



THIRD QUARTER AFFECTED BY WEAK VLGC MARKET AND HIGH BUNKER PRICES

HIGHLIGHTS

- VLGC market volatile, but recovering
- Moderately weaker results from LGC segment
- Stable results from MGC segment
- BW Trader and BW Odin delivered to joint venture with Tailwind
- Proposed new taxation of Norwegian ship owning companies

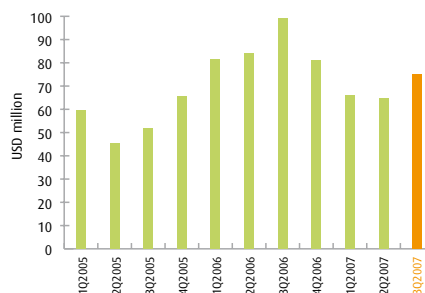


VLGC BW Trader was sold in September



MGC BW Odin was sold in September

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 oper-

ates a fleet of 93 vessels (including newbuildings), of which 79 are LPG vessels (transporting mainly LPG and ammonia) and 14 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)	Third quarter		9 months		Full year
	2007	2006	2007	2006	2006
Operating profit before depreciation and disposals	74.4	99.2	205.9	264.1	345.1
Operating profit	58.1	71.9	156.8	190.0	258.7
Net profit from continuing operations*	17.0	41.8	87.3	174.4	224.7
Net profit incl. discontinued operations	17.0	41.8	87.3	173.4	223.7
Earnings per share, continuing operations	0.1	0.3	0.6	1.3	1.7
Cash and cash equivalents	364.0	220.8	364.0	220.8	248.9
Interest bearing debt	1,804.0	1,624.6	1,804.0	1,624.6	1,605.7
Average number of shares outstanding	128,097,885	128,097,885	128,097,885	128,097,885	128,097,885

* Continuing operations consist of the gas segments LPG and LNG

RESULTS

BW Gas recorded a third-quarter operating profit before depreciation and disposals of USD 74.4 million, compared to USD 99.2 million in the third quarter 2006. Operating profit was USD 58.1 million in the third quarter 2007, compared with USD 71.9 million in the same period of 2006. Gain on sale of vessels amounted to USD 10.9 million, while there was no sale of vessels during third quarter 2006.

Third quarter 2007 showed a substantial decrease in freight rates for the VLGC segment and a slight decrease in the freight rates for the LGCs and MGCs compared to the same period in 2006. However, the trend for 2007 is positive but the increase in bunker prices limit result improvements. The operating profit in the LPG segment amounted to USD 36.9 million in the third quarter of 2007 compared to USD 47.7 million in the third quarter 2006. The average number of LPG vessels increased from 39.9 to 40.4.

The operating profit in the LNG segment amounted to USD 24.4 million in the third quarter 2007 compared to USD 24.6 million in the third quarter 2006. One LNG vessel was dry-docked for scheduled maintenance this quarter, resulting in 11 days offhire and increased operating expenses. The depreciations decreased by USD 2.1 million following the change in estimated useful economic life of LNG vessels from 30 to 35 years as of January 2007 and the reclassification of 0.5 vessel from operational to financial lease. The average number of LNG vessels decreased from 8.0 to 6.5.

The operating expenses increased by USD 3,5 million which is mainly due to the depreciation of USD against NOK.

The accounts show net financial expenses of USD 34.2 million in the third quarter of 2007 (USD 30.5 million in 2006), of which interest expenses amounted to USD 21.8 million (USD 19.9 million in 2006). This increase is mainly due to a rise in interest rates and to increased debt. Other financial items amounted to USD -16.5 million in third quarter of 2007 (USD -18.4 million in 2006), and consist mainly of changes in market to market value of interest rate swaps.

Profit before tax was USD 23.9 million in the third quarter 2007 compared to USD 41.4 million in the third quarter 2006. Net profit from continuing operations was USD 17.0 million (USD 0.1 per share) in third quarter 2007 compared with USD 41.8 million in third quarter 2006 (USD 0.3 per share). Income tax expense of USD 6.9 million (USD -0.4 million in 2006) is mainly related to unrealised foreign exchange gains on intercompany debt in tonnage taxed entities, ref. note 7 to the interim financial statements.

For the first nine months of 2007 the operating profit amounted to USD 156.8 million (USD 190.0 million in 2006). The 2007 figures include a net gain on sale of tangible fixed assets from continuing operations of USD 31.7 million (USD 0.1 million in 2006).

Profit before tax from continuing operations amounted to USD 107.8 million in the first nine months of 2007 (USD 180.9 million in 2006). Net profit from continuing operations was USD 87.3 million (USD 0.6 per share) in the first nine months of 2007 compared with USD 174.4 million in the same period of 2006 (USD 1.3 per share).

FINANCING

BW Gas had cash and cash equivalents of USD 364.0 million at the end of third quarter 2007 (USD 220.8 million in 2006). Total assets were USD 3,061.5 million (USD 2,847.4 million in 2006). Shareholders' equity amounted to USD 1,131.0 million (USD 1,105.1 million in 2006). Total liabilities amounted to USD 1,930.5 million (USD 1,742.3 million in 2006). Interest-bearing debt amounted to USD 1,804.0 million (USD 1,624.6 million in 2006). The equity ratio decreased to 36.9% at the end of third quarter 2007 from 38.8% at the end of third quarter 2006.

Under the 7-year unsecured USD 1.5 billion revolving credit facility, USD 1.18 billion was drawn by the end of September 2007.

BW Gas has hedged a total of USD 538 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 6.7 years as per end of third quarter 2007. The mark to market value of the interest rate swaps was USD -1.0 million at the end of September 2007.

The company has also entered into USD 213 million in interest rate 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 April 2007, BW Gas entered into an agreement with Tailwind, an operational- and financial lease company, which was finalised in August 2007. BW Gas sold 50% ownership interest in four LPG carriers (BW Trader, BW Odin, BW Havlur and BW Havsol), but will retain technical and commercial management of the vessels. The VLGC vessel BW Trader and the MGC vessel BW Odin were delivered to the new joint venture company in September 2007, while the two remaining MGC vessels were delivered primo October. The deal has a cash effect of USD 217 million and BW Gas has recognised a profit of USD 10.7 million in the third quarter of 2007. The BW Gas group consolidates 50% of the joint venture.

In July 2007, BW Saga, a VLGC being in semi lay-up since November 2006, entered a 12-month (option 1 + 1 year) storage contract with Nigeria LNG.

In August 2007, BW Gas agreed on a two-year extension for Berge Racine for use on a storage project in Ecuador.

In August 2007, BW Helios entered a 5 year timecharter agreement with Koch Shipping Inc.

In September 2007, the Norwegian Government presented a new proposal for taxation of Norwegian ship owning companies which implies taxation of a ten year period of undistributed profit kept in the Norwegian tonnage tax system not previously subject to taxation. In effect, this means a back-tax on the shipping industry from 1996. The new system will be ratified in December provided that the Parliament approves the budget with this back-tax plan. The effect of the current proposal for BW Gas is a tax of approximately NOK 3.8 billion, payable with 10% annually over 10 years. 33% of the amount will be waived by the tax authorities if an equal amount is spent on environmental investments. For more information, view note 8 to the interim financial statements.

SUBSEQUENT EVENTS

In October 2007, BW Gas received a resolution from the tax assessment board of the Central Tax Office confirming that the original tax assessment for 2000 for the wholly owned subsidiary Bergesen dy Shipping AS shall stand. For more information, view note 8 to the interim financial statements.

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 third quarter operating profit of USD 36.9 million, compared to USD 47.7 million for the same period in 2006. The 2007 figures include sales gains on the Tailwind deal of USD 10.7 million. The decline in operating profit was due to substantially lower freight rates in the VLGC segment and higher bunker prices, offsetting the sales gains from the Tailwind deal. The LGC and MGC freight rates decreased moderately, while idle time showed a decline for both segments.

