

THOMSON REUTERS STRETEVENTS

EDITED TRANSCRIPT

BWLPG.OL - Q1 2018 BW LPG Ltd Earnings Call

EVENT DATE/TIME: MAY 30, 2018 / 12:00PM GMT



MAY 30, 2018 / 12:00PM, BWLPG.OL - Q1 2018 BW LPG Ltd Earnings Call

CORPORATE PARTICIPANTS

Elaine Ong *BW LPG Limited - CFO*

Martin Ackermann *BW LPG Limited - CEO*

CONFERENCE CALL PARTICIPANTS

Anders Redigh Karlsen *Danske Bank Markets Equity Research - Analyst*

Eirik Haavaldsen *Pareto Securities, Research Division - Head of Research*

Lukas Daul *ABG Sundal Collier Holding ASA, Research Division - Lead Analyst*

PRESENTATION

Operator

Welcome to BW LPG's First Quarter 2018 Financial Results Presentation. We will begin shortly.

You will be brought through the presentation by BW LPG's CEO, Martin Ackermann; and CFO, Elaine Ong. They will be pleased to answer and address any questions after the presentation. (Operator Instructions)

Certain statements in this conference call may constitute forward-looking statements based upon management's current expectations and include known and unknown risks, uncertainties and other factors, many of which BW LPG isn't able to predict or control, that may cause BW LPG's actual results, performance or plans to differ materially from any future results, performance or plans expressed or implied by such forward-looking statements. In addition, nothing in this conference call constitutes any -- an offer to purchase or sell or a solicitation of an offer to purchase or sell any securities.

With that, I am now pleased to turn the call over to BW LPG's CEO, Martin Ackermann. Please go ahead sir.

Martin Ackermann - BW LPG Limited - CEO

Thank you very much, Anna, and good morning. Welcome to the presentation of BW LPG's results for the first quarter of 2018, the financial period ending 31st of March. We will be -- also be discussing with you the proposal we announced yesterday to combine with Dorian LPG.

I'm joined by our CFO, Elaine Ong, as always. And we appreciate your interest, and we will take your questions at the end of this call.

The winter market was weaker than anticipated, with a nearly 7% drop in U.S. exports for first quarter of 2018, led mainly by increased domestic consumption, inventory drawdowns in the Far East and mostly closed arbitrage windows. The loss of exports from the U.S. was partially offset by an increase in exports from the Middle East, mainly into China. The lost in ton miles led to a drop freight rates towards the second half of the quarter, from a peak of \$18,100 per day to a low of \$9,200 per day on the benchmark Baltic index route.

BW LPG's VLGC performance at \$17,300 per day has been in excess of the spot market Baltic index despite a drop in utilization rate. This has been mainly due to a capture of long-haul cargoes from the West in the first half of the quarter. The market remains challenging in the near term, although the recent strength in global oil prices may spur some additional petchem demand.

Turning to Slide 4. We review the highlights of first quarter. We generated net revenues of \$73 million based on daily rates of \$17,300 for the VLGC segment, with VLGC contract coverage of 14% and total contract coverage of 19% for the quarter. Our EBITDA came in at \$25 million. We netted a loss of \$8 million or \$0.05 per share.



MAY 30, 2018 / 12:00PM, BWLPG.OL - Q1 2018 BW LPG Ltd Earnings Call

Through the share buyback program announced on 6th of March, we purchased 2.1 million shares at an average price of NOK 35.96 per share. We also delivered BW Boss to our joint venture in India in January 2018.

I'll now turn to Slide 5 for an overview of our commercial performance in the first quarter. In the first quarter, TCE rates on our VLGC fleet averaged \$17,300 per day including offhire and \$17,500 per day excluding offhire. Our VLGC spot earnings came in at \$15,300 per day including waiting time compared to the Baltic spot index rate of \$15,900 per day for the quarter. The fleet availability remained solid at 99%, with commercial utilization at 87% reflecting a 13% waiting time for the available fleet.

