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PRESENTATION

Jamie Buckland *- GasLog Ltd. - Head of IR*

I think, firstly, thanks everyone for coming. For those of you who don't know me I'm Jamie Buckland, head of Investor Relations here at GasLog, and GasLog Partners. We've got the full exec team here from both companies, as well as a number of our Board members. We've got Thor, who many of you know is our Head of Commercial, as well.

We'll be very, very happy to take questions at the end of the presentations. And there will be a break halfway through for anyone, for bathrooms and calls and things like that.

So to start the presentation, I'd just like to welcome Peter Livanos who, again, many of you know is the Chairman of GasLog Ltd. and our largest shareholder.

Peter Livanos *- GasLog Ltd. - Chairman*

Good afternoon, everybody, and thank you very much for coming to see us this afternoon. Some of the greatest fortunes in shipping were made in the 1950s after the Second World War. It was a time of boom for tankers. It was a time when the growth trajectory was the best it's been that we have seen. I'm thinking along similar lines as I look at the LNG business today.

We came to the stock market and brought you GasLog in March of 2012 with a business plan of 10 ships. A lot of the investors I've talked to, as I was going around the various cities in the United States that -- how are you going to grow this? What's your targets? Where are you going to go? And I said I would like to double this in five years. Well, we've done that, and we've done more than that. We've done it in 2.5 years.

You know, it speaks a lot to the platform that was created over the last 15 years of running LNG ships and owning LNG ships. It was a very, very solid and key launching pad for us to go forward. This is a business that has enormous potential to continue to deliver on growth.

And, frankly, with the balance sheet that Paul and Simon are managing today, and with the partnership that Andy is running for us, I'd be enormously disappointed if we weren't able to do that again and double this business in the next five years. Enormously disappointed.

You know, I'll go a step further and say I would be enormously disappointed in my management team if they weren't able to add a couple more ships with revenue this year. And I think they can do it.

It's an interesting time. There's a lot of nervousness in the air around energy and around oil prices. It's, in passing, interesting to me. However, this business was not built on that volatility. It was built on a solid foundation of relationships with great gas companies, such as BG, Shell and others, and around providing them with long-term service-related contracts. We've done that; continue to do that. We will continue to do that. It is on course.

And I'm very pleased to introduce you today to Curt Anastasio, who is the Chairman of our Partnership, a man who has been my friend for a number of years who I have known for well over 15 years, and who needs no introduction in the world of MLPs and partnerships.

Curt, maybe you want to say a few words. Thank you.

Curt Anastasio - ***GasLog Partners LP - Chairman***

Thank you, Peter. Well, as some of you know, I've been around the oil and gas industry for almost 30 years, in all aspects of it: upstream, midstream, and downstream. And I've had the privilege of knowing Peter for about 20 years, and gladly joined him when he mentioned that he was thinking of forming an MLP -- which, of course, we successfully launched in May -- and gladly took on the role as Chairman of this Board.

But prior to that, I spent over 13 years as the CEO of a midstream MLP which was one of the earliest of the current generation, I'll call it, of MLPs. We started working on it in late 1999; brought it public in early 2001 as a spinoff from a predecessor of Valero Energy, which many of you know is the largest refining and marketing company, refiner, in the United States.

And we started that with about $300 million of pipeline assets which were concentrated in Texas. And then we grew it to a $9 billion enterprise, operating throughout the United States and in eight countries around the world. And we had an average annual total return of about 30% per year in that business.

And in the current environment it's perhaps useful to remind ourselves that over that time period that I just mentioned, oil prices were everywhere from $10 to nearly $150 during that time, and had virtually no impact on the fee-based transportation infrastructure segment of our business in the MLP, which structurally is quite similar to GasLog transportation infrastructure business in the MLP.

And so one can foresee, at this early stage of GasLog Partners, the evolution of what's going to happen here as you go from drop-downs to internal growth to external growth projects, acquisitions. This is what happens over time. And I see GasLog Partners having lived that story as an exception -- really an exceptional sweet spot right now. You've got a drop-down pipeline that's far more robust than anything I had seen in the company that we grew over those 13, almost 14 years. And with years of drop-down cash flow in GasLog backed by long-term contracts with blue-chip credits, and essentially immune from commodity price fluctuations.

And on top of that, the Partnership's management is already in active discussions with third parties for acquisitions, which I'm supportive of. Because as I said to our CEO Andy Orekar, it's never too early to start building your target list if you want to build a great company. And I know our management wants to build a great company, keeping in the tradition and the success of the Livanos family.

And I would be -- to echo Peter's phrase, I would be very disappointed if those active discussions at the Partnership level don't lead to one or more accretive deals for the Partnership soon.

So, I'm excited. And in fact, I'm so excited to add it to my stock positions in both companies last week. Maybe it was a week too early, but I'm glad I did, because I do believe that we have the premier MLP in this space. We've got a first-class supportive sponsor, whom you all know. We have a clear and credible growth strategy. And we have a management team that I'm privileged to work with, and I think is second to none.

And so, speaking of management, let me turn it over and yield the floor to the CEO of GasLog Ltd., Mr. Paul Wogan. Thank you for your time.

Paul Wogan - ***GasLog Ltd. - CEO***

Thank you very much, Peter and Kurt. Welcome, everybody, to GasLog's second Capital Markets Day. I'm really pleased to be here with you today, and to share with you the vision that we have for the future of GasLog.

