced the same problems, and is planned dry docked for repairs during second quarter of 2007.

The accounts show net financial expenses of USD 18.1 million in the first quarter of 2007 (financial income of USD 7.7 million in 2006), of which interest expenses amounted to USD 20.7 million (USD 14.5 million in 2006). The increase is mainly due to a rise in interest rates and lower capitalised interests on newbuildings. The Nigeria LNG newbuilding programme came to a close at the end of March 2006, and has resulted in lower capitalised interests.

Profit before tax was USD 28.3 million in first quarter 2007 compared to USD 66.5 million in first quarter 2006. Net profit from continuing operations was USD 20.7 million (USD 0.1 per share) in first quarter 2007 compared with USD 66.4 million in first quarter 2006 (USD 0.5 per share). Income tax expense of USD 7.6 million is related to unrealised foreign exchange gains on debt in tonnage taxed entities.

## FINANCING

BW Gas had cash and cash equivalents of USD 224.8 million at the end of first quarter 2007 (USD 406.8 million in 2006). Total assets were USD 2,883.9 million (USD 2,719.8 million in 2006). Shareholders' equity amounted to USD 1,171.9 million (USD 1,034.6 million in 2006). Total liabilities amounted to USD 1,712.0 million (USD 1,685.2 million in 2006). Interest-bearing debt amounted to USD 1,604.7 million (USD 1,466.7 million in 2006). The equity ratio increased to 40.6% at the end of first quarter 2007 from 38.0% at the end of first quarter 2006.

Under the 7-year unsecured USD 1.5 billion revolving credit facility, USD 1.1 billion was drawn by the end of March 2007.

BW Gas has hedged a total of USD 543 million of its balance sheet debt through interest rate swaps. The swaps have a weighted average fixed interest rate of 4.89% (excl. margin) and a weighted average remaining duration of 7.2 years as per end of first quarter 2007. The mark to market value of the interest rate swaps was USD 2.8 million at the end of March 2007.

The company has also entered into USD 213 million in interest swaps with forward start related to two LNG vessels financed through two French single investor leases. These swaps have 12.5 years duration starting in December 2008 and an average fixed interest rate of 5.25% and will be treated according to the IFRS hedge accounting rules.

## MAJOR EVENTS

In January, VLGC Leto Providence (78,908 cbm, 2003 built) was delivered on period timecharter to BW Gas, Exmar and Maran Gas with one third interest each.

BW Gas increased the NOK 250 million (USD 40.0 million) 5-year bond loan with an additional amount of NOK 100 million (USD 15.5 million) in January. The proceeds and interest have been swapped into USD.

The VLGC vessel BW Sisu (75,656 cbm, built 1978) was sold for captive trade/storage in the Middle East with delivery 27 February. The sales price was USD 8.9 million, resulting in a gain on sale of USD 6.5 million.

BW Gas exercised the purchase option on VLGC BW Boss, ex. Formosagas Bright (84,301 cbm, 2001 built) in March at a price of USD 42.5 million, which is about USD 40 million below current market value.

A subsidiary of Bergesen Worldwide Limited took delivery of LNG Kano (148,300 cbm) in January. BW Gas is responsible for the commercial and technical operation of the vessel.

Following the annual general meeting 3 May the legal name has been changed to BW Gas ASA.

## SUBSEQUENT EVENTS

The VLGC BW Borg, ex. Formosagas Apollo (84,333 cbm, 2001 built) has been purchased through a declared purchase option and was delivered on 2 April 2007 at a price of USD 42.5 million, which is approximately USD 40 million below current market value.

In April 2007, BW Gas entered into an agreement with Tailwind, an operational- and financial lease company. The intention is that BW Gas will sell 50% ownership interest in four LPG carriers by establishing a joint venture partnership with Tailwind. BW Gas will retain technical and commercial management of the vessels. Subject to final project financing structure, the deal will have a cash effect of approximately USD 200 million. BW Gas will book a profit of about USD 9 million.

The 1978 built VLGC Berge Arrow (75,609 cbm, 1978 built) was sold for scrap in April 2007 with delivery in May. The gross sales amount is USD 9.1 million, resulting in a net gain of USD 7.3 million in second quarter 2007.

In April 2007, the group increased the 5-year bond loan with NOK 100 million. The proceeds and interest have been swapped into USD.

## SEGMENT REPORTS

### LPG segment

The LPG segment provides transportation of liquefied petroleum gas, clean petroleum products (CPP) and ammonia. The LPG segment is divided further into VLGCs (capacity above 70,000 cbm), LGCs (capacities ranging between 50,000 and 70,000 cbm) and MGCs (capacities ranging between 22,000 and 50,000 cbm). The BW Gas LPG vessels operate on spot voyages, contract of affreightment (COAs) and short to medium-term time charters, which include all time charters for a period of five years or less.

The LPG fleet recorded a first quarter operating profit of USD 27.7 million, compared to USD 45.2 million for the same period in 2006. The 2007 figure includes a sales gain on BW Sisu of USD 6.5 million. The decline was due to significantly lower freight rates in the VLGC segment and more idle time. For the LGCs and MGCs freight rates declined moderately, while idle time declined for the LGCs and increased slightly for the MGCs. The reduced freight rates offset the increased MGC profit resulting mainly from the Yara transaction and the net gain on sale of vessels. The average number of LPG vessels increased from 40.0 to 50.7 in the first quarter.

The operation of the BW Gas LPG fleet was satisfactory during first quarter 2007 with no significant offhire beyond scheduled maintenance. Four LPG carriers were dry-docked for scheduled maintenance in first quarter 2007, compared to three in first quarter 2006.

## SEGMENT ANALYSIS LPG

(USD million)	First quarter	
	2007	2006
Operating revenue	117.5	124.1
Voyage expenses	-21.7	-22.5
TC Income	95.8	101.6
<b>Charter hire expenses</b>	<b>-21.4</b>	<b>-16.2</b>
Salaries and other operating expenses	-34.8	-26.9
<b>Operating profit before depreciation and disposals</b>	<b>39.6</b>	<b>58.5</b>
Depreciation	-18.4	-13.2
Net gain on sale of tangible fixed assets	6.5	-0.1
<b>Operating profit</b>	<b>27.7</b>	<b>45.2</b>

### Key figures

Average number of owned and BB vessels (calendar days)	42.1	32.5
Average number of chartered in vessels on TC	8.6	7.5
TC income per calendar day (USD 1,000)	21.0	28.2
Operating expenses per day (USD 1,000)	9.2	9.2

## VARIANCE ANALYSIS LPG

(USD million)	
Operating profit first quarter 2006	45.2
Operating profit first quarter 2007	27.7
<b>Variance operating profit</b>	<b>-17.5</b>
Increase/decrease in spot and TC rates for LPG vessels	-26.7
Net investment/increase in number of LPG vessels	11.1
Increase in no. of chartered-in vessels	-3.4
Depreciation of USD vs NOK. effect on operating expenses	-0.8
Net gain on sale of tangible fixed assets	6.6
Depreciation of vessels	-5.2
Other	0.9
<b>Total variance explained</b>	<b>-17.5</b>

### VLGC (>70,000 CBM)

TC income from the VLGCs amounted to USD 40.7 million in first quarter 2007 compared to USD 57.9 million in first quarter 2006. The decrease was primarily attributable to the substantial fall in the charter rates and increased idle time, offsetting the income from the increased number of vessels (from 15.0 to 17.6). Average TC income for the VLGC fleet decreased to USD 17,900/day in 2007 from USD 29,900/day in first quarter 2006. Idle time for the BW Gas operated VLGC fleet increased to 15.4% in first quarter 2007, from 1.6% in 2006. Three of four VLGC vessels that were put in semi lay-up during December 2006 remained in semi lay-up at the end of March 2007 and the last vessel, BW Sisu, was sold for captive trade.