The average number of owned LPG vessels increased from 39.9 to 40.4 in the third quarter, while the average number of chartered-in vessels decreased by 2 vessels to 7.7 vessels.

The operation of the BW Gas LPG fleet was satisfactory during third quarter 2007 with no significant offhire beyond scheduled maintenance. One LPG carrier was dry-docked for scheduled maintenance in third quarter 2007, compared to three vessels in 2006.

SEGMENT ANALYSIS LPG

(USD million)	Third quarter	
	2007	2006
Operating revenue	129.2	152.3
Voyage expenses	-32.4	-31.1
TC Income	96.8	121.2
Charter hire expenses	-19.9	-23.4
Salaries and other operating expenses	-32.2	-32.8
Operating profit before depreciation and disposals	44.7	65.0
Depreciation	-18.6	-17.3
Net gain on sale of tangible fixed assets	10.8	0.0
Operating profit	36.9	47.7
Key figures		
Average number of owned and BB vessels (calendar days)	40.4	39.9
Average number of chartered in vessels on TC	7.7	9.7
TC income per calendar day (USD 1,000)	21.9	26.6
Operating expenses per day (USD 1,000)	8.7	8.9

VARIANCE ANALYSIS LPG

(USD million)	
Operating profit third quarter 2006	47.7
Operating profit third quarter 2007	36.9
Variance operating profit	-10.8
Increase/decrease in spot and TC rates for LPG vessels	-21.3
Net investment/increase in number of LPG vessels	0.6
Increase in no. of chartered-in vessels	-1.3
Reclassified operational lease to financial lease	0.9
Depreciation of USD vs NOK effect on operating expenses	-1.1
Net gain on sale of tangible fixed assets	10.8
Depreciation of vessels	-1.3
Other	1.9
Total variance explained	-10.8

VLGC (>70,000 CBM)

TC income from the VLGCs amounted to USD 49.3 million in the third quarter 2007 compared to USD 70.3 million in third quarter 2006. The decrease was primarily attributable to the substantial fall in the charter rates and higher bunker prices. Average TC income for the VLGC fleet decreased to USD 22,000/day in third quarter 2007 from USD 29,700/day in the same period 2006. Idle time for the BW Gas operated VLGC fleet increased to 7.0% in third quarter 2007, from 5.4% in 2006. There were no VLGC vessels in semi lay-up at the end of September 2007.

OPEC crude production averaged 30.5 mbd in third quarter with higher output towards the end of the quarter and a September production estimated at 30.7 mbd. During its latest meeting the organisation signalled an increase in production of 0.5 mbd starting 1 November. This should have a positive effect on oil related LPG production since a large part of the increase is expected to come from Saudi Arabia. The Dolphin project in Qatar is about to start LPG exports with the first cargo nominated for November shipment. 2-3 spot cargoes per month are expected when the plant reaches capacity next year. The Hawiyah NGL (natural gas liquids) project in Saudi Arabia, due to start up in first quarter 2008, will produce ethane for domestic petrochemical feedstock use. This should replace 2-4 million tonnes of LPG per year and contribute to a pick up in LPG exports. However, the share of output available for export is uncertain.

LPG discounts to naphtha prices in Asia and in Europe diminished towards the end of the third quarter. LPG prices tightened in Europe due to maintenance and downtime in Algerian and North Sea production, which made it necessary for importers to source more products from the Middle East. Towards the end of the quarter Saudi Arabia released spot cargoes at a discount to contract price (CP) targeted at the Western markets.

The release of eight Saudi Arabian LPG spot cargoes in September, combined with a stable fleet development, led to a substantial rate improvement in the VLGC market. Spot rates peaked in September at USD 58.6 pmt basis Middle East – Japan (about USD 45,300/day on a C-class VLGC excl. idle time). Freight rates weakened towards the end of the month with only three spot cargoes available for October shipment and spot rates ended the quarter at about USD 42.9 pmt on voyage basis Middle East – Japan (about USD 27,700/day on a C-class VLGC excl. idle time). Increasing bunker prices limited some of the positive effect on TC earnings. Apart from extensions of options under existing charters no new time charter fixtures were concluded.

BW Gas had three vessels employed in clean petroleum products (CPP) during third quarter 2007, compared to two vessels in the same period in 2006.

BW Gas currently has six VLGC newbuildings on order, of which one is scheduled for delivery in November 2007, three in 2008 and two in 2009. Four of the VLGCs are owned in a 50/50 joint venture with Maran Gas. In addition two chartered-in VLGC newbuildings, of which BW Gas has 33% interest, will be delivered in 2009/10.

The global fleet of VLGCs (>70,000 cbm) numbered 106 vessels at the end of third quarter 2007. Two vessels, built in 1979 and 1980 respectively, were reported sold for scrap in the third quarter. Four VLGC orders have recently been converted to Capesize vessels and the order book consists of 54 vessels; five vessels are due for delivery in 2007, 27 in 2008, 15 in 2009, five in 2010 and two in 2011. 18 VLGCs are 25 years old or more.

LGC (70-50,000 CBM)

TC income from the LGCs amounted to USD 22.6 million in the third quarter of 2007, compared to USD 24.3 million in the third quarter 2006. The average number of LGC vessels increased marginally from 9.9 in the third quarter 2006 to 10.0 in 2007. Average TC income for the group's LGC fleet decreased to USD 24,600/day in third quarter 2007, from USD 26,700/day in the same period 2006. Idle time decreased to 8.3% in third quarter 2007, from 10.3% same period 2006. Three vessels were seeking cargo at the end of the third quarter.

The LPG market in the Atlantic started on a quiet note, but improved in August with increased shipments to the US West coast and Latin America. A tighter VLGC market out of Yanbu created employment opportunities for LGCs loading east of Suez. Activity eased in September with minimal product differences in the Atlantic basin and traders long on vessels took the few spot cargoes available.

Third quarter started with high ammonia stocks and weaker demand. Ukrainian exports were curtailed as FOB prices dipped below the cost of production. Plant turnaround in Ukraine, Libya and Estonia and outages in Algeria reduced supply and prices saw some recovery. US ammonia prices recovered and The Black Sea - US arbitrage opened up. With growing exports from low cost production in the Middle East, Black Sea exporters will become the new marginal suppliers.

The global LGC fleet (70-50,000 cbm) consisted of 26 vessels at the end of third quarter 2007. The order book numbered six vessels, all for delivery in 2008. Ten LGCs are more than 25 years old.

MGC (<50,000 CBM)

TC income from MGCs decreased to USD 24.9 million in third quarter 2007, from USD 26.6 million in third quarter 2006. The decrease was due to weaker market rates, a higher number of smaller vessels in the fleet and more technical off-hire. The group's MGC fleet recorded third quarter average TC income of USD 19,800/day in 2007, down from USD 20,700 in the same period 2006. Idle time was 4.0% in third quarter 2007 compared to 5.9% in third quarter 2006.

There was little activity both in LPG and ammonia West of Suez throughout third quarter due to plant turnarounds and downtime resulting in lower production. The long haul ammonia trade Black Sea – East contracted as more ammonia became available from new production in the AG area. July and August saw good employment of MGCs positioned east of Suez both in ammonia and in LPG. However, employment opportunities in LPG diminished as Indian importers started to employ VLGC tonnage. Several timecharter fixtures were concluded at firm rates.

The North Sea LPG trade employed three vessels. Idle time was high in August and September with seasonal maintenance of production facilities resulting in lower output. Rates came under some pressure while idle time increased substantially.