On Slide 6, we see that the global fleet of VLGCs stands at 263 vessels as of 30th of April 2018, after growing by 6 vessels over the first 4 months of the year. 3 vessels were scrapped, and 11 newbuildings were contracted. The current order-book-to-fleet ratio stands at 14%, with 3 vessels set for delivery in 2018, 22 delivering in '19 and 12 in 2020. Our VLGC market share, including vessels on order [and on order], is 16%. After the sale of 2 vessels in April, our fleet comprises 51 vessels, including LGCs and newbuildings.

On Slide 7, we provide an overview of seaborne LPG trade in the first quarter of 2018. Global seaborne LPG trade declined by 5% year-over-year mainly due to lower imports into Japan, India and Southeast Asia and partially offset by a 4% growth in Chinese and South Korean imports. On the export side, North American seaborne LPG exports decline year-over-year by 7% to 7.4 million tons, with volumes to China and Japan facing the biggest declines. Volumes to Southeast Asia and Europe remained stable.

The decline in North American exports was partially abated as Middle Eastern seaborne LPG exports grew by 5% year-over-year to 9.2 million tons. In particular, Middle Eastern exports to China increased by 50% to 2.6 million tons, offsetting the decline in North American exports to China.

Please turn to Slide 8. Here, we provide an update snapshot of the EIA's outlook for LPG balances in the U.S. For the first quarter of 2018, U.S. net LPG exports fell year-over-year by 3% to 6.6 million tons despite U.S. LPG production rising by 8.2% year-over-year to 17 million tons. This was because of stronger domestic consumption growth of 15.7% year-over-year to 14 million tons, mostly related to increased winter heating demand.

In May 2018, the EIA has adjusted its forecast for U.S. LPG production to 76 million tons and net exports to 29 million tons, implying a production growth of 9.6% and net export growth of 8% for 2018.

By 2019, U.S. LPG production is expected to further grow by 7.5% while domestic consumption is expected to fall by 2.1%. This will result in U.S. LPG net export growth of 16.5% to 34 million tons.

With that, let me turn you over to our CFO, Elaine Ong, who will walk you through our financial position and our results.

Elaine Ong - BW LPG Limited - CFO

Thanks, Martin. Starting with our income statement on Slide 9. Our net revenue for the quarter was \$73 million compared to \$95 million in the same quarter last year. This is mostly due to lower spot rates and lower utilization.

Charter hire expenses for the quarter decreased mainly due to lower hire rates for our charter-in vessels. Operating expenses were approximately \$5 million lower year-over-year, reflecting our cost-control initiatives in place for operating our fleet.

We generated EBITDA of \$25 million in the quarter compared to \$45 million in the same quarter last year. We recorded a net loss of \$8 million or \$0.05 per share in the quarter.

Turning to Slide 10. We provide a snapshot of our balance sheet and cash flow position. We continue to maintain a strong balance sheet with a leverage of 55%. We ended the quarter with cash and cash equivalents of \$44 million.

On Slide 11, you will see our net debt position at \$1.3 billion at the end of the quarter. Total liquidity, consisting of available cash and undrawn facilities, was \$275 million -- sorry, it's \$279 million.

MAY 30, 2018 / 12:00PM, BWLPG.OL - Q1 2018 BW LPG Ltd Earnings Call

We currently have 5 debt facilities. The first one is an \$800 million facility with \$323 million outstanding and \$235 million of undrawn credit.

The second facility is a \$400 million ECA facility with \$341 million outstanding. A \$221 million ECA facility with \$190 million outstanding is our third facility. The fourth is ECA financing at \$290 million, with \$270 million outstanding. And finally, our new \$150 million term loan with \$140 million outstanding. This term loan was drawn down in February 2018 to redeem our \$150 million short-term revolving credit facility.

With that, I'd like to hand it back to Martin to conclude our presentation.

Martin Ackermann - BW LPG Limited - CEO

Thank you very much, Elaine. So if you please turn to Slide 12, then I will summarize our earnings presentation.