OPEC crude production cuts had a negative impact on the production of associated LPG. It is estimated that exports from the Middle East for the first four months of 2007 is down by about 0.5 million tonnes compared to the same period 2006. This corresponds to a reduction of 2-3 VLGC cargoes per month.

The impact of fewer LPG cargoes served to maintain the VLGC market in a depressed state. Plant problems in AG and West Africa reduced cargo availability further in addition to the OPEC crude cuts. High LPG producer prices due to lower availability and uncertainty as to the forward price development combined with still comfortable stock levels in importing countries, due to continued higher than normal temperatures, made it risky for traders to take positions.

Spot rates ended the quarter at about USD 27 pmt on voyage basis Middle East – Japan (about USD 13,350/day on a C-class VLGC excl. idle time) similar to the levels of early February. Earnings declined at similar spot rates due to increasing bunker prices.

No representative timecharter business was concluded in the first quarter.

BW Gas had two vessels employed in clean petroleum products (CPP) during first quarter, the same as in the first quarter 2006.

BW Gas currently has six VLGC newbuildings on order, of which four are scheduled for delivery in 2008 and two in 2009. Four of the VLGCs are owned in a 50/50 joint venture with Maran Gas. In addition three chartered-in VLGC newbuildings, of which BW Gas has 33% interest, will be delivered in 2007 and 2009.

The global fleet of VLGCs (>70,000 cbm) numbered 106 vessels at the end of March 2007. Two vessels, one 1977 built and one 1979 built, were reported sold for scrap. One newbuilding order was placed, the first since September 2006. The orderbook consists of 62 vessels, nine vessels are due for delivery in 2007, 26 in 2008, 20 in 2009 and six in 2010. 23 VLGCs are 25 years old or more.

#### LGC (70-50,000 CBM)

TC income from the LGCs amounted to USD 26.9 million in first quarter 2007, compared to USD 25.0 million in first quarter 2006. The average number of LGC vessels increased from 9.5 in first quarter 2006 to 11.0 in 2007. Average TC income for the group's LGC fleet decreased to USD 27,200/day in first quarter 2007, from USD 29,200/day in the same period 2006. Idle time decreased to 1.5% in first quarter 2007, from 2.9% same period 2006. Two vessels were idle at the end of the first quarter.

The LPG market in the Atlantic was maintained at a higher level than the market east of Suez. LGCs trading in LPG were fully employed throughout first quarter. There was less competition from VLGCs as most idle vessels were located east.

Black Sea ammonia exports were high in first quarter and reached an all-time record in March. 60% of the March liftings were destined for the US market. Most of first quarter saw substantial delays in the transit of the Turkish Straits with vessels above 200m in length queuing for 1-2 weeks, which contributed to tighten-up ship supply. However, the situation eased in March and a number of large vessels reached US in a short period of time. This put pressure on US ammonia prices already under pressure due to growing stock levels and a slow start to the direct application season due to cold weather. Further shipments from Black Sea to US this season are therefore limited and the shipping market appears less tight.

The global LGC fleet (70-50,000 cbm) consisted of 28 vessels at the end of first quarter 2007. The order book numbered six vessels, all for delivery in 2008. Eleven LGCs are more than 25 years old.

#### MGC (<50,000 CBM)

The TC income from MGCs increased to USD 28.2 million in first quarter 2007, from USD 18.7 million in first quarter 2006. The increase was due to a higher number of vessels as a result of the delivery of BW Odin in October 2005, the acquisition of the Yara fleet in July 2006 and the delivery of BW Sombeke at the end of October 2006. The group's MGC fleet saw first quarter average TC income decline moderately to USD 21,600/day in 2007 compared to USD 23,100/day in first quarter 2006. The decline was due to increased number of smaller vessels in the MGC fleet. Idle time was 3.0% in first quarter 2007 compared to 2.5% in first quarter 2006.

The MGC segment started the year on a slow note with few spot ammonia cargoes available. An active petchem market reduced competition from smaller fully refrigerated vessels and provided some propylene cargoes. Delays in transiting the Turkish Straits contributed to some tightening of the tonnage positions. Few transatlantic ammonia cargoes were shipped on MGCs as the margins generally favoured the larger vessels, which led to idle time. LPG shipments from West Africa to Central America and India provided some employment opportunities in February. Indian LPG imports from AG slowed in March with lower seasonal demand. Period market activity was thin throughout the first quarter.

The North Sea LPG trade employed three vessels. Idle time was minimal during first quarter and rates were well supported.

The global MGC fleet (20,000-40,000 cbm) of fully- and semi-refrigerated vessels consisted of 66 vessels at the end of March. One new order was placed in the first quarter. Ordering activity was high in April with six contracts placed in the first four weeks of the month. The orderbook at the end of the first quarter consisted of 28 vessels, five for delivery in 2007, seven in 2008 and 15 in 2009 and one in 2010. Six MGCs are more than 25 years old.

#### CHARTER-HIRE EXPENSES

The LPG charter-hire expenses increased to USD 21.4 million in first quarter 2007, compared to USD 16.2 million in 2006. This increase was primarily attributable to the number of chartered-in VLGCs, which increased to 8.6 vessels in first quarter 2007 from 7.5 vessels in 2006.

#### TOTAL OPERATING EXPENSES

Total operating expenses in the LPG segment increased to USD 34.8 million in first quarter 2007, compared with USD 26.9 million in 2006. The increase is due to the higher number of vessels. Four LPG vessels were drydocked for scheduled maintenance during first quarter 2007, compared with three in the same period of 2006.

#### DEPRECIATION

The depreciation of vessels increased to USD 18.4 million in first quarter 2007, compared to USD 13.2 million in 2006. This increase is attributable to the higher number of vessels.

#### NET GAIN ON SALE OF VESSELS

The sale of BW Sisu in end-February 2007 generated a net gain on sale of vessels of USD 6.5 million in the first quarter 2007. There was no sale of vessels during first quarter 2006.

### LNG segment

The LNG segment provides transportation of liquefied natural gas, with vessel size ranging from 138,000 to 150,000 cbm. Since 2000, BW Gas has considerably expanded the presence in the LNG sector by making substantial investments in new LNG vessels.

The LNG fleet recorded a first quarter operating profit of USD 20.0 million, compared with USD 17.2 million for the same period 2006. The increase resulted partly from a higher number of vessels: 7.5 vessels in first quarter 2007 compared to 7.0 in first quarter 2006. Operating profit in first quarter 2007 was negatively affected by the offhire of three vessels due to repairs.

At the end of first quarter 2007, the group's LNG business consisted of nine LNG vessels: three 138,000 cbm, four 146,000 cbm and two smaller 30,000 cbm LNG carriers. All of the LNG vessels operate under long-term time charters, except for the two smaller LNG vessels.

BW Gas has two 162,400 cbm LNG carriers on order, both scheduled for delivery in 2009. Subsidiaries of BW group have two 148,300 cbm vessels on order, one for delivery in fourth quarter 2007 and one in 2008. BW Gas will manage these vessels both commercially and technically. All newbuildings will commence long-term timecharters when delivered.