The global MGC fleet (20,000-40,000 cbm) of fully- and semi-refrigerated vessels consisted of 77 vessels at the end of third quarter 2007. The orderbook at the end of the third quarter consisted of 29 vessels, seven for delivery in 2008, 18 in 2009 and four in 2010. Eight MGCs are more than 25 years old.

CHARTER-HIRE EXPENSES

The LPG charter-hire expenses decreased to USD 19.9 million in the third quarter of 2007, compared to USD 23.4 million in 2006. This decrease was primarily attributable to the number of chartered-in VLGCs, which decreased to 7.4 vessels in third quarter 2007 from 8.7 vessels in 2006, and to the reclassification of Berge Summit from operational to financial lease.

TOTAL OPERATING EXPENSES

Total operating expenses in the LPG segment decreased slightly to USD 32.2 million in the third quarter of 2007, compared with USD 32.8 million in 2006. One LPG vessel was dry-docked for scheduled maintenance during third quarter 2007, compared to three vessels in 2006.

DEPRECIATION

The depreciation of LPG vessels increased to USD 18.6 million in the third quarter 2007, compared to USD 17.3 million in 2006. This increase is attributable to the higher number of vessels.

NET GAIN ON SALE OF VESSELS

The sale of four vessels following the Tailwind deal in September/October 2007 generated a net gain on sale of vessels of USD 10.7 million. There was no sale of vessels during third 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 third quarter operating profit of USD 24.4 million, compared with USD 24.6 million in the same period of 2006. One LNG vessel was dry-docked for scheduled maintenance this quarter, compared to no dry-dockings in 2006, resulting in 11 days offhire and increased operating expenses. The decrease in depreciation expenses almost offset the decline in operating profit before depreciations and disposals.

At the end of third quarter 2007, the group's LNG business consisted of eight LNG vessels: three 138,000 cbm, four 146,000 cbm and one smaller 30,000 cbm LNG carriers. All of the LNG vessels operate under long-term time charters, except for the single smaller LNG vessel which is on timecharter until October 2007.

BW Gas has two 162,400 cbm LNG carriers on order, both scheduled for delivery in 2009. Subsidiaries of BW group took delivery of the newbuilding LNG Ondo of 148,300 cbm vessels in September, three months ahead of the original delivery date. One 148,300 cbm vessel remains on order for June 2008 delivery. BW Gas will manage these vessels both commercially and technically. All newbuildings will commence long-term timecharters when delivered.

SEGMENT ANALYSIS LNG

(USD million)	Third quarter	
	2007	2006
Operating revenue	37.4	41.0
Voyage expenses	-0.7	-0.7
TC Income	36.7	40.3
Financial lease interest income	2.4	0.0
Total operating income	39.1	40.3
Charter hire expenses	0.0	0.0
Salaries and other operating expenses	-7.9	-6.6
Operating profit before depreciation and disposals	31.2	33.7
Depreciation	-7.0	-9.1
Net gain on sale of tangible fixed assets	0.2	0.0
Operating profit	24.4	24.6
Key figures		
Average number of owned and BB vessels (calendar days)	6.5	8.0
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)	61.4	54.8
Operating expenses per day (USD 1,000)	12.3	9.0

VARIANCE ANALYSIS LNG

(USD million)

Operating profit third quarter 2006	24.6
Operating profit third quarter 2007	24.4
Variance operating profit	-0.2
Net investment/increase in number of LNG vessels	-0.4
Financial lease interest income	-0.3
Depreciation of USD vs NOK, effect on operating expenses	-0.3
Depreciation of vessels	2.1
Net gain on sale of tangible fixed assets	0.2
Other	-1.6
Total variance explained	-0.2

Operating income from the LNG vessels including one vessel on financial lease decreased to USD 39.1 million in third quarter of 2007 from USD 40.3 million in third quarter 2006. BW Suez Boston experienced 11 days offhire in third quarter of 2007 due to repairs of ballast tanks. The offhire is not covered under the charter agreement. Average TC income for the group's LNG fleet increased to USD 61,400/day in third quarter 2007 from USD 54,800/day in third quarter 2006. Excluding the small LNG carriers Century (1973/74 built), the LNG fleet generated an average TC income of USD 68,300/day in third quarter 2007, compared to USD 68,700/day in 2006.

Pluto LNG (Woodside Australia) received final investment decision (FID) for one train ultimo July. Angola LNG and NLNG train 7 are also expected to receive FID later this year.

The newbuilding market remained quiet in the third quarter with no large LNG carriers ordered. At the end of the third quarter 2007 the world LNG fleet consisted of 243 vessels including vessels below 20,000 cbm. 140 newbuildings were on firm order, of which 12 for delivery this year, 61 in 2008, 44 in 2009, 17 in 2010 and six in 2011.

TOTAL OPERATING EXPENSES

Total operating expenses increased to USD 7.9 million in the third quarter of 2007, compared to USD 6.6 million in the third quarter of 2006. The increase is mainly due to increased manning costs and the dry-docking of one vessel.

DEPRECIATIONS

The depreciation of vessels decreased to USD 7.0 million in the third quarter of 2007, compared to USD 9.1 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, and the reclassification of 0.5 vessel from operational to financial lease.

NET GAIN ON SALE OF VESSELS

A correction of the net gain on sale of Havfru in May 2007 amounted to USD 0.2 million in the third quarter 2007. There was no sale of vessels during third quarter 2006.

OUTLOOK

LPG trade volumes are expected to be positively impacted by OPECs decision to increase oil production by 0.5 million barrel from 1 November on the back of strong demand and record high crude oil prices. This should result in higher crude related LPG volumes available for export. However, even more important will be the substantial growth in LPG production from new LNG projects to be phased in next year following the disappointing trade growth of only 1.5% or 0.8 million tonnes projected this year. LPG trade growth for 2008 is expected to grow by 14.5% or 7.7 million tonnes according to Poten & Partners.

The strong growth in LPG associated with new LNG production from 2008 should make LPG less susceptible to changes in OPEC crude oil production in general and to Saudi Aramco LPG market manipulation and shifting volume of spot sales in particular. The substantial volatility in Saudi spot LPG sales has remained a significant wild card in the VLGC market.

Scrapping of older VLGC vessels and employment as floating storage should maintain an almost constant VLGC fleet through 2007 in spite of the delivery of eight newbuildings.

The VLGC market saw a substantial recovery in September on the back of high spot market activity and increased long haul shipments from AG to the West. The market is now improving and the outlook for the winter months is positive due to low stock levels in key importing countries and expected expansion in LPG production in the fourth quarter 2007. The outlook for 2008 is favourable for the first quarter, but more uncertain for the remaining quarters due to the strong growth in the VLGC fleet. However, the anticipated growth in LPG trade volumes during the same periods would also be the highest in history. This is expected to result in a substantial increase in the long haul trade AG-west.

For the last quarter of 2007, 62% of the VLGC fleet capacity has been booked on fixed contract cover at an average TC level of approximately USD 25,700 per voyage day. Only 4% of the VLGC fleet is unfixd.

LPG exports from North Africa, mainly Algeria, are expected to increase the number of cargoes available for LGCs. There will also be a further expansion in exports from West Africa, mainly from Angola and Equatorial Guinea. In ammonia, the outlook for fourth quarter 2007 and first quarter 2008 is favourable due to higher seasonal activity and likely Bosphorus congestion during the winter months. The outlook for the remaining three quarters of 2008 is more uncertain owing to the rapid fleet expansion, which could be in excess of tonnage requirements.

For the last quarter of 2007, 71% of the LGC fleet capacity has been booked on fixed contract cover at an average TC level of approximately USD 24,300 per voyage day.