We netted a loss per share of \$0.05 in the first quarter on net revenue of \$73 million. BW Boss was delivered into the joint venture in India, and BW Empress was sold with a book gain of \$3 million. BW Denise was sold, and BW Havis was recycled. And together, these generated additional liquidity of \$22 million.

Our share buyback program announced on 6th of March was concluded with 2.1 million shares purchased at an average price of NOK 35.96 per share. Looking ahead, we expect total contract coverage of 16% for the remainder of the year.

Our short-term outlook remains cautious as we enter the summer months, with freight rates remaining depressed due to the large fleet supply growth, unfavorable geographical LPG price spreads, high VLGC utilization of the Panama Canal and global geopolitical tensions. With relatively low U.S. LPG inventory levels propping up domestic LPG prices, we maintain our view that sustained U.S. LPG production growth and no further fleet supply growth is the key to reopening global price spreads and a rebound in freight rates. Looking forward, the following factors should help rebalance the VLGC market, including continued U.S. export growth and new wave of PDH facilities in Asia, an expansion of existing plants as well as healthy growth in the Asian retail demand.

Now that we've taken you through our earnings results, I will now discuss our proposed combination with Dorian that we announced yesterday. And I ask that you please turn your attention to the separate presentation regarding the combination of Dorian LPG and BW LPG, which can be found on our webpage.

If you turn to Slide 2 of the deck -- I just wanted to make sure that everyone is seeing it. We believe this combination is a farsighted and logical step to create a bellwether LPG shipping company well suited to meet the challenges of the global shipping industries in the year -- shipping industry in the years to come.

If you turn to Slide 2 of the proposal presentation, you will see a summary of the transaction highlights. The proposed combination of Dorian and BW LPG will provide substantial benefits to shareholders and stakeholders of both companies, benefits that we believe are simply too compelling to ignore. Under our all-stock proposal, Dorian shareholders would receive 2.05 BW LPG shares for each of their Dorian shares. This represents a 13% premium to the closing market price of \$ 6.96 on May 25, 2018. It also represents a 15% premium to the long-term historical exchange ratio of the 2 companies. We assessed the relative value of the companies and based our proposal on a NAV-to-NAV basis.

Importantly, Dorian shareholders would own 45% of the combined company and benefit from the upside potential inherent in this highly complementary combination, which would create a larger and stronger company better positioned to navigate the LPG shipping cycle. The combined company would own and operate an industry-leading fleet of modern and high-spec LPG tankers. The proposed transaction would enhance trading flexibility and bring together 2 best-in-class commercial and technical management platforms, enabling us to be more efficiently, reliably and effectively meet the needs of our clients.

The proposed transaction would be significantly accretive for Dorian shareholders on an EBITDA, revenue, free cash flow and available liquidity basis, and it would position the combined company to achieve substantial financial and operational synergies, including achievable G&A synergies



MAY 30, 2018 / 12:00PM, BWLPG.OL - Q1 2018 BW LPG Ltd Earnings Call

and cost optimization through economies of scale. In addition, the combined company would have a much strengthened credit profile and greater financial flexibility to invest for the future and return capital to shareholders.

Pursuant to the proposed transaction, BW LPG intends to dual list on the New York Stock Exchange. Dorian shareholders would receive NYSE-listed BW LPG shares upon closing of the transaction. Benefits of the dual listing would include a broader investor base, enhanced research coverage, greater trading liquidity as a result of a greater market capitalization of the combined company. The proposal is supported by BW Group, which owns 14% of Dorian and approximately 45% of BW LPG.

Now please turn to Slide 3. As you can see, BW LPG and Dorian would have a larger combined fleet with better geographical coverage to drive value for customers. Dorian's sizable fleet of modern assets has an average vessel age of 3.9 years. Together, BW LPG and Dorian would be a leading owner and operator with 73 total vessels in its fleet, with an aggregate fleet capacity of approximately 6 million CBM. As you know, LPG shipping markets are experiencing significant headwinds, and the combined entity would better position us to succeed across market cycles and advance our vision to be best on water.