### SEGMENT ANALYSIS LNG

(USD million)	First quarter	
	2007	2006
Operating revenue	33.6	32.2
Voyage expenses	-1.0	-0.5
<b>TC Income</b>	<b>32.6</b>	<b>31.7</b>
Financial lease interest income	2.4	0.0
<b>Total operating income</b>	<b>35.0</b>	<b>31.7</b>
Charter hire expenses	0.0	0.0
Salaries and other operating expenses	-8.1	-6.7
<b>Operating profit before depreciation and disposals</b>	<b>26.9</b>	<b>25.0</b>
Depreciation	-6.9	-7.8
Net gain on sale of tangible fixed assets	0.0	0.0
<b>Operating profit</b>	<b>20.0</b>	<b>17.2</b>
<b>Key figures</b>		
Average number of owned and BB vessels (calendar days)	7.5	7.0
Average number of vessels leased out on financial lease	0.5	0.0
Average number of chartered in vessels on TC	0.0	0.0
TC income per calendar day (USD 1,000)	48.3	50.3
Operating expenses per day (USD 1,000)	11.3	10.6

## VARIANCE ANALYSIS LNG

(USD million)

Operating profit first quarter 2006	17.2
Operating profit first quarter 2007	20.0
<b>Variance operating profit</b>	<b>2.8</b>
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Net investment/increase in number of LNG vessels	1.5
Financial lease interest income	-0.3
Depreciation of USD vs NOK, effect on operating expenses	-0.2
Depreciation of vessels	0.9
Net gain on sale of tangible fixed assets	0.0
Other	0.9
<b>Total variance explained</b>	<b>2.8</b>

TC income from the LNG vessels increased to USD 32.6 million in first quarter 2007 from USD 31.7 million in first quarter 2006. The increase was attributable to the delivery of one large LNG vessel during 2006, increasing the average number of vessels from 7.0 to 7.5. The TC income was, however, negatively affected by offhire of three vessels.

Average TC income for the group's LNG fleet decreased to USD 48,300/day in first quarter 2007 from USD 50,300/day in first quarter 2006. Excluding the two small LNG carriers Havfru and Century (1973/74 built), the LNG fleet generated an average TC income of USD 61,600/day in first quarter 2007, compared to USD 66,200/day in 2006. LNG River Orashi experienced 13 days, LNG Benue 29 days and LNG Enugu 27 days offhire in first quarter of 2007 due to damage on stern tube bearings. Thirteen of these days are covered under the insurance. Another sister vessel, LNG Oyo, has experienced the same problems, and is planned dry docked for repairs during second quarter of 2007.

No new LNG projects received final investment decision (FID) in 2006, which is going to impact the volume of new production to come on-stream from 2010 onwards as the developers are reconsidering investment plans on the back of escalating development costs and longer lead times. Only Pluto LNG (Australia), possibly also Angola LNG and NLNG train 7 are expected to receive FID this year.

Activity in the newbuilding market increased with twelve orders placed in the first quarter. At the end of the first quarter 2007 the world LNG fleet consisted of 230 vessels including vessels below 20,000 cbm. 142 newbuildings were on firm order, of which 27 for delivery this year, 56 in 2008, 44 in 2009, 13 in 2010 and two in 2011.

### TOTAL OPERATING EXPENSES

Total operating expenses increased to USD 8.1 million in first quarter 2007, compared to USD 6.7 million in first quarter 2006. The increase is mainly due to the higher number of vessels.

### DEPRECIATIONS

The depreciation of vessels decreased to USD 6.9 million in first quarter 2007, compared to USD 7.8 million in 2006. This decrease is mainly attributable to the estimated useful economic life for the LNG vessels being changed from 30 years to 35 years from January 2007.

### NET GAIN ON SALE OF VESSELS

There was no sale of LNG vessels during the first quarter 2007 nor in 2006.

## OUTLOOK

LPG trade volume continues to be negatively impacted by reduced OPEC production. According to the IEA, OPEC production in March 2007 was down by 1.7 million barrels from the peak in July 2006 with half of the reduction coming from Saudi Arabia. The OPEC supply reductions since last autumn has coincided with two quarters of heavy draws in crude stocks in OECD countries. Current output remains below the levels required to provide for the normal spring crude oil stock building. The cut in crude production has led to a significant reduction in the production of associated LPG. Officially OPEC has signalled that the cuts will remain in place until the next OPEC meeting in September. However, many oil market analysts expect Saudi Arabia to increase production over the coming months to address the possible negative impact of USD 70 crude on world GDP and oil demand growth. This would improve the VLGC market.

The VLGC market has improved lately on the back of higher activity and a slight increase in the volumes shipped from AG to the west. We expect a further improvement irrespective of the level of OPEC crude production as more cargoes are expected to be diverted to petrochemical buyers in the West as the LPG heating season and slower demand in Asia free up spot cargoes.

LPG volume growth for 2008 has been revised substantially upwards from 4.7 million tonnes to 7.9 million tonnes according to Poten. The revised forecast in 2008 is due to reversal of OPEC production cuts and volumes in 2009 brought forward. Scrapping of older tonnage which already has picked up and several storage projects under planning will reduce fleet supply. These factors are expected to contribute to stronger market conditions in 2008 than earlier anticipated. If oil prices remain high, at levels indicated by oil futures prices, it is expected that substantial LPG volumes will be diverted from east of Suez to the markets in Europe and to the US as attractively priced petrochemical feedstock. This is expected to be a permanent feature as opposed to the seasonal swings seen in the past and would be positive for the tonnemile demand.

For 2007, approximately 50% of the VLGC fleet capacity has been booked through spot fixtures, timecharters or fixed COAs at an average TC level of approximately USD 27,000 per voyage day.

LPG exports from North Africa, mainly Algeria is expected to increase the number of cargoes available for LGCs. There will also be an expansion in exports from West Africa, mainly from Angola and Equatorial Guinea although some of the volume will be shipped on larger vessels. In ammonia, the short-term outlook is weakening with the end of the season for direct application ammonia in the US and higher stock levels. The outlook for 2008 is more uncertain, but the LGC segment is expected to outperform the VLGC and MGC segments due to a more favourable age distribution and larger pool of scrapping candidates.

For 2007, approximately 56% of the LGC fleet capacity has been booked through spot fixtures, timecharters or fixed COAs at an average TC level of approximately USD 28,400 per voyage day.

The short-term outlook for the MGC segment is positive with growing volumes of short- and medium-haul LPG and ammonia trade. Strong fleet expansion could however weaken the supply/demand balance. The MGC fleet consists of few vessels above 25 years, and thus few scrapping candidates.

For 2007, approximately 78% of the MGC fleet capacity has been booked through timecharters or fixed COAs at an average TC level of approximately USD 22,200 per voyage day.

The short-term LNG market has weakened as anticipated. A number of owners are facing idle time on uncommitted vessels. Given the flatter forward price curve of natural gas in the US, floating storage is expected to be less of an option this year. Meanwhile the pace of new deliveries is growing substantially faster than the growth in new production capacity.

The Board expects operating profit for 2007 to be somewhat weaker than 2006, due to weak market conditions for the VLGC fleet in the first quarter and so far in the second quarter of 2007.