The market outlook for the MGC segment is favourable for fourth quarter 2007 and first quarter 2008, for the same reasons as mentioned under LGCs. For the remaining part of 2008 the outlook is more uncertain with the delivery of new vessels, which could be in excess of tonnage requirements. The MGC fleet consists of few vessels above 25 years, and thus few scrapping candidates.

For the last quarter of 2007, 78% of the MGC fleet capacity has been booked on fixed contract cover at an average TC level of approximately USD 19,600 per voyage day.

The Board expects operating profit for 2007 to be weaker than for 2006.

Oslo, 13 November 2007
The board of directors

SEPARATE SEGMENT REPORT

SHIPPING SEGMENT REPORTS - CONTINUING OPERATIONS

(Unaudited figures in USD million)	Third quarter		9 months		Full year 2006
	2007	2006	2007	2006	
LPG					
Operating revenue	129.2	152.3	363.6	404.0	523.7
Voyage expenses	-32.4	-31.1	-78.2	-78.6	-97.2
TC Income	96.8	121.2	285.4	325.4	426.5
Charter hire expenses	-19.9	-23.4	-59.3	-59.1	-79.2
Salaries and other operating expenses	-32.2	-32.8	-102.4	-88.2	-120.7
Operating profit before depreciation and disposals	44.7	65.0	123.7	178.1	226.6
Depreciation	-18.6	-17.3	-55.9	-44.6	-65.3
Net gain on sale of tangible fixed assets	10.8	0.0	29.0	-0.1	11.5
Operating profit	36.9	47.7	96.8	133.4	172.8
Key figures					
Average number of owned and BB vessels (calendar days)	40.4	39.9	41.1	35.3	37.2
Average number of owned and BB vessels (voyage days)	39.1	39.1	39.5	34.2	36.3
Average number of chartered in vessels on TC	7.7	9.7	8.2	8.6	8.8
TC income per calendar day (USD 1,000) ¹⁾	21.9	26.6	21.2	27.2	25.4
TC income per voyage day (USD 1,000) ²⁾	22.5	27.0	21.9	27.8	25.9
Operating expenses per day (USD 1,000) ³⁾	8.7	8.9	9.1	9.2	8.9
Carrying value vessels	1,172.0	1,168.5	1,172.0	1,168.5	1,187.4
LPG - VLGC					
Operating revenue	75.5	92.8	194.0	250.9	312.2
Voyage expenses	-26.2	-22.5	-61.3	-56.8	-68.8
TC Income	49.3	70.3	132.7	194.1	243.4
Charter hire expenses	-19.2	-22.0	-55.5	-55.0	-73.0
Salaries and other operating expenses	-14.5	-15.9	-46.9	-45.2	-61.2
Operating profit before depreciation and disposals	15.6	32.4	30.3	93.9	109.2
Depreciation	-6.4	-5.7	-20.0	-16.2	-24.2
Net gain on sale of tangible fixed assets	1.1	0.0	14.9	-0.1	-0.1
Operating profit	10.3	26.7	25.2	77.6	84.9
Key figures					
Average number of owned and BB vessels (calendar days)	17.0	17.0	17.0	16.0	16.5
Average number of owned and BB vessels (voyage days)	16.8	16.2	16.6	15.5	16.1
Average number of chartered in vessels on TC	7.4	8.7	7.4	7.6	7.7
TC income per calendar day (USD 1,000) ¹⁾	22.0	29.7	19.9	30.1	27.6
TC income per voyage day (USD 1,000) ²⁾	22.1	30.7	20.3	30.8	28.0
Operating expenses per day (USD 1,000) ³⁾	9.3	10.2	10.1	10.3	10.2
Carrying value vessels	418.9	369.3	418.9	369.3	393.8
LPG - LGC					
Operating revenue	25.5	28.8	81.9	83.0	109.5
Voyage expenses	-2.9	-4.5	-8.3	-13.1	-15.5
TC Income	22.6	24.3	73.6	69.9	94.0
Charter hire expenses	0.0	0.0	0.0	0.0	0.0
Salaries and other operating expenses	-8.2	-7.9	-25.8	-22.4	-30.4
Operating profit before depreciation and disposals	14.4	16.4	47.8	47.5	63.6
Depreciation	-5.2	-5.1	-15.5	-13.6	-19.5
Net gain on sale of tangible fixed assets	0.0	0.0	4.4	0.0	11.6
Operating profit	9.2	11.3	36.7	33.9	55.7
Key figures					
Average number of owned and BB vessels (calendar days)	10.0	9.9	10.6	9.6	10.1
Average number of owned and BB vessels (voyage days)	9.5	9.9	10.0	9.3	9.9
Average number of chartered in vessels on TC	0.0	0.0	0.0	0.0	0.0
TC income per calendar day (USD 1,000) ¹⁾	24.6	26.7	25.4	26.7	25.5
TC income per voyage day (USD 1,000) ²⁾	25.9	26.7	27.0	27.5	26.0
Operating expenses per day (USD 1,000) ³⁾	8.9	8.7	8.9	8.5	8.2
Carrying value vessels	383.3	417.8	383.3	417.8	396.0

SHIPPING SEGMENT REPORTS - CONTINUING OPERATIONS

(Unaudited figures in USD million)	Third quarter		9 months		Full year
	2007	2006	2007	2006	2006
LPG - MGC					
Operating revenue	28.2	30.7	87.7	70.1	102.0
Voyage expenses	-3.3	-4.1	-8.6	-8.7	-12.9
TC Income	24.9	26.6	79.1	61.4	89.1
Charter hire expenses	-0.7	-1.4	-3.8	-4.1	-6.2
Salaries and other operating expenses	-9.5	-9.0	-29.7	-20.6	-29.1
Operating profit before depreciation and disposals	14.7	16.2	45.6	36.7	53.8
Depreciation	-7.0	-6.5	-20.4	-14.8	-21.6
Net gain on sale of tangible fixed assets	9.7	0.0	9.7	0.0	0.0
Operating profit	17.4	9.7	34.9	21.9	32.2
Key figures					
Average number of owned and BB vessels (calendar days)	13.4	13.0	13.5	9.7	10.6
Average number of owned and BB vessels (voyage days)	12.8	13.0	12.9	9.4	10.3
Average number of chartered in vessels on TC	0.3	1.0	0.8	1.0	1.1
TC income per calendar day (USD 1,000) 1)	19.8	20.7	20.3	21.0	20.9
TC income per voyage day (USD 1,000) 2)	20.7	20.7	21.1	21.6	21.4
Operating expenses per day (USD 1,000) 3)	7.7	7.5	8.1	7.8	7.5
Carrying value vessels	369.8	381.4	369.8	381.4	397.6
LNG					
Operating revenue	37.4	41.0	106.6	112.6	142.4
Voyage expenses	-0.7	-0.7	-3.0	-2.1	-2.8
TC Income	36.7	40.3	103.6	110.5	139.6
Financial lease interest income	2.4	0.0	7.2	0.0	9.6
Total operating income	39.1	40.3	110.8	110.5	149.2
Charter hire expenses	0.0	0.0	0.0	0.0	0.0
Salaries and other operating expenses	-7.9	-6.6	-23.9	-21.6	-29.9
Operating profit before depreciation and disposals	31.2	33.7	86.9	88.9	119.3
Depreciation	-7.0	-9.1	-21.0	-26.2	-32.4
Net gain on sale of tangible fixed assets	0.2	0.0	2.7	0.0	0.0
Operating profit	24.4	24.6	68.6	62.7	86.9
Key figures					
Average number of owned and BB vessels (calendar days)	6.5	8.0	7.0	7.7	7.3
Average number of owned and BB vessels (voyage days)	6.4	8.0	6.5	7.7	7.2
Average number of vessels leased out on financial lease	0.5	0.0	0.5	0.0	0.5
Average number of chartered in vessels on TC	0.0	0.0	0.0	0.0	0.0
TC income per calendar day (USD 1,000) 1)	61.4	54.8	54.2	52.6	52.4
TC income per voyage day (USD 1,000) 2)	62.3	54.8	58.4	52.6	53.1
Operating expenses per day (USD 1,000) 3)	12.3	9.0	11.7	10.3	10.5
Carrying value vessels	873.0	983.2	873.0	983.2	894.9
Financial lease receivable	86.1	0.0	86.1	0.0	87.0