On Slide 4, we outline the enhanced operational capabilities of the combined company and some of the benefits for our customers. In essence, we believe that the 2 companies are stronger together than they are on their own. We think very highly of Dorian's fleet, their management and operating principles. Together, we are -- with our proven operating history of more than 8 decades, the combined platform would deliver best-in-class services to our customers.

Moving to Slide 5. The proposed combination would generate significant synergies and drive further value for shareholders. We expect to realize highly actionable cost synergies, conservatively estimated to be approximately \$15 million per annum on a run-rate basis. Cost savings would come from duplicative public company expenses, IT, real estate and other areas.

As a larger fleet, we would operate more efficiently with increased vessel utilization and more efficient deployment across geographies. For example, through the combination, we would have enhanced scheduling capabilities, better triangulation and reduced ballast leg, all benefiting customers and shareholders. With scale, we would have a lower cost of capital.

Finally, a scaled platform would allow the combined company to accelerate technological and environmental initiatives. This would include the operating vessels to have LPG propulsions, helping the combined company to not only meet the requirements of IMO's 2020 sulfur cap regulations but to also be better positioned for the future. This is a winning combination, and we're confident it would drive substantial value creation for customers and shareholders.

As you can see on Slide 6, the combined company would have a stronger credit profile and financial flexibility to pursue disciplined value-enhancing growth by making strategic investments across market cycles. Together, on a pro forma basis, we would have revenue of \$503 million, EBITDA of \$218 million, free cash flow of \$177 million and \$322 million of available liquidity. Looking more closely at the exchange ratio and the premium that we offered, Dorian on a pro forma basis would contribute 33% of revenue, 38% of EBITDA, 40% of free cash flow while its shareholders would receive 45% in the combined entity. We think that is compelling.

In addition to the accretion and the above-mentioned metrics, the all-stock transaction provides Dorian shareholders the opportunity to remain invested in the sector and enjoy any potential upside in the combined entity. As a larger and stronger company, we would be better positioned for long-term value creation. We believe our proposal represents a clear and compelling upside to either company's stand-alone position.

To conclude, on slide 7, this is a compelling proposal. The combination would create an industry-leading operator with the highest quality fleet, substantial operational efficiencies and synergies, driven by economies of scale and best-in-class capability to drive value for our clients and customers across the globe. Dorian shareholders would benefit from the immediate premium implied by our proposal, the realization of synergies and continued participation in the upside of the combination by owning 45% of the stronger combined company. As I mentioned, it would be especially accretive on free cash flow, EBITDA and revenue basis for Dorian shareholders.



MAY 30, 2018 / 12:00PM, BWLPG.OL - Q1 2018 BW LPG Ltd Earnings Call

The combination has the full support of the BW LPG board. We're prepared to move quickly, with Dorian's cooperation, to get the necessary shareholder and regulatory approvals while preparing for the listing of the BW LPG shares on the NYSE. We're fully committed to this transaction, and we look forward to engaging with Dorian to complete the mutually beneficial combination that maximizes shareholder value.

With that, I would like to open up the call for any questions. Thank you very much.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Your first question comes from [Nils] from [Ludvig].

Unidentified Analyst

This is [Nils Forman] from [Ludvig Johnson]. Congratulations on your number and the proposed merger with Dorian. I have 2 main questions: one is on the efficiency differences; and two, on the offer itself. So I'm looking at the 2 companies and trying to understand the efficiency differences because, when rates are low, low cost really matters. And that's probably one of the thoughts you have behind the combination. So my first question related to efficiency is speed consumption. How much more estimated fuel in dollars per day does your vessel consume compared with the ones at Dorian? Second, what is the OpEx difference per day between the 2 companies? And then I had 2 follow-up questions.