Oslo, 14 May 2007  
The board of directors

## SEPARATE SEGMENT REPORT

### SHIPPING SEGMENT REPORTS - CONTINUING OPERATIONS

(Unaudited figures in USD million)	First quarter		Full year
	2007	2006	2006
<b>LPG</b>			
Operating revenue	117.5	124.1	523.7
Voyage expenses	-21.7	-22.5	-97.2
<b>TC Income</b>	<b>95.8</b>	<b>101.6</b>	<b>426.5</b>
Charter hire expenses	-21.4	-16.2	-79.2
Salaries and other operating expenses	-34.8	-26.9	-120.7
<b>Operating profit before depreciation and disposals</b>	<b>39.6</b>	<b>58.5</b>	<b>226.6</b>
Depreciation	-18.4	-13.2	-65.3
Net gain on sale of tangible fixed assets	6.5	-0.1	11.5
<b>Operating profit</b>	<b>27.7</b>	<b>45.2</b>	<b>172.8</b>
<b>Key figures</b>			
Average number of owned and BB vessels (calendar days)	42.1	32.5	37.2
Average number of owned and BB vessels (voyage days)	40.7	31.8	36.3
Average number of chartered in vessels on TC	8.6	7.5	8.8
TC income per calendar day (USD 1,000) <sup>1)</sup>	21.0	28.2	25.4
TC income per voyage day (USD 1,000) <sup>2)</sup>	21.6	28.7	25.9
Operating expenses per day (USD 1,000) <sup>3)</sup>	9.2	9.2	8.9
Carrying value vessels	1,222.4	874.6	1,187.3
<b>LPG - VLGC</b>			
Operating revenue	56.3	72.6	312.2
Voyage expenses	-15.6	-14.7	-68.8
<b>TC Income</b>	<b>40.7</b>	<b>57.9</b>	<b>243.4</b>
Charter hire expenses	-19.9	-14.8	-73.0
Salaries and other operating expenses	-15.9	-14.0	-61.2
<b>Operating profit before depreciation and disposals</b>	<b>4.9</b>	<b>29.1</b>	<b>109.2</b>
Depreciation	-6.7	-4.8	-24.2
Net gain on sale of tangible fixed assets	6.5	-0.1	-0.1
<b>Operating profit</b>	<b>4.7</b>	<b>24.2</b>	<b>84.9</b>
<b>Key figures</b>			
Average number of owned and BB vessels (calendar days)	17.6	15.0	16.5
Average number of owned and BB vessels (voyage days)	16.8	14.4	16.1
Average number of chartered in vessels on TC	7.6	6.5	7.7
TC income per calendar day (USD 1,000) <sup>1)</sup>	17.9	29.9	27.6
TC income per voyage day (USD 1,000) <sup>2)</sup>	18.5	30.8	28.0
Operating expenses per day (USD 1,000) <sup>3)</sup>	10.0	10.4	10.2
Carrying value vessels	431.2	374.7	393.8
<b>LPG - LGC</b>			
Operating revenue	29.8	30.1	109.5
Voyage expenses	-2.9	-5.1	-15.5
<b>TC Income</b>	<b>26.9</b>	<b>25.0</b>	<b>94.0</b>
Charter hire expenses	0.0	0.0	0.0
Salaries and other operating expenses	-8.8	-7.0	-30.4
<b>Operating profit before depreciation and disposals</b>	<b>18.1</b>	<b>18.0</b>	<b>63.6</b>
Depreciation	-5.1	-4.4	-19.5
Net gain on sale of tangible fixed assets	0.0	0.0	11.6
<b>Operating profit</b>	<b>13.0</b>	<b>13.6</b>	<b>55.7</b>
<b>Key figures</b>			
Average number of owned and BB vessels (calendar days)	11.0	9.5	10.1
Average number of owned and BB vessels (voyage days)	10.5	9.4	9.9
Average number of chartered in vessels on TC	0.0	0.0	0.0
TC income per calendar day (USD 1,000) <sup>1)</sup>	27.2	29.2	25.5
TC income per voyage day (USD 1,000) <sup>2)</sup>	28.5	29.6	26.0
Operating expenses per day (USD 1,000) <sup>3)</sup>	8.9	8.2	8.2
Carrying value vessels	391.0	260.1	396.0

## SHIPPING SEGMENT REPORTS - CONTINUING OPERATIONS

(Unaudited figures in USD million)	First quarter		Full year
	2007	2006	2006
<b>LPG - MGC</b>			
Operating revenue	31.4	21.4	102.0
Voyage expenses	-3.2	-2.7	-12.9
<b>TC Income</b>	<b>28.2</b>	<b>18.7</b>	<b>89.1</b>
Charter hire expenses	-1.5	-1.4	-6.2
Salaries and other operating expenses	-10.1	-5.9	-29.1
<b>Operating profit before depreciation and disposals</b>	<b>16.6</b>	<b>11.4</b>	<b>53.8</b>
Depreciation	-6.6	-4.0	-21.6
Net gain on sale of tangible fixed assets	0.0	0.0	0.0
<b>Operating profit</b>	<b>10.0</b>	<b>7.4</b>	<b>32.2</b>
<b>Key figures</b>			
Average number of owned and BB vessels (calendar days)	13.5	8.0	10.6
Average number of owned and BB vessels (voyage days)	13.4	8.0	10.3
Average number of chartered in vessels on TC	1.0	1.0	1.1
TC income per calendar day (USD 1,000) <sup>1)</sup>	21.6	23.1	20.9
TC income per voyage day (USD 1,000) <sup>2)</sup>	21.8	23.1	21.4
Operating expenses per day (USD 1,000) <sup>3)</sup>	8.3	8.2	7.5
Carrying value vessels	400.2	239.8	397.5
<b>LNG</b>			
Operating revenue	33.6	32.2	142.4
Voyage expenses	-1.0	-0.5	-2.8
<b>TC Income</b>	<b>32.6</b>	<b>31.7</b>	<b>139.6</b>
Financial lease interest income	2.4	0.0	9.6
<b>Total operating income</b>	<b>35.0</b>	<b>31.7</b>	<b>149.2</b>
Charter hire expenses	0.0	0.0	0.0
Salaries and other operating expenses	-8.1	-6.7	-29.9
<b>Operating profit before depreciation and disposals</b>	<b>26.9</b>	<b>25.0</b>	<b>119.3</b>
Depreciation	-6.9	-7.8	-32.4
Net gain on sale of tangible fixed assets	0.0	0.0	0.0
<b>Operating profit</b>	<b>20.0</b>	<b>17.2</b>	<b>86.9</b>
<b>Key figures</b>			
Average number of owned and BB vessels (calendar days)	7.5	7.0	7.3
Average number of owned and BB vessels (voyage days)	6.7	7.0	7.2
Average number of vessels leased out on financial lease	0.5	0.0	0.5
Average number of chartered in vessels on TC	0.0	0.0	0.0
TC income per calendar day (USD 1,000) <sup>1)</sup>	48.3	50.3	52.4
TC income per voyage day (USD 1,000) <sup>2)</sup>	54.1	50.3	53.1
Operating expenses per day (USD 1,000) <sup>3)</sup>	11.3	10.6	10.5
Carrying value vessels	888.1	996.0	894.9
Financial lease receivable	86.8	0.0	87.0

### Definitions key figures

<sup>1)</sup> [TC income]\*1,000/[Average number of owned and BB vessels (calendar days) + Average number of chartered in vessels on TC]/[Number of days in period]

<sup>2)</sup> [TC income]\*1,000/[Average number of owned and BB vessels (voyage days) + Average number of chartered in vessels on TC]/[Number of days in period]  
Voyage days = Calendar days – Technical Offhire days

<sup>3)</sup> ([Salaries, social security and pensions + Other operating expenses])\*1,000/[Average number of owned and BB vessels (calendar days) + Average number of vessels leased out]/[Number of days in period]

# CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION



## CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### CONSOLIDATED INCOME STATEMENT

(Unaudited figures in USD million)	First quarter		Full year
	2007	2006	2006
Operating revenue	171.6	168.5	729.9
Voyage expenses	-22.7	-23.4	-100.8
Charter hire expenses	-28.4	-20.9	-94.9
Salaries, social security and pensions	-25.9	-21.3	-87.6
Other operating expenses	-28.2	-22.1	-101.5
<b>Operating profit before depreciation and disposals</b>	<b>66.4</b>	<b>80.8</b>	<b>345.1</b>
Depreciation	-26.5	-22.0	-102.0
Impairment charges/reversals	0.0	0.0	0.0
Net gain/loss on sale of tangible fixed assets	6.5	0.0	15.6
<b>Operating profit</b>	<b>46.4</b>	<b>58.8</b>	<b>258.7</b>
Interest income	5.5	6.1	23.3
Interest expenses	-20.7	-14.5	-78.7
Net foreign exchange gain/loss	-1.0	1.5	5.9
Share of profit from associates	0.8	0.8	2.2
Other financial items	-2.7	13.8	20.1
<b>Net financial items</b>	<b>-18.1</b>	<b>7.7</b>	<b>-27.2</b>
<b>Profit before tax</b>	<b>28.3</b>	<b>66.5</b>	<b>231.5</b>
Income tax expense	-7.6	-0.1	-6.8
<b>Net profit from continuing operations</b>	<b>20.7</b>	<b>66.4</b>	<b>224.7</b>
Net profit from discontinued operations	0.0	-0.6	-1.0
<b>Net profit</b>	<b>20.7</b>	<b>65.8</b>	<b>223.7</b>
Minority interests	2.7	3.6	12.7
Majority interests	18.0	62.2	211.0
Basic and diluted <sup>1)</sup> earnings per share (EPS) in USD, continuing operations	0.1	0.5	1.7
Basic and diluted <sup>1)</sup> earnings per share in USD, discontinued operations	0.0	0.0	0.0
Basic and diluted <sup>1)</sup> earnings per share in USD, all operations	0.1	0.5	1.6
Average number of shares outstanding	128,097,885	128,097,885	128,097,885

<sup>1)</sup> There are no dilutive potential shares, and therefore the diluted EPS equals the basic EPS.