Definitions key figures

¹⁾ $[(1) \text{ [TC income]}^*1,000/[\text{Average number of owned and BB vessels (calendar days)} + \text{Average number of chartered in vessels on TC}]/[\text{Number of days in period}]]$

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

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION



CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

CONSOLIDATED INCOME STATEMENT

(Unaudited figures in USD million)	Third quarter		9 months		Full year
	2007	2006	2007	2006	2006
Operating revenue	186.6	206.6	527.4	554.9	729.9
Voyage expenses	-33.3	-32.0	-81.2	-81.3	-100.8
Charter hire expenses	-26.9	-28.2	-80.2	-73.4	-94.9
Salaries, social security and pensions	-27.2	-24.7	-76.5	-63.4	-87.6
Other operating expenses	-24.8	-22.5	-83.6	-72.7	-101.5
Operating profit before depreciation and disposals	74.4	99.2	205.9	264.1	345.1
Depreciation	-27.2	-27.4	-80.8	-74.2	-102.0
Impairment charges/reversals	0.0	0.0	0.0	0.0	0.0
Net gain/loss on sale of tangible fixed assets	10.9	0.1	31.7	0.1	15.6
Operating profit	58.1	71.9	156.8	190.0	258.7
Interest income	5.4	5.7	15.9	18.4	23.3
Interest expenses	-21.8	-19.9	-63.4	-52.0	-78.7
Net foreign exchange gain/loss	-1.8	1.8	-1.3	5.0	5.9
Share of profit from associates	0.5	0.3	1.4	1.7	2.2
Other financial items	-16.5	-18.4	-1.6	17.9	20.1
Net financial items	-34.2	-30.5	-49.0	-9.1	-27.2
Profit before tax	23.9	41.4	107.8	180.9	231.5
Income tax expense	-6.9	0.4	-20.5	-6.5	-6.8
Net profit from continuing operations	17.0	41.8	87.3	174.4	224.7
Net profit from discontinued operations	0.0	0.0	0.0	-1.0	-1.0
Net profit	17.0	41.8	87.3	173.4	223.7
Minority interest	1.2	1.1	7.6	8.4	12.7
Majority interest	15.8	40.7	79.7	165.0	211.0
Basic and diluted ¹⁾ earnings per share (EPS) in USD, continuing operations	0.1	0.3	0.6	1.3	1.7
Basic and diluted ¹⁾ earnings per share in USD, discontinued operations	0.0	0.0	0.0	0.0	0.0
Basic and diluted ¹⁾ earnings per share in USD, all operations	0.1	0.3	0.6	1.3	1.6
Average number of shares outstanding	128,097,885	128,097,885	128,097,885	128,097,885	128,097,885

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

CONSOLIDATED BALANCE SHEET

(Unaudited figures in USD million)	30.09.07	30.09.06	31.12.06
ASSETS			
Tangible fixed assets	2,337.2	2,362.9	2,290.1
Intangible fixed assets	4.5	38.4	5.2
Investments in associates	2.4	3.7	3.5
Other financial long term assets	244.3	112.3	225.6
Total non-current assets	2,588.4	2,517.3	2,524.4
Inventories	14.4	13.0	13.1
Receivables	94.3	86.0	76.5
Short term investments	0.4	10.3	7.9
Cash and cash equivalents	364.0	220.8	248.9
Total current assets	473.1	330.1	346.4
Total assets	3,061.5	2,847.4	2,870.8
EQUITY AND LIABILITIES			
Paid-in capital	16.8	16.8	16.8
Retained earnings	1,049.5	1,015.9	1,057.3
Minority interests	64.7	72.4	68.4
Total equity	1,131.0	1,105.1	1,142.5
Long-term interest bearing debt	1,772.6	1,586.6	1,577.9
Net pension liabilities	12.7	9.3	10.4
Deferred tax liability	20.5	0.0	0.0
Other non interest bearing debt and provisions	10.5	3.9	3.2
Total non-current liabilities	1,816.3	1,599.8	1,591.5
Short-term interest bearing debt	31.4	38.0	27.8
Tax and public duties payable	12.9	18.6	13.6
Other non interest bearing liabilities and provisions	69.9	85.9	95.4
Total current liabilities	114.2	142.5	136.8
Total equity and liabilities	3,061.5	2,847.4	2,870.8

CONSOLIDATED CASH FLOW STATEMENT

(Unaudited figures in USD million)	Third quarter		9 months		Full year 2006
	2007	2006	2007	2006	
Net profit before tax including discontinued operations	23.9	41.4	107.8	179.9	230.5
Adjustment for					
Gain/loss on disposal of assets	-10.9	0.0	-37.4	0.0	-15.6
Depreciation and impairment charges	27.1	27.4	80.8	74.2	102.0
Change in inventories, receivables and payables	-19.2	-69.5	-35.6	16.9	26.5
Net cash flow from operations¹⁾	20.9	-0.7	115.6	271.0	343.4
Investments in operating fixed assets	-49.2	-355.8	-187.1	-549.4	-573.4
Sales of operating fixed assets (at sales value)	77.5	0.0	106.4	0.0	29.0
Net cash in acquired/demerged companies	0.0	0.0	0.0	12.1	9.4
Change in other investments	-6.2	40.2	-14.0	12.5	22.4
Net cash flow from investing activities²⁾	22.1	-315.6	-94.7	-524.8	-512.6
New long-term debt	119.9	284.8	246.4	334.8	341.3
Repayments of debt	-9.6	-159.8	-48.1	-183.5	-238.1
Paid in/distributed equity	-1.2	11.8	-104.1	-31.0	-39.4
Purchase of own shares	0.0	0.0	0.0	0.0	0.0
Net cash flow from financing activities	109.1	136.8	94.2	120.3	63.8
Net change in cash during period	152.1	-179.5	115.1	-133.5	-105.4
Cash at beginning of period	211.9	400.3	248.9	354.3	354.3
Cash at end of period	364.0	220.8	364.0	220.8	248.9
¹⁾ Net operating cash flow from discontinued operations	n.a.	n.a.	n.a.	-1.0	-1.0
²⁾ Net investing cash flow from discontinued operations	n.a.	n.a.	n.a.	0.0	0.0

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited figures in USD million)	Third quarter		9 months		Full year
	2007	2006	2007	2006	2006
Equity at the beginning of period	1,120.1	1,055.0	1,142.5	928.9	928.9
Net profit	17.0	41.8	87.3	173.4	223.7
Dividend paid	0.0	0.0	-93.2	-33.7	-33.7
Net gain/loss on available for sale financial assets	0.0	-0.8	-7.5	-6.9	-8.1
Net paid to/from minority interests	-1.2	11.8	-10.9	2.7	-5.7
Adjustment on previous period acquisition price allocation	0.0	0.0	9.0	0.0	0.0
Purchase of minority interests	0.0	0.0	0.0	39.4	39.4
Share based compensation effect	0.3	0.3	0.9	0.8	0.9
Hedge accounting	-8.9	-2.1	-2.8	0.9	-5.1
Other	3.7	-0.9	5.7	-0.4	2.2
Equity at the end of period	1,131.0	1,105.1	1,131.0	1,105.1	1,142.5

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. 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 13 November 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

BW Gas established the joint venture partnership with Tailwind in third quarter 2007. Tailwind is an operational and financial lease company controlled by the Rieber family and three other Norwegian shareholders. BW Gas has transferred the ownership interest in four LPG carriers to the joint venture, whereas two vessels were delivered in third quarter and the two remaining vessels were delivered in October 2007. A mortgage loan has been established to finance the joint venture. BW Gas retains technical and commercial management of the vessels. The joint venture is included in the group accounts based on a proportional consolidation of the 50% share in the company, and the balance sheet therefore includes 50% of the vessels and the loan. BW Gas has booked a profit of USD 10.7 million on the disposal of the 50% share of the four vessels.