Martin Ackermann - BW LPG Limited - CEO

Thank you for your question. I think you're absolutely right, that low cost really matters. And when you look closely to both fleets, you definitely see that one is slightly younger than the other, but as you can also see, the fleet of BW LPG is highly modern, although it has an average age which is a couple of years older than Dorian's. Without going into very specific consumption per day numbers for specific vessels, which I think is probably not appropriate for this call, we have a very modern fleet which has high utilization. And when you compare to Dorian's performance historically, we think we're quite well on par. I think it's important to focus on not only speed consumption, which is just, you could say, a small combination -- or a small part of an overall cost of running a vessel. The OpEx is an element, as you've mentioned. I think here, we're very competitive when you compare the 2 fleets. I'm sure the analysts that are on the call would be able to confirm that. But the most important part is, of course, the CapEx of these ships. If you look at the return -- the aggregate return on capital employed on a vessel which has, say, for argument's sake, \$40 million of debt attached to it compared to a vessel which has \$60 million of debt attached to it, the returns are just more compelling on the slightly older ship. And this is also -- when we talk about accretion, we're offering this accretion to Dorian shareholders, and it's embedded in the offer. Did you have any other questions?

Unidentified Analyst

Yes. I had follow-up questions on the OpEx difference, so just a general comment. The way I understand it, you're saying you have the same fuel consumption per day on average, not on each individual vessel but on average as Dorian. But when it comes to the OpEx difference, I've been looking into your annual report, and I see there's some related-party OpEx referenced to your prospectus in connection with the IPO. Is the related party still only BC -- BW Fleet Management? If yes, thanks. If no, which other companies are there in the annual filing, where we can see the updated list of related parties or subsidiaries? Just to understand better the difference in the OpEx question as such.

Martin Ackermann - BW LPG Limited - CEO

I think the number on the OpEx speaks to itself. You would probably see that we have driven considerable savings on our operating expenses over the past 3 years. I've had several discussions with equity analysts in the Oslo community around this for the past years, and I think most of them --

MAY 30, 2018 / 12:00PM, BWLPG.OL - Q1 2018 BW LPG Ltd Earnings Call

I don't think anyone is disagreeing with us that we have made considerable headway on that. When you look at the number specifically, we've been guiding that we are somewhere shy of \$8,000 per day on a direct OpEx. And on top of that, you have to add provisions for drydock expenses and, of course, G&A. When you compare the 2 companies, I'm very confident you would find that we're quite competitive on an aggregate level, including, of course, the OpEx that you're asking specifically to. The -- as regards to the related party, I don't have the prospectus in front of me, so I don't have exactly the details. But I can tell you that BW Fleet Management is the related party that is operating most of our fleet. So we consider that as an in-house service, but there -- we have created -- this is a shared service across BW LPG and BW LNG to create scale and benefits for both divisions. And of course, we're paying for these services on an arm's-length basis. So it's very clear and straightforward. But I do understand that it's registered as a related-party transaction. We can go -- we can [talk] offline. If you have further questions. We can -- we are happy to go into specific details on managers and related party here.

Unidentified Analyst

Okay. But just my last question related to the merger itself. It seems that you are very generous. So it's a good offer for Dorian, but not such a good -- not as compelling for BW LPG. Could you just elaborate why you think this is such a good deal for you since you're willing to overpay in relative terms?

Martin Ackermann - BW LPG Limited - CEO

I wouldn't say -- I wouldn't use the word overpay. We think both companies are trading today at significant discounts, and we're offering -- we think what we're offering here is a compelling proposal. And although it offers a 15% premium to historical exchange rates of the 2 companies, we think -- we believe that there is substantial synergies which will also flow back to BW LPG shareholders. And the better platform of a combined entity will be highly beneficial for existing BW LPG shareholders as well.

Unidentified Analyst

Okay. And just the last thing that hasn't been mentioned, it's -- this is my final, last question. What about management of the combined entity? Is it going to be done from Dorian? Or is it going to be done from BW LPG?