## CONSOLIDATED BALANCE SHEET

(Unaudited figures in USD million)	31.03.07	31.03.06	31.12.06
<b>ASSETS</b>			
Tangible fixed assets	2,329.7	2,035.7	2,290.1
Intangible fixed assets	5.4	6.2	5.2
Investments in associates	2.8	4.9	3.5
Other financial long term assets	216.1	127.3	225.6
<b>Total non-current assets</b>	<b>2,554.0</b>	<b>2,174.1</b>	<b>2,524.4</b>
Inventories	11.2	9.9	13.1
Receivables	86.1	101.0	76.5
Short-term investments	7.8	28.0	7.9
Cash and cash equivalents	224.8	406.8	248.9
<b>Total current assets</b>	<b>329.9</b>	<b>545.7</b>	<b>346.4</b>
<b>Total assets</b>	<b>2,883.9</b>	<b>2,719.8</b>	<b>2,870.8</b>
<b>EQUITY AND LIABILITIES</b>			
Paid-in capital	16.8	16.8	16.8
Retained earnings	1,086.9	954.8	1,057.3
Minority interests	68.2	63.0	68.4
<b>Total equity</b>	<b>1,171.9</b>	<b>1,034.6</b>	<b>1,142.5</b>
Long-term interest bearing debt	1,578.4	1,434.2	1,577.9
Deferred tax liabilities	7.6	7.0	0.0
Other non interest bearing debt and provisions	2.8	1.6	3.2
<b>Total non-current liabilities</b>	<b>1,595.6</b>	<b>1,451.4</b>	<b>1,591.5</b>
Short-term interest bearing debt	26.3	32.5	27.8
Tax and public duties payable	13.8	14.8	13.6
Other non interest bearing liabilities and provisions	76.3	186.5	95.4
<b>Total current liabilities</b>	<b>116.4</b>	<b>233.8</b>	<b>136.8</b>
<b>Total equity and liabilities</b>	<b>2,883.9</b>	<b>2,719.8</b>	<b>2,870.8</b>

## CONSOLIDATED CASH FLOW STATEMENT

(Unaudited figures in USD million)	First quarter		Full year
	2007	2006	2006
Net profit before tax including discontinued operations	28.3	65.9	220.5
<b>Adjustment for:</b>			
Gain/loss on disposal of fixed assets	-6.5	0.0	-15.6
Depreciation and impairment charges	26.5	22.0	102.0
Change in inventories, receivables and payables	-28.3	113.6	26.5
<b>Net cash flow from operations <sup>1)</sup></b>	<b>20.0</b>	<b>201.5</b>	<b>343.4</b>
Investments in operating fixed assets	-58.9	-138.3	-573.4
Sales of operating fixed assets (at sales value)	8.9	0.0	29.0
Net cash in acquired/demerged companies	0.0	9.4	9.4
Change in other investments	9.5	-11.6	22.4
<b>Net cash flow from investing activities <sup>2)</sup></b>	<b>-40.5</b>	<b>-140.5</b>	<b>-512.6</b>
New long-term debt	28.4	10.0	341.3
Repayments of debt	-29.4	-16.6	-238.1
Paid in/distributed equity	-2.6	-1.9	-39.4
Purchase of own shares	0.0	0.0	0.0
<b>Net cash flow from financing activities</b>	<b>-3.6</b>	<b>-8.5</b>	<b>63.8</b>
<b>Net change in cash during period</b>	<b>-24.1</b>	<b>52.5</b>	<b>-105.4</b>
Cash at beginning of period	248.9	354.3	354.3
Cash at end of period	224.8	406.8	248.9
<sup>1)</sup> Net operating cash flow from discontinued operations	n.a.	-0.6	-1.0
<sup>2)</sup> Net investing cash flow from discontinued operations	n.a.	0.0	0.0

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited figures in USD million)	First quarter		Full year
	2007	2006	2006
Equity at the beginning of period	1,142.5	928.9	928.9
Net profit	20.7	65.7	223.7
Dividend paid	0.0	0.0	-33.7
Net gain/loss on available for sale financial assets	-0.1	2.4	-8.1
Net paid to/from minority interests	-2.6	-1.9	-5.7
Adjustment on previous period acquisition price allocation	8.9	0.0	0.0
Purchase of minority interests	0.0	39.4	39.4
Share based compensation effect	0.3	0.2	0.9
Hedge accounting	1.4	0.0	-5.1
Other	0.8	-0.1	2.2
<b>Equity at the end of period</b>	<b>1,171.9</b>	<b>1,034.6</b>	<b>1,142.5</b>

### NOTES NOTE 1 - NATURE OF OPERATION

BW Gas is a leading global provider of gas marine transportation services. The group is the largest owner and operator of LPG (liquefied petroleum gas) carriers, and one of the largest independent owners and operators of LNG (liquefied natural gas) carriers. The operation is organised into two main business segments: LNG and LPG, where the latter is sub-divided into three sub segments depending on the size of the vessels (VLGC, LGC, MGC).

### NOTE 2 - BASIS OF PRESENTATION

The interim condensed consolidated financial information (interim financial information) has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' (IAS 34). This interim financial information should be read together with the consolidated financial statements of BW Gas and all its subsidiaries (the group) as of 31 December 2006, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as they provide an update of previously reported information. The interim financial information was approved by the board of directors on 14 May 2007.

The preparation of consolidated interim condensed financial information in conformity with IAS 34 requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Estimates have principally been made in respect to fair values of financial instruments, impairment provisions, deferred profit tax, pensions, useful life of vessels, classification of leases and provision for liabilities. Actual results could differ from those estimates.

The accompanying notes are an integral part of these financial statements.

### CHANGES IN THE GROUP

There are no major changes in the group in first quarter 2007.

### NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied and the presentation of the interim condensed consolidated financial information is consistent with the consolidated financial statements for the year ended 31 December 2006.

### NEW ACCOUNTING DEVELOPMENTS

Management has assessed that there are no new IFRS accounting standards, amendments and interpretations to standards that are relevant to the company with respect to the interim consolidated information reported.

### CHANGE IN ACCOUNTING ESTIMATES AND ALLOCATIONS

With effect from first quarter 2007, the group has increased the useful life of the modern LNG vessels from 30 to 35 years. The change impact the quarterly depreciations in the LNG segment with approximately USD 1.1 million.

In connection with the purchase of Edda Gas KS and the transfer from investment in associated company to investment in subsidiary (full consolidation) in 2006, the group did not recognise a previously eliminated internal gain of USD 9.0 million. This should have been recognised, increasing the carrying value of the vessels and the equity accordingly. A correction has been made in first quarter 2007.

#### NOTE 4 - SEGMENT INFORMATION

The group had in the period two business segments: LPG and LNG. The business segments are organized and managed according to the nature of services provided (type of vessel and goods transported). Further, the group presents the column 'Unallocated', which includes overheads and eliminations not directly attributable to the LNG or LPG segment. Unallocated also contains the tanker business, which size is below threshold for separate segment reporting.

As the vessels neither trades on regular routes nor in limited geographic areas, geographic segment revenues are not presented.