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 a reduction of 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. Havfru was disposed in second quarter 2007).

The LPG segment provides transportation of liquefied petroleum gas, clean petroleum products (CPP) and ammonia. The segment comprises three main categories of vessels: VLGCs (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)	Third quarter		9 months		Full year
	2007	2006	2007	2006	2006
LPG					
Operating revenue	129.2	152.3	363.6	404.0	523.7
Voyage expenses	-32.4	-31.1	-78.2	-78.6	-97.2
Charter hire expenses	-19.9	-23.4	-59.3	-59.1	-79.2
Salaries and other operating expenses	-32.2	-32.8	-102.4	-88.2	-120.7
Depreciation	-18.6	-17.3	-55.9	-44.6	-65.3
Net gain on sale of tangible fixed assets	10.8	0.0	29.0	-0.1	11.5
Operating profit	36.9	47.7	96.8	133.4	172.8
Carrying value vessels	1,172.0	1,168.5	1,172.0	1,168.5	1,187.4
LPG - VLGC					
Operating revenue	75.5	92.8	194.0	250.9	312.2
Voyage expenses	-26.2	-22.5	-61.3	-56.8	-68.8
Charter hire expenses	-19.2	-22.0	-55.5	-55.0	-73.0
Salaries and other operating expenses	-14.5	-15.9	-46.9	-45.2	-61.2
Depreciation	-6.4	-5.7	-20.0	-16.2	-24.2
Net gain on sale of tangible fixed assets	1.1	0.0	14.9	-0.1	-0.1
Operating profit	10.3	26.7	25.2	77.6	84.9
Carrying value vessels	418.9	369.3	418.9	369.3	393.8
LPG - LGC					
Operating revenue	25.5	28.8	81.9	83.0	109.5
Voyage expenses	-2.9	-4.5	-8.3	-13.1	-15.5
Charter hire expenses	0.0	0.0	0.0	0.0	0.0
Salaries and other operating expenses	-8.2	-7.9	-25.8	-22.4	-30.4
Depreciation	-5.2	-5.1	-15.5	-13.6	-19.5
Net gain on sale of tangible fixed assets	0.0	0.0	4.4	0.0	11.6
Operating profit	9.2	11.3	36.7	33.9	55.7
Carrying value vessels	383.3	417.8	383.3	417.8	396.0

SEGMENT REPORTS - CONTINUING OPERATIONS CONT.

(Unaudited figures in USD million)	Third quarter		9 months		Full year
	2007	2006	2007	2006	2006
LPG - MGC					
Operating revenue	28.2	30.7	87.7	70.1	102.0
Voyage expenses	-3.3	-4.1	-8.6	-8.7	-12.9
Charter hire expenses	-0.7	-1.4	-3.8	-4.1	-6.2
Salaries and other operating expenses	-9.5	-9.0	-29.7	-20.6	-29.1
Depreciation	-7.0	-6.5	-20.4	-14.8	-21.6
Net gain on sale of tangible fixed assets	9.7	0.0	9.7	0.0	0.0
Operating profit	17.4	9.7	34.9	21.9	32.2
Carrying value vessels	369.8	381.4	369.8	381.4	397.6
LNG					
Operating revenue	37.4	41.0	106.6	112.6	142.4
Financial lease interest income	2.4	0.0	7.2	0.0	9.6
Voyage expenses	-0.7	-0.7	-3.0	-2.1	-2.8
Charter hire expenses	0.0	0.0	0.0	0.0	0.0
Salaries and other operating expenses	-7.9	-6.6	-23.9	-21.6	-29.9
Depreciation	-7.0	-9.1	-21.0	-26.2	-32.4
Net gain on sale of tangible fixed assets	0.2	0.0	2.7	0.0	0.0
Operating profit	24.4	24.6	68.6	62.7	86.9
Carrying value vessels	873.0	983.2	873.0	983.2	894.9
Financial lease receivable	86.1	0.0	86.1	0.0	87.0
UNALLOCATED					
Operating revenue	17.7	13.3	50.1	38.3	55.9
Voyage expenses	-0.1	-0.3	0.0	-0.7	-0.7
Charter hire expenses	-7.0	-4.8	-20.9	-14.3	-21.4
Salaries and other operating expenses	-11.7	-7.7	-33.9	-26.3	-38.4
Depreciation	-1.5	-1.1	-3.9	-3.4	-4.6
Net gain on sale of tangible fixed assets	0.0	0.1	0.0	0.0	0.1
Operating profit	-2.6	-0.5	-8.6	-6.4	-9.1

RECONCILIATION TO CONSOLIDATED INCOME STATEMENT

(Unaudited figures in USD million)	Third quarter		9 months		Full year
	2007	2006	2007	2006	2006
Operating revenue					
LPG	129.2	152.3	363.6	404.0	523.7
LNG	39.8	41.0	113.8	112.6	152.0
Unallocated	17.7	13.3	50.1	38.3	55.9
Total	186.6	206.6	527.4	554.9	731.6
Correction related to financial lease	0.0	0.0	0.0	0.0	-1.7
Reconciled to consolidated income statement	186.6	206.6	527.4	554.9	729.9
Operating profit					
LPG	36.9	47.7	96.8	133.4	172.8
LNG	24.4	24.6	68.6	62.7	86.9
Unallocated	-2.6	-0.5	-8.6	-6.4	-9.1
Total	58.1	71.9	156.8	190.0	250.6
Correction related to financial lease	0.0	0.0	0.0	0.0	8.1
Reconciled to consolidated income statement	58.1	71.9	156.8	190.0	258.7

NOTE 5 - TANGIBLE AND INTANGIBLE FIXED ASSETS

(Unaudited figures in USD million)	Third quarter		9 months		Full year
	2007	2006	2007	2006	2006
Carrying value at the beginning of the period	2,382.1	2,072.5	2,295.3	1,754.5	1,754.5
Additions	50.1	356.9	196.9	721.5	710.5
Disposals	-66.6	-0.9	-74.7	-0.6	-18.0
Transferred due to financial lease reclassification	0.0	0.0	0.0	0.0	-52.1
Foreign exchange rate adjustments	3.2	0.0	5.0	0.0	2.4
Depreciations in the period	-27.1	-27.2	-80.8	-74.1	-102.0
Impairment charges in the period	0.0	0.0	0.0	0.0	0.0
- Hereof depreciations and impairment reclassified to discont. op.	0.0	0.0	0.0	0.3	0.3
Carrying value at the end of the period	2,341.7	2,401.3	2,341.7	2,401.3	2,295.3

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.

MAJOR TRANSACTIONS AND INVESTMENTS

Disposal of vessels	Type	Size	Delivery	Ownership share
BW Sisu	VLGC	75,989 cbm	27.02.07	100%
Berge Arrow	VLGC	75,609 cbm	04.05.07	100%
Havfru	LNG	29,388 cbm	22.05.07	75%
Havdrott	LGC	54,226 cbm	06.06.07	86%

Sale of vessels to 50/50 joint venture with Tailwind	Type	Size	Delivery	Ownership share
BW Odin	MGC	38,501 cbm	11.09.07	100%
BW Trader	VLGC	78,631 cbm	26.09.07	100%

The vessels BW Havsol and BW Havlur were delivered on 01.10.2007 and 08.10.2007 respectively. The net gain of USD 10.7 million for the Tailwind deal has been recognised in third quarter.