Martin Ackermann - BW LPG Limited - CEO

We sent a proposal yesterday after the chairman of BW LPG had a very short conversation with the chairman of Dorian, and that is as far as discussions has been going between the companies. But ultimately, that's a question for the combined Board of Directors to decide. And I'm -- these are highly capable people that will make prudent decisions on how best to run the company.

Operator

Your next question comes from Lukas from ABG.

Lukas Daul - ABG Sundal Collier Holding ASA, Research Division - Lead Analyst

If I could just start with OpEx that you printed in the first quarter. It was a decent decline compared to previous periods. Is that something you are planning to or we can expect you to repeat going forward? Or was there any extraordinary things that contributed to that?



MAY 30, 2018 / 12:00PM, BWLPG.OL - Q1 2018 BW LPG Ltd Earnings Call

Martin Ackermann - *BW LPG Limited - CEO*

Well, I think -- as I just said, conservatively, I think you should estimate a run rate of \$8,000. I do realize we came in a little bit lower on the quarter, but just allow for quarterly swings -- smaller swings on the OpEx side. I don't want to overpromise anything here. But we're very pleased with the cost level that we have achieved over the past few years.

Lukas Daul - *ABG Sundal Collier Holding ASA, Research Division - Lead Analyst*

And do you have sort of a drydocking schedule for this year and the next in terms of numbers of vessels going through drydocking?

Martin Ackermann - *BW LPG Limited - CEO*

Yes. I do have that somewhere, but I must admit that we probably have to do a little digging. I think in the -- I have about -- Elaine, can you...

Elaine Ong - *BW LPG Limited - CFO*

Yes. Lukas, Elaine here. I think we kind of project about \$15 million for this year -- the rest of the year this year. I think that would be a decent number. In terms of the number of -- exact number of ships, I can get back to you offline. And it's going to be a bit lower than 10 in 2019, if that helps you.

Lukas Daul - *ABG Sundal Collier Holding ASA, Research Division - Lead Analyst*

Okay. And then, obviously, on the transaction with Dorian or on the proposed transaction, you're talking about potentially controlling about 25% of the global fleet. But I was wondering, if you look at the spot market -- the vessels that are operating in the spot market, what kind of market share would we be talking about in that context?

Martin Ackermann - *BW LPG Limited - CEO*

It would be very close to the same number. I mean, it's a highly competitive market. As you have seen, owners have little to no pricing power, as experienced over the past 24 months. And even though some would argue that a ship is on a time charter to a client, that ship is being used in the spot market as well as the positions have been re-let by an oil company or traders. So even though you may not see it on your list as a spot vessel, it's competing with all the other ships out there. So I think the market share, as you mentioned, it will be in the low 20s.

Lukas Daul - *ABG Sundal Collier Holding ASA, Research Division - Lead Analyst*

Okay. And do you think that is sufficient to sort of turn the needle and get some pricing power? Or is that not maybe the main motive behind the deal?

Martin Ackermann - *BW LPG Limited - CEO*

Well, that's not the main motive. I don't think we have any pricing power in this market. The market is enormously competitive. But I mentioned on the presentation that there are some synergies that we can extract from this. And I think that driving a stronger company, we will be able to perform better to our clients. We will offer them greater flexibility, fleet availability in any corners of the world. And just to take a step back. You saw we did a transaction where we bought Aurora 2 years back. That hasn't resulted in any pricing power at all. So this is not the driver for this transaction. I think this is about creating a stronger combined company with all the advantages to both customers and stakeholders and, of course, shareholders that I mentioned before.



MAY 30, 2018 / 12:00PM, BWLPG.OL - Q1 2018 BW LPG Ltd Earnings Call

Lukas Daul - *ABG Sundal Collier Holding ASA, Research Division - Lead Analyst*

Okay. And finally, and I don't know if you can answer that, but has there been any dialogue with Dorian shareholders?

Martin Ackermann - *BW LPG Limited - CEO*

The dialogue was yesterday. So that was when our -- the chairman spoke briefly to the chairman of Dorian. I mean, we would have preferred to approach Dorian confidentially, but since our larger shareholder, BW Group, is a 13D shareholder of Dorian, we were required to disclose our initial approach.