The LNG segment provides transportation of liquefied natural gas, with vessel size ranging from 138,000 to 165,000 cbm (excluding the two smaller LNG-vessels Century and Havfru).

The LPG segment provides transportation of liquefied petroleum gas, clean petroleum products (CPP) and ammonia. The segment comprises three main categories of vessels: VLGs (Very Large Gas Carriers with capacity above 70,000 cbm), LGCs (Large Gas Carriers with capacities ranging between 50,000 and 70,000 cbm) and MGCs (Medium size Gas Carriers with capacities less than 50,000 cbm).

The following tables present the operating result and carrying value of the vessels regarding the group's business segments.

#### SEGMENT REPORTS - CONTINUING OPERATIONS

(Unaudited figures in USD million)	First quarter		Full year
	2007	2006	2006
<b>LPG</b>			
Operating revenue	117.5	124.1	523.7
Voyage expenses	-21.7	-22.5	-97.2
Charter hire expenses	-21.4	-16.2	-79.2
Salaries and other operating expenses	-34.8	-26.9	-120.7
Depreciation	-18.4	-13.2	-65.3
Net gain on sale of tangible fixed assets	6.5	-0.1	11.5
<b>Operating profit</b>	<b>27.7</b>	<b>45.2</b>	<b>172.8</b>
Carrying value vessels	1,222.4	874.6	1,187.3
<b>LPG - VLGC</b>			
Operating revenue	56.3	72.6	312.2
Voyage expenses	-15.6	-14.7	-68.8
Charter hire expenses	-19.9	-14.8	-73.0
Salaries and other operating expenses	-15.9	-14.0	-61.2
Depreciation	-6.7	-4.8	-24.2
Net gain on sale of tangible fixed assets	6.5	-0.1	-0.1
<b>Operating profit</b>	<b>4.7</b>	<b>24.2</b>	<b>84.9</b>
Carrying value vessels	431.2	374.7	393.8
<b>LPG - LGC</b>			
Operating revenue	29.8	30.1	109.5
Voyage expenses	-2.9	-5.1	-15.5
Charter hire expenses	0.0	0.0	0.0
Salaries and other operating expenses	-8.8	-7.0	-30.4
Depreciation	-5.1	-4.4	-19.5
Net gain on sale of tangible fixed assets	0.0	0.0	11.6
<b>Operating profit</b>	<b>13.0</b>	<b>13.6</b>	<b>55.7</b>
Carrying value vessels	391.0	260.1	396.0
<b>LPG - MGC</b>			
Operating revenue	31.4	21.4	102.0
Voyage expenses	-3.2	-2.7	-12.9
Charter hire expenses	-1.5	-1.4	-6.2
Salaries and other operating expenses	-10.1	-5.9	-29.1
Depreciation	-6.6	-4.0	-21.6
Net gain on sale of tangible fixed assets	0.0	0.0	0.0
<b>Operating profit</b>	<b>10.0</b>	<b>7.4</b>	<b>32.2</b>
Carrying value vessels	400.2	239.8	397.5

SEGMENT REPORTS - CONTINUING OPERATIONS CONT.

(Unaudited figures in USD million)	First quarter		Full year
	2007	2006	2006
<b>LNG</b>			
Operating revenue	33.6	32.2	142.4
Financial lease interest income	2.4	0.0	9.6
Voyage expenses	-1.0	-0.5	-2.8
Charter hire expenses	0.0	0.0	0.0
Salaries and other operating expenses	-8.1	-6.7	-29.9
Depreciation	-6.9	-7.8	-32.4
Net gain on sale of tangible fixed assets	0.0	0.0	0.0
<b>Operating profit</b>	<b>20.0</b>	<b>17.2</b>	<b>86.9</b>
Carrying value vessels	888.1	996.0	894.9
Financial lease receivable	86.8	0.0	87.0
<b>UNALLOCATED</b>			
Operating revenue	18.1	12.0	55.9
Voyage expenses	-0.1	-0.4	-0.7
Charter hire expenses	-7.0	-4.8	-21.4
Salaries and other operating expenses	-11.2	-9.8	-38.4
Depreciation	-1.2	-1.1	-4.6
Net gain on sale of tangible fixed assets	0.0	0.0	0.1
<b>Operating profit</b>	<b>-1.4</b>	<b>-4.1</b>	<b>-9.1</b>

RECONCILIATION TO CONSOLIDATED INCOME STATEMENT

(Unaudited figures in USD million)	First quarter		Full year
	2007	2006	2006
<b>Operating revenue</b>			
LPG	117.5	124.1	523.7
LNG	36.0	32.2	152.0
Unallocated	18.1	12.0	55.9
<b>Total</b>	<b>171.6</b>	<b>168.5</b>	<b>731.6</b>
Correction related to financial lease	0.0	0.0	-1.7
Reconciled to consolidated income statement	171.6	168.5	729.9
<b>Operating profit</b>			
LPG	27.7	45.2	172.8
LNG	20.0	17.2	86.9
Unallocated	-1.4	-4.1	-9.1
<b>Total</b>	<b>46.4</b>	<b>58.8</b>	<b>250.6</b>
Correction related to financial lease	0.0	0.0	8.1
Reconciled to consolidated income statement	46.4	58.8	258.7

In fourth quarter 2006, the group reclassified two charter contracts from operational to financial lease. Due to the insignificant size of the correction, the full amount was charged to the fourth quarter result with no restatement of previous quarters. The tables below are presented to give comparable information about the segment information as if the previous quarters in 2006 had been restated.

**VLGC, pro forma quarters 2006 due to reclassification to financial lease**

	First quarter	Second quarter	Third quarter	Fourth quarter	Full year
Operating revenue	72.6	85.6	92.8	61.3	312.3
Voyage expenses	-14.7	-19.6	-22.5	-12.1	-68.9
Charter hire expenses	-13.9	-17.3	-21.1	-20.7	-73.0
Salaries and other operating expenses	-14.0	-15.2	-15.9	-16.0	-61.1
Depreciation	-5.4	-6.4	-6.3	-6.1	-24.2
Net gain on sale of tangible fixed assets	-0.1	0.0	0.0	0.0	-0.1
<b>Operating profit</b>	<b>24.5</b>	<b>27.1</b>	<b>27.0</b>	<b>6.4</b>	<b>85.0</b>
Carrying value vessels	404.0	398.6	397.4	393.8	393.8

**LNG, pro forma quarters 2006 due to reclassification to financial lease**

	First quarter	Second quarter	Third quarter	Fourth quarter	Full year
Operating revenue	29.5	36.6	38.3	37.9	142.3
Financial lease interest income	2.4	2.4	2.4	2.4	9.6
Voyage expenses	-0.5	-0.9	-0.7	-0.8	-2.9
Charter hire expenses	0.0	0.0	0.0	0.0	0.0
Salaries and other operating expenses	-6.7	-8.1	-6.6	-8.3	-29.7
Depreciation	-7.1	-8.6	-8.4	-8.4	-32.5
Net gain on sale of tangible fixed assets	0.0	0.0	0.0	0.0	0.0
<b>Operating profit</b>	<b>17.6</b>	<b>21.4</b>	<b>25.0</b>	<b>22.8</b>	<b>86.8</b>
Carrying value vessels	915.0	912.0	903.6	894.9	894.9
Financial lease receivable	87.9	87.6	87.3	87.0	87.0

**NOTE 5 - MAJOR TRANSACTIONS AND INVESTMENTS**

Disposal of vessels	Type	Size	Delivery	Ownership share
BW Sisu	VLGC	75,989 cbm	27.02.2007	100 %

Newbuildings at balance sheet date	Type	Size	Delivery	Ownership share
Hull no 2258 Daewoo	LNG Carrier	162,400 cbm	2009	100 %
Hull no 2259 Daewoo	LNG Carrier	162,400 cbm	2009	100 %
Hull no 1848 Hyundai	VLGC	82,000 cbm	2008	100 %
Hull no 1849 Hyundai	VLGC	82,000 cbm	2008	100 %
Hull no 2317 Daewoo	VLGC	83,800 cbm	2008	50 %
Hull no 2318 Daewoo	VLGC	83,800 cbm	2008	50 %
Hull no 2319 Daewoo	VLGC	83,800 cbm	2009	50 %
Hull no 2320 Daewoo	VLGC	83,800 cbm	2009	50 %

Total investment for the group for vessels under construction was (in USD million)

First quarter 2007	11.2
<b>Total year to date</b>	<b>11.2</b>

Delivery of newbuildings	Type	Built	Size	Delivered	Ownership share
BW Boss (ex. Formosagas Bright)	VLGC	2001	84,301 cbm	20.03.2007	100 %

BW Boss was chartered in on BB-contract with purchase option. The option has been exercised with a purchase price of USD 42.5 million.