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	2007	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	2008	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
Second quarter 2007	26.5
Third quarter 2007	44.2
Total year to date	81.9

Delivery of purchased second hand vessels	Type	Built	Size	Delivered	Share
BW Boss (ex. Formosagas Bright)	VLGC	2001	84,301 cbm	20.03.07	100%
BW Borg (ex. Formosagas Apollo)	VLGC	2001	84,333 cbm	02.04.07	100%

BW Boss and BW Borg were chartered in on BB-contracts with purchase options. The options have been exercised with a purchase price of USD 42.5 million each.

NOTE 6 - INTEREST-BEARING DEBT

(Unaudited figures in USD million)	30.09.07	30.09.06	31.12.06
Unsecured credit facility (limit 1,500) ¹⁾	1,175.5	1,134.6	1,094.9
Bond loan ²⁾	212.5	145.9	152.2
Financial lease/Tax lease liabilities	85.1	69.9	86.6
Mortgage bank borrowings ³⁾	324.4	274.2	272.0
Other interest-bearing debt	6.5	0.0	0.0
Total interest-bearing debt	1,804.0	1,624.6	1,605.7
- Hereof classified as long-term	1,772.6	1,586.6	1,577.9
- Hereof classified as short-term	31.4	38.0	27.8

¹⁾ The credit facility is unsecured, but the group is required to comply with financial covenants. The group is in compliance with the covenants, however reference is made to note 8 regarding the possible effects of the proposed changes in the tonnage tax regime. 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.

²⁾ 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. 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. The bonds are unsecured, but the group is required to comply with financial covenants. The group is in compliance with the covenants, however reference is made to note 8 regarding the possible effects of the proposed changes in the tonnage tax regime.

³⁾ In connection with the Tailwind deal, the established joint venture has drawn a mortgage loan amounting to USD 132 million in third quarter related to the two vessels delivered in September. Additionally USD 68 million was drawn in October. The loan is repayable in semi-annual repayments over 10 years. The interest charge on the loan is LIBOR + 70 basis points. USD 35 million has been swapped for four years at a fixed rate of 4.90% + 70 basis points and USD 65 million has been swapped for 10 years at a fixed interest rate of 5.45% + 70 basis points. The group consolidates 50% of the joint venture.

NOTE 7 - 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. Deferred tax related to shipowning companies that are planned to enter the tonnage tax regime is calculated under the assumption that the company will enter the regime under the existing entry taxation. The net amount is included under 'tonnage 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 minor amount 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, including shipowning companies planned to enter the tonnage tax regime. Due to utilisation of losses carried forward and the change in NOK/USD exchange rate, the deferred tax increased further in third quarter 2007. Reference is made to note 8 regarding proposed changes to the tonnage tax in Norway.

FOREIGN TAXES

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

	Third quarter		9 months		Full year
	2007	2006	2007	2006	2006
Tax expense					
Tax payable, ordinary taxed entities	0.2	0.0	0.2	0.0	0.0
Deferred tax expense, ordinary taxed entities	0.0	0.0	0.0	0.0	0.0
Tax payable, tonnage taxed entities	-0.1	0.2	-0.2	0.1	-0.2
Deferred tax expense, tonnage taxed entities	-7.0	0.0	-20.5	0.0	0.0
Foreign tax payable	0.0	-7.0	0.0	-7.0	-6.6
Total tax expense	-6.9	-6.8	-20.5	-6.9	-6.8
Deferred tax position			30.09.07	31.12.06	Change (expense)
Deferred tax asset/(liability), ordinary taxed entities			3.2	3.8	
Deferred tax asset/(liability), tonnage taxed entities			-20.5	0.0	
Not recognised			-3.2	-3.8	
Net deferred tax asset/(liability) recognised in balance sheet			-20.5	0.0	-20.5

The net deferred tax position is mainly related to unrealised foreign exchange gains on debt in tonnage taxed entities and shipowning companies planned to enter the tonnage tax regime, 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 8 - COMMITMENTS AND CONTINGENCIES

CAPITAL COMMITMENTS

Capital expenditures regarding newbuildings contracted for at the balance sheet date, but not recognised in the financial statements, amounts to USD 583.7 million.

LEGAL CLAIMS

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

NOTICE FROM THE CENTRAL TAX OFFICE

In February 2007, Bergesen d.y. Shipping AS received a notice from the Central Tax Office of Large Enterprises stating that the tax authorities were considering increasing the taxable income for the fiscal years 2000 and 2004 with NOK 455.5 million and NOK 30.5 million respectively. The increase was based on the view that a part of the share capital reductions effected in 2000 and 2004 should be classified as payment of dividend rather than of re-payment of paid-in share capital. Reference is made to note 19 (j) in the annual report for 2006.

Although the Central Tax Office in its notice of 27 February 2007 explicitly agreed with the company's classification of the share premium as tax-free repayment of paid-in capital, the Central Tax Office in a new notice dated 11 July 2007 states that it has now re-considered its view and concludes that part of the share premium paid to the shareholder in 2000 should also be deemed as dividend and consequently be subject to tax at company level. The increased taxable income according to the Central Tax Office amounts to NOK 3.2 billion, which is supplemental to the increase previously noticed as mentioned above. The corresponding total potential tax liability would amount to approximately NOK 905 million related to the matter handled in the new notice and totally NOK 1.1 billion related to both matters.

The tax assessment board of the Central Tax Office rendered its resolution in October 2007, confirming that the original tax assessment for 2000 shall stand, as the notice for reassessment of that year was presented beyond the two year time limit for tax reassessments, and since Bergesen dy Shipping AS had given complete and correct information at the time. This resolution relates to the claim for increased income of NOK 3.2 billion and NOK 455.5 million. However, the tax assessment board maintained that the income of Bergesen dy Shipping AS for fiscal year 2004 should be increased by NOK 30.5 million. The Central Tax Office may appeal the decision of the tax assessment board within 4 months.

The company and its advisors have decided to appeal the resolution related to fiscal year 2004 to the Appeal tax assessment board. No provisions have been made in the accounts.

In 2005, Bergesen d.y. Shipping AS, a wholly owned subsidiary of Bergesen d.y. ASA (now BW Gas ASA), was demerged into the companies Bergesen d.y. Shipping AS and Bergesen Gas Shipping AS. Bergesen d.y. Shipping AS is owned 100% by Bergesen Dry Bulk Holding AS, a company which is not part of the BW Gas Group. Bergesen Gas Shipping AS is indirectly owned 100% by BW Gas ASA. Under the demerger plan the fair values and the share capital were split between the two companies in the ratio 14.5% to Bergesen d.y. Shipping AS and 85.5% to Bergesen Gas Shipping AS, and a potential tax liability will in the company's opinion inter partes be split the same way.

PROPOSED CHANGES IN THE NORWEGIAN TONNAGE TAX REGIME

The Norwegian Government published the fiscal budget for 2008 including the suggested amendments to applicable legislation on 5 October 2007. This included also the announced amendment to the Norwegian tonnage tax regime. Several details that are not included in the proposed changes are yet to be clarified by the Ministry of Finance. In addition, the proposed amendments must be approved by the Parliament, which is expected to take place in December of this year. Thus, there may be changes to the proposed amendments.

A general description of the existing tonnage tax regime, including the taxation in case of a withdrawal from the regime is included in the notes to the annual report 2006. Under the existing tonnage tax regime, operating profits have been tax exempt unless distributed to shareholders outside the tonnage tax regime or an exit from the tonnage tax regime takes place. Under the proposed new tonnage tax regime, operating profits will be fully exempt from taxation on a permanent basis.