Operator

There are currently no more questions in queue. (Operator Instructions) Your next question comes from Eirik from Pareto.

Eirik Haavaldsen - *Pareto Securities, Research Division - Head of Research*

Can you give some guidance on what the time line will be going forward for this transaction? Is this now -- are you now going to have a dialogue with the company -- with Dorian management, the shareholders? Or are you just now launching an offer and will sit and wait for a period of time to get some response?

Martin Ackermann - *BW LPG Limited - CEO*

Eirik, yes. I mean, we're -- as you just said it yourself, we made the proposal yesterday. And the next step is Dorian and their advisers will come back to us at some point and respond, and maybe we'll take it from there. That's as close as we can be on the time line right now.

Eirik Haavaldsen - *Pareto Securities, Research Division - Head of Research*

Okay, understand. Just 2 sort of housekeeping question as well. The depreciation run rate you had now in Q1 was a bit lower than I expected. Is that the run rate going forward? Or is there something special there, Elaine, maybe?

Elaine Ong - *BW LPG Limited - CFO*

No, I think that was going to be reflective of the run rate going forward. I think the lower depreciation reflects some of the vessel sales that we've conducted in the last little while.

Eirik Haavaldsen - *Pareto Securities, Research Division - Head of Research*

Yes, sure. And with Havis and Denise leaving in Q2, so then it should even be lower then from Q2?

Elaine Ong - *BW LPG Limited - CFO*

That's right. Although I would say that Havis is a really old ship, so there wasn't much left in her.



MAY 30, 2018 / 12:00PM, BWLPG.OL - Q1 2018 BW LPG Ltd Earnings Call

Eirik Haavaldsen - *Pareto Securities, Research Division - Head of Research*

No, I understand. And just the \$30 million of liquidity you mentioned from those ships, is that after debt repayment? Or is it gross?

Elaine Ong - *BW LPG Limited - CFO*

No, that is after debt. That's \$22 million, Lukas (sic) [Eirik].

Eirik Haavaldsen - *Pareto Securities, Research Division - Head of Research*

So can you just -- you're getting 20 -- how much are you getting in gross liquidity from those 2 ships in the second quarter?

Elaine Ong - *BW LPG Limited - CFO*

Eirik, I don't have the gross liquidity number on me, but I can try and pop you an email.

Operator

Your next question comes from Anders from Danske Bank.

Anders Redigh Karlsen - *Danske Bank Markets Equity Research - Analyst*

I was just wondering in terms of synergies. You mentioned some, but are there additional synergies that could be added beyond the \$15 million that you kind of suggest in your presentation?

Martin Ackermann - *BW LPG Limited - CEO*

It's very early days. We've been working on -- from publicly available numbers, and we think \$15 million, as I mentioned on the call, is a conservative number. But I think it's the number we should use for now. Do you have any other questions Anders?

Anders Redigh Karlsen - *Danske Bank Markets Equity Research - Analyst*

No, that was all for me.

Martin Ackermann - *BW LPG Limited - CEO*

Thank you.

Elaine Ong - *BW LPG Limited - CFO*

Thanks, Anders.

Martin Ackermann - *BW LPG Limited - CEO*

Yes. Sorry, I can't be more forthcoming on this, but we don't have any more detail at this point.



MAY 30, 2018 / 12:00PM, BWLPG.OL - Q1 2018 BW LPG Ltd Earnings Call

Anders Redigh Karlsen - *Danske Bank Markets Equity Research - Analyst*

That's understandable.

Martin Ackermann - *BW LPG Limited - CEO*

Thank you.

Operator

As there are no more questions in queue, we have come to the end of today's presentation. Thank you for attending BW LPG's First Quarter 2018 Financial Results Presentation. More information on BW LPG is available online at www.bwlpq.com. Goodbye.

DISCLAIMER

Thomson Reuters reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES THOMSON REUTERS OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2018, Thomson Reuters. All Rights Reserved.