## NOTE 6 - TANGIBLE AND INTANGIBLE FIXED ASSETS

(Unaudited figures in USD million)	First quarter		Full year
	2007	2006	2006
Carrying value at the beginning of the period	2,295.3	1,754.5	1,754.5
Additions	68.0	309.6	710.5
Disposals	-2.4	0.0	-18.0
Transferred due to financial lease reclassification	0.0	0.0	-52.1
Foreign exchange rate adjustments	0.7	0.0	2.4
Depreciations in the period	-26.5	-22.2	-102.0
Impairment charges in the period	0.0	0.0	0.0
- Hereof depreciations and impairment reclassified to discount op.	0.0	0.2	0.3
<b>Carrying value at the end of the period</b>	<b>2,335.1</b>	<b>2,041.9</b>	<b>2,295.3</b>
- Hereof reclassified to discontinued operations	0.0	0.0	0.0
<b>Total non-current fixed assets</b>	<b>2,335.1</b>	<b>2,041.9</b>	<b>2,295.3</b>

Tangible fixed assets includes the following main items: Vessels (including periodic maintenance), vessels under construction, real estate, vehicles and equipment. Intangible fixed assets are mainly related to software.

## NOTE 7 - INTEREST-BEARING DEBT

(Unaudited figures in USD million)	31.03.07	31.03.06	31.12.06
Unsecured credit facility (limit 1,500) <sup>1)</sup>	1,075.1	1,249.2	1,094.9
Bond loan <sup>2)</sup>	172.5	0.0	152.2
Financial lease/Tax lease liabilities	91.4	79.3	86.6
Mortgage bank borrowings	265.7	138.2	272.0
<b>Total interest-bearing debt</b>	<b>1,604.7</b>	<b>1,466.7</b>	<b>1,605.7</b>
- Hereof classified as long-term	1,578.4	1,434.2	1,577.9
- Hereof classified as short-term	26.3	32.5	27.8

<sup>1)</sup> The credit facility is unsecured, but the group is required to comply with financial covenants. The group is in compliance with the covenants. The credit facility has a term of seven years from when it was established on 28 October 2005. The interest charge on the credit facility is LIBOR + 60 basis points, increasing to LIBOR + 65 basis points during the period of seven years.

<sup>2)</sup> BW Gas issued two bond loans with three and five year maturities in July 2006. The 3-year bond issue totalled NOK 700 million with a coupon rate of 3 months NIBOR + 0.30% p.a. The 5-year bond issue has a borrowing limit of NOK 700 million. The first tranche of the 5-year issue was NOK 250 million and with a coupon rate of 3 months NIBOR + 0.50% p.a. The proceeds and interest have been swapped into USD. Listing of the two loans took place 15 August 2006 on Oslo Stock Exchange's bond list. In January 2007, the group increased the 5-year bond loan with NOK 100 million with a coupon rate of 3 months NIBOR + 0.50% p.a. The proceeds and interest have been swapped into USD.

## NOTE 8 - TAX

### ORDINARY TAXED ENTITIES

The entities are taxed at nominal tax rate of 28% on the net result. Due to losses carried forward, these entities are not in a tax position and there is currently no tax payable as the losses are being utilised. Deferred tax is calculated based on temporary differences and losses carried forward at balance sheet date. Currently there is a net deferred tax asset which is not recognised in the balance sheet and it is therefore no deferred tax expense in the income statement arising from ordinary taxed entities.

### TONNAGE TAXED ENTITIES

The entities are taxed at a nominal tax rate of 28% on net financial items only. Most of the entities have financial losses carried forward, and are not in a tax position. Entities in tax position in the group normally have insignificant taxable financial results. Hence, there is only a small tax payable for tonnage taxed entities. Deferred tax is calculated based on temporary differences on financial items (mainly related to unrealised foreign exchange gains/losses) and losses carried forward. Losses carried forward have historically exceeded net temporary differences. During first quarter 2007, unrealised exchange gains exceeded the losses carried forward and brought the group into a net deferred tax liability position for tonnage taxed entities.

### FOREIGN TAXES

For entities with activities abroad, local taxes may also apply in addition to Norwegian tax.

Tax expense	First quarter		Full year
	2007	2006	2006
Tax payable, ordinary taxed entities	0.0	0.0	0.0
Deferred tax expense, ordinary taxed entities	0.0	0.0	0.0
Tax payable, tonnage taxed entities	0.0	-0.1	-0.2
Deferred tax expense, tonnage taxed entities	-7.6	0.0	0.0
Foreign tax payable	0.0	0.0	-6.6
<b>Total tax expense</b>	<b>-7.6</b>	<b>-0.1</b>	<b>-6.8</b>

Deferred tax position	31.03.07	31.12.06	Change (expense)
Deferred tax asset/(liability), ordinary taxed entities	5.0	3.8	
Deferred tax asset/(liability), tonnage taxed entities	-7.6	0.0	
Not recognised	-5.0	-3.8	
<b>Net deferred tax asset/(liability) recognised in balance sheet</b>	<b>-7.6</b>	<b>0.0</b>	<b>-7.6</b>

The deferred tax position arising in first quarter 2007 is related to unrealised foreign exchange gains on debt in tonnage taxed entities as a result of the decrease in the exchange rate between NOK and USD. A gain will become taxable once it is realised. Since most of the debt is intercompany between group companies the realisation can be deferred by the group.

## NOTE 9 - CONTINGENCIES AND COMMITMENTS

### CAPITAL COMMITMENTS

Capital expenditures regarding newbuildings contracted for at the balance sheet date, but not recognised in the financial statements, amounts to USD 645.6 million. In addition the capital commitment for the declared purchase option on BW Borg amounts to USD 42.5 million, reference is made to note 10.

### LEGAL CLAIMS

There are no significant changes for the group regarding legal claims.

## NOTE 10 - SUBSEQUENT EVENTS

The 2001 built VLGC BW Borg (ex.Formosagas Apollo) has been purchased through a declared purchase option and was delivered on 2 April 2007 at a purchase price of USD 42.5 million.

In April 2007, BW Gas entered into an agreement with Tailwind, an operational- and financial lease company controlled by the Rieber family and three other Norwegian shareholders. The intention is that BW Gas will sell 50% ownership interest in four LPG carriers by establishing a joint venture partnership with Tailwind. BW Gas will retain technical and commercial management of the vessels. Subject to final project financing structure, the deal will have a cash effect of approximately USD 200 million. BW Gas will book a profit of about USD 9 million.

The 1978 built VLGC Berge Arrow was sold for scrap in April 2007 with delivery in May. The gross sales amount is USD 9.1 million.

In April 2007, the group increased the 5-year bond loan with NOK 100 million with a coupon rate of 3 months NIBOR +0.50% p.a., yielding NIBOR +0.45% p.a. The proceeds and interest have been swapped into USD.