The existing tonnage tax regime will cease to exist from 1 January 2007 (retroactive), forcing companies either to withdraw from the regime or transfer to the new regime as of this date. A withdrawal will be based on the existing tonnage tax regulations, resulting in a tax of approximately NOK 4.8 billion to be paid over a period based on a 20% per year declining balance method. Transitioning to the proposed new regime will be based on transition rules, but the untaxed profits as of 1 January 2007, accumulated under the existing tonnage tax regime, will be taxed. The taxation will be based on the book value of the equity of each company within the tonnage tax regime, rather than the fair values. Based on the current proposal, the transition tax amounts to approximately NOK 3.8 billion, payable with 10% annually over 10 years. 33% of the amount will be waived by the tax authorities if an equal amount is spent on environmental investments. The proposed new regime will also change the taxation upon entry from ordinary taxation. Entry in 2009 and later will be taxable based on the difference between fair value of assets and the tax value, while transition rules for 2007-2008 allow that only the difference between book value and tax value is taxed upon entry. Under the proposed entry taxation rules the group will recognise approximately NOK 250 million in deferred taxes in the balance sheet based on differences between book value and tax value on vessels that were planned to enter the existing regime without entry taxation under the existing entry rules. The deferred tax will be recognised irrespective of whether the vessel will enter the proposed new regime or not. The amount recognised will be at nominal value.

During fourth quarter the proposed regulation is expected to be finalised. Depending on the final regulation the group will consider the options available and seek to minimize the total taxation of the group. Based on the final regulation and the decisions made, the corresponding tax amounts will be recognised in the fourth quarter financial statements.

The impact on the accounts of the provision for the taxes is currently uncertain due to the fact that there may be changes to the proposed regulation, and that the final provision for taxes is dependent on decisions made by the group. Management will have to make a policy choice whether to recognise the transition tax liability at present value or nominal value. Finally, the accounting implications of a tax relieve related to environmental investments will depend on the final regulation.

The unsecured credit facility and the bond loan (reference is made to note 6) have covenants based on a book value equity ratio (equity/total assets) of 35% and 25% respectively. Based on the current understanding the group may be in default with respect to the loan agreements for the unsecured credit facility and the bond loan, if the proposed new regulation is approved as proposed by the Parliament.

Oslo, 13 November 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)
VLGCs (>70,000 CBM)					
Owned/bareboat					
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		
BW Clipper	1992	78,549	100.00		
BW Challenger	1992	78,539	100.00		
BW Captain	1991	78,530	100.00		
Berge Summit	1990	78,488	100.00		
BW Trader	2006	78,631	50.00		
BW Saga	1979	75,853	100.00		
BW Strand	1982	75,849	100.00		
BW Sund	1981	75,823	100.00		
Berge Eagle	1978	75,649	100.00		
BW Broker	2007	80,138	Bareboat	Jun 2017	23,014
Chartered-in					
Berge Ningbo	2006	82,258	TC/Purchase option	Feb 2018	21,546
Berge Nantong	2006	82,244	TC/Purchase option	Jul 2018	21,546
Gas Taurus	2001	78,921	Short-term TC to BW Gas (75%)	Apr 2008	29,934
Linden Pride	2001	78,912	Short-term TC to BW Gas (75%)	Mar 2008	29,934
Yuyo Berge	2005	78,908	TC/Purchase option	Mar 2013	23,520
Leto Providence	2003	78,908	Short-term TC to BW Gas (33%)	Dec 2008	27,942
Gas Aries	1991	78,452	Short-term TC	Dec 2007	
Chelsea Bridge	1987	77,749	Timecharter	Feb 2010	22,521
Tower Bridge	1991	75,352	Timecharter	Mar 2010	24,000
Newbuildings					
NB Daewoo 2317	May 2008	83,800	50.00		
NB Daewoo 2318	Nov 2008	83,800	50.00		
NB Daewoo 2319	Jan 2009	83,800	50.00		
NB Daewoo 2320	May 2009	83,800	50.00		
NB Mitsubishi I	2Q 2009	83,000	TC/Purchase option (33%)	2Q 2024	29,600
NB Mitsubishi II	2010	83,000	TC/Purchase option (33%)	2H 2025	29,800
NB Hyundai 1848	Nov 2007	82,000	100.00		
NB Hyundai 1849	Feb 2008	82,000	100.00		
Total (34 VLGCs)		2,723,713			
Operated					
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 Sword	1979	75,689	Pool		
Total (5 VLGCs)		409,989			

Name	Year built/ To be delivered	Capacity (cbm)	Ownership (%)/ Timecharter/Pool	TC/BB expiry	TC/BB rate (USD/day)
LGCs (70-50,000 CBM)					
Owned					
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		
BW Helios	1992	57,160	100.00		
Havis	1993	57,139	77.50		
Hekabe	1977	54,226	43.08		
Havkong	1978	54,226	43.08		
BW Hemina	1979	54,226	86.17		
Havglimt	1978	52,408	62.50		
Total (11 LGCs)		625,795			
Operated					
Clipper Moon	2003	59,460	Pool		
Clipper Sky	2004	59,342	Pool		
Maharshi Vamadeva (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		
Total (8 LGCs)		453,486			
MGCs (<50,000 CBM)					
Owned					
BW Sombeke	2006	38,436	50.00		
BW Odin	2005	38,501	50.00		
Havrim	1980	37,829	55.00		
BW Hugin	2002	35,229	53.00		
Hedda	1993	34,754	53.00		
Helga	1994	34,754	53.00		
Herakles	1982	30,455	100.00		
BW Munin	1989	27,980	53.00		
Hebris	1983	24,012	69.50		
BW Hermes	1983	24,981	100.00		
BW Havsol	1997	18,152	50.00		
BW Havlur	1997	18,152	50.00		
BW Havlys	1983	17,640	100.00		
BW Helen	2000	6,060	100.00		
Chartered-in long term					
Viking River	2007	38,458	Timecharter	May 2022	19,068
Nordic River	2007	38,458	Timecharter	Jul 2022	19,068
Marola	2003	37,314	Timecharter	Mar 2016	19,397
Total (17 MGCs)		501,165			
Operated					
Maharshi Labhatreya	1982	24,047	Short-term TC	Nov 2007	17,000
Total (1 MGC)		24,047			

Note: Fleet list does not include 3 part-owned semi-refrigerated vessels.

Name	Year built/ To be delivered	Capacity (cbm)	Ownership (%)	Charterer	CP expiry
LNG vessels					
Owned					
LNG Benue	2006	145,952	100.00	Nigeria LNG	Sep 2026
LNG Enugu	2005	145,926	100.00	Nigeria LNG	Apr 2026
LNG River Orashi	2004	145,914	100.00	Nigeria LNG	May 2025
LNG Oyo	2005	145,842	100.00	Nigeria LNG	Jun 2026
Berge Arzew	2004	138,089	50.00	Sonatrach	Jul 2024
BW Suez Boston	2003	138,059	51.00	Suez Energy	Jan 2023
Berge Everett	2003	138,028	100.00	Suez Energy	Jun 2023
Century	1974	29,589	75.13	Depa	Oct 2007
Newbuildings					
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
Total (10 LNG vessels)		1,352,199			
Operated					
LNG Kano	2007	148,565		Nigeria LNG	Jul 2027
LNG Ondo	2007	148,534		Nigeria LNG	Sep 2028
LNG Lokoja	2006	148,471		Nigeria LNG	May 2027
NB Daewoo 2232	Jun 2008	148,300		Nigeria LNG	Dec 2028
Total (4 LNG vessels)		593,870			
TOTAL		6,684,264			

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