At the annual general meeting held on 3 May 2007 a dividend of NOK 4.40 per share was approved as proposed in connection with the annual financial statement for 2006. The dividend will reduce the equity and cash/increase borrowings when it is paid out in second quarter 2007.

Oslo, 14 May 2007  
The board of directors

FLEET LIST



## FLEET LIST

Name	Year built/ To be delivered	Capacity (cbm)	Ownership (%)/ Timecharter/Pool	TC/BB expiry	TC/BB rate (USD/day)
<b>VLGCs (&gt;70,000 CBM)</b>					
<b>Owned/bareboat</b>					
BW Borg	2001	84,333	100.00		
BW Boss	2001	84,301	100.00		
Berge Racine	1985	81,698	100.00		
Berge Ragnhild	1986	81,640	100.00		
Berge Rachel	1984	81,599	100.00		
BW Denise	2001	78,637	100.00		
Berge Danuta	2000	78,552	100.00		
Berge Clipper	1992	78,549	100.00		
Berge Challenger	1992	78,539	100.00		
BW Captain	1991	78,530	100.00		
Berge Summit	1990	78,488	100.00		
Berge Trader	2006	78,000	100.00		
BW Saga	1979	75,853	100.00		
Berge Strand	1982	75,849	100.00		
BW Sund	1981	75,823	100.00		
Berge Eagle	1978	75,649	100.00		
<b>Chartered-in</b>					
Berge Ningbo	Mar 2006	82,000	TC/Purchase option	Feb 2018	21,546
Berge Nantong	Jul 2006	82,000	TC/Purchase option	Jul 2018	21,546
Gas Taurus	2001	78,921	Short-term TC to BW Gas and Exmar (75/25)	Apr 2008	29,934
Linden Pride	2001	78,912	Short-term TC to BW Gas and Exmar (75/25)	Mar 2008	29,934
Yuyo Berge	2005	78,908	TC/Purchase option	Mar 2010	23,520
Leto Providence	2003	78,908	Short-term TC to BW Gas, Exmar and Maran	Dec 2008	27,942
Gas Scorpio	1995	78,462	Short-term TC to BW Gas and Exmar (75/25)	Jun 2007	31,743
Chelsea Bridge	1987	77,749	Timecharter	Feb 2010	22,521
Tower Bridge	1991	75,352	Timecharter	Mar 2010	24,000
<b>Newbuildings</b>					
NB Daewoo 2317	May 2008	84,000	50.00		
NB Daewoo 2318	2008	84,000	50.00		
NB Daewoo 2319	2009	84,000	50.00		
NB Daewoo 2320	May 2009	84,000	50.00		
NB Mitsubishi I	2Q 2009	83,000	TC/Purchase option (33%)	2Q 2024	29,600
NB Mitsubishi II	2H 2009	83,000	TC/Purchase option (33%)	2H 2025	29,800
NB Hyundai 1848	Jan 2008	82,000	100.00		
NB Hyundai 1849	Mar 2008	82,000	100.00		
NB Kawasaki 1583 (BW Broker)	Jun 2007	80,000	BB/Purchase option	Jun 2017	23,014
<b>Total (34 VLGCs)</b>		<b>2,723,252</b>			
<b>Operated</b>					
Flanders Harmony	1992	85,826	Pool		
Flanders Tenacity	1996	84,269	Pool		
Berge Frost	1983	85,662	Pool		
Berge Commander	1991	78,543	Pool		
Berge Spirit	1980	75,917	Pool		
Berge Sword	1979	75,689	Pool		
<b>Total (6 VLGCs)</b>		<b>485,906</b>			

Name	Year built/ To be delivered	Capacity (cbm)	Ownership (%)/ Timecharter/Pool	TC/BB expiry	TC/BB rate (USD/day)
<b>LGCs (70-50,000 CBM)</b>					
<b>Owned</b>					
BW Hesiod	2005	60,239	51.00		
BW Herdis	2004	60,217	51.00		
BW Nantes	2003	59,399	100.00		
BW Nice	2003	59,375	100.00		
BW Havfrost	1991	57,180	86.17		
Helios	1992	57,160	100.00		
Havis	1993	57,139	77.50		
Hekabe	1977	54,226	43.08		
Havdrott	1978	54,226	86.17		
Havkong	1978	54,226	43.08		
Hemina	1979	54,226	86.17		
Havglimt	1978	52,408	62.50		
<b>Total (12 LGCs)</b>		<b>680,021</b>			
<b>Operated</b>					
Clipper Moon	2003	59,460	Pool		
Clipper Sky	2004	59,342	Pool		
Maharshi Vamadema (ex. Helice)	1991	57,206	Pool		
Harriette N	1980	57,001	Pool		
Hugo N	1980	56,952	Pool		
Clipper Posh	1983	56,854	Pool		
Steven N	1979	53,354	Pool		
Clippper Lady	1978	53,317	Pool		
<b>Total (8 LGCs)</b>		<b>453,486</b>			
<b>MGCs (&lt;50,000 CBM)</b>					
<b>Owned</b>					
BW Sombeke	Nov 2006	38,000	50.00		
Berge Odin	2005	38,000	100.00		
Havrim	1980	37,829	55.00		
Berge Hugin	2002	35,229	53.00		
Hedda	1993	34,754	53.00		
Helga	1994	34,754	53.00		
Herakles	1982	30,455	100.00		
Berge Munin	1989	27,980	53.00		
Hebris	1983	24,012	69.50		
BW Hermes	1983	24,981	100.00		
BW Havsol	1997	18,152	100.00		
BW Havlur	1997	18,152	100.00		
BW Havlys	1983	17,640	100.00		
BW Helen	2000	6,060	100.00		
<b>Chartered-in long term</b>					
Marola	2003	37,314	Timecharter	Mar 2016	19,397
<b>Newbuildings</b>					
NB Kawasaki I	Sep 2007	38,000	Timecharter	Sep 2022	19,068
NB Kawasaki II	Dec 2007	38,000	Timecharter	Dec 2022	19,068
<b>Total (17 MGCs)</b>		<b>499,312</b>			
<b>Operated</b>					
Maharshi Labhatreya	1982	24,047	Short-term TC	Nov 2007	17,000
<b>Total (1 MGC)</b>		<b>24,047</b>			

Note: Fleet list does not include three part-owned semi-refrigerated vessels.

Name	Year built/ To be delivered	Capacity (cbm)	Ownership (%)	Charterer	CP expiry
<b>LNG vessels</b>					
<b>Owned</b>					
Havfru	1973	29,589	75.13	Spot	
Century	1974	29,388	75.13	Depa	Oct 2007
Berge Boston	2003	138,059	51.00	Suez Energy	Jan 2023
Berge Everett	2003	138,028	100.00	Suez Energy	Jun 2023
Berge Arzew	2004	138,089	50.00	Sonatrach	Jul 2024
LNG River Orashi	2004	145,914	100.00	Nigeria LNG	May 2025
LNG Enugu	2005	145,000	100.00	Nigeria LNG	Apr 2026
LNG Oyo	2005	145,000	100.00	Nigeria LNG	Jun 2026
LNG Benue	Mar 2006	145,000	100.00	Nigeria LNG	Sep 2026
<b>Newbuildings</b>					
NB Daewoo 2258	May 2009	162,400	100.00	Suez Energy	May 2029
NB Daewoo 2259	May 2009	162,400	100.00	Suez Energy	May 2029
<b>Total (11 LNG vessels)</b>		<b>1,378,867</b>			
<b>Operated</b>					
LNG Lokoja	Nov 2006	148,300		Nigeria LNG	May 2027
LNG Kano	Jan 2007	148,300		Nigeria LNG	Jul 2027
NB Daewoo 2231	Sep 2007	148,300		Nigeria LNG	Sep 2028
NB Daewoo 2232	Mar 2008	148,300		Nigeria LNG	Dec 2028
<b>Total (4 LNG vessels)</b>		<b>593,200</b>			

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