I'm going to spend some time going through the macro of the LNG market, and then linking that into how we think that impacts LNG shipping. Then I'll give an overview of the GasLog group. Graham Westgarth will then look at the operations, safety, and innovation. Andy Orekar will present GasLog Partners. And Simon Crowe will take you through the financing, and why we see real value in for investors in GasLog today. Following this, we'll have time for a question-and-answer session.

But before I do any of that, I'd like to just review what we've achieved since our Capital Markets Day last year. So, we've grown the overall fleet by 10 vessels. We ordered four newbuildings, and concluded two significant acquisitions with BG for six on-the-water vessels. And to finance these two transactions, we raised over $300 million of equity. We've continued to increase our contracted revenue base, which now stands at around $2.7 billion. And, in particular, I'm really delighted that we were able to launch GasLog Partners MLP which is at the heart of the group's future growth ambitions.

But perhaps the most important statistic on this slide is that while we have been achieving that growth, we've been running our fleet safely and reliably. We recently completed 11 million man hours without personal injury to any of our employees, and this is undoubtedly an industry-leading statistic. Safety, alongside quality and reliability, are hugely important to GasLog. And Graham will explain later why it's also important for our investors.

So we are unveiling today the GasLog 40:17 vision. A theme of today will be the growth opportunities that we see in the LNG shipping space, as the long-term secular growth trend in LNG is going to require many more vessels.

As a result of the many opportunities that we see, including some which are fairly imminent, we've developed this 40:17 vision, which is shorthand for our goal to grow our combined fleet of on-the-water vessels and newbuildings on order to at least 40 vessels by the end of 2017.

And then, what's this going to mean for our investors? Well, as we add new ships, we'll also look to secure additional long-term contracts, so they are eligible for the drop-down into GasLog Partners. That will increase the size of the Partners' visible growth pipeline. This, in turn, is going to mean enhanced cash distribution from the Partners, leading to higher LP, GP, and IDR distributions, which is going to create a highly compelling sum of the parts valuation for GasLog Ltd.

And our high level of contracted revenue and our desire to add to that, and our ability to add to that, means that we've got a low-risk business model with high growth and significant upside for our investors.

So I'll now present our view on the LNG industry, and I'll follow this up with how we see this influencing and shaping the LNG shipping industry. Much of the information that we have in this section is provided by Wood Mackenzie; and, indeed, Giles Farrer from WoodMac is here today. And he'll be available during the reception to answer any questions you may have on this.

So many of you will have heard me say this before, but while the 19th century for me was a century of coal, and the 20th century was a century of oil, I truly believe the 21st century is a century of gas. I believe this because gas is abundant. It's relatively cheap, and it's the cleanest and greenest fossil fuel.

Gas is predicted to take an increasing share of the global primary energy market through 2025, and here you can see a little green dot. It's got a compound annual growth rate forecast of around 2.5%. However, what's more exciting for GasLog is that demand for LNG is predicted to grow even faster -- this green dot here. Over that same period, it's forecast a compound annual growth rate of around 7%.

So, what does that mean for overall demand? Well, by 2025, we are forecasting 438 million tonnes of global demand for LNG. And what we've done here is in the red sections, we've highlighted that we believe this is going to be a global growth story. It is going to be driven by significant increases in demand, not only in China and the rest of Asia, but also in Europe. These additional molecules have to be put on ships and have to be transported, which is going to lead to increased tonne mile demand, increased need for shipping.

It's also worth noting, before we leave this slide, in the rest of Asia there at the bottom right includes India, which is expected to quadruple its demand for LNG over the next 10 years.

But I'd like to spend a little bit of time just focusing on China. We believe this is going to be a key demand driver for LNG. And just last month, the Chinese government published its Energy Development Strategy Action Plan. This set of targets for natural gas to make up at least 10% of the country's primary energy mix by 2020. Gas currently provides around 5% of the energy mix, which is here, 2013.

Allowing for the fact that energy demand in China is expected to grow by about 3.5% per annum, this equates to a target here by 2020 of around 300 million metric tons of LNG equivalent, 180 million metric tons more than we see today. And this is just to get to 10% penetration. This 477 million you see above would be what it would need, in addition to the 300 million, is what it would need to get to 26%, which is the OECD average for gas penetration.

As we look at this, there's been a lot of talk about Russian pipeline gas deals with China, and also Chinese shale gas. But even allowing for those two factors here, we still think there's going to be a shortfall of around about 100 million metric tons if China is going to make its target by 2020. And based on about 1.5 ships per million metric tons of cargo, that's a demand for around 150 vessels.

And on the bottom here, you can also see the regasification plants, either operational, under construction, or planned. And maybe by coincidence, maybe not, that equates to around about 100 million metric tons -- again, equivalent to around about 155 ships.

Now turning to supply. In the immediate future, the key new supply will primarily come from Australia and the US. And these are highlighted in red on this slide. And as we explain later in the presentation, we are confident these projects will get built and the cargoes will be shipped.

The new production from Australia starts in earnest in 2015, so it's just around the corner. And over the next few years, Australia is forecast to become the world's largest exporter of LNG.

The next big supply driver is, then, the US, the second of the major markets that we factor into our supply models, which currently has almost 0 production but is forecast to have over 100 million metric tons of production by 2025.

Demand for LNG shipping is a factor both of the total amount of LNG shipped and the distance it travels. The greater the distance, the more the requirement for ships. The average sailing distance from the US Gulf projects out to Asia, North Asia, around 9000 miles, going through the Panama Canal. And that's more than double the current average of LNG shipping distances, which is going to create additional demand for ships.

So, just looking at the US for a second, there is currently 35 million metric tons of capacity under construction, with another 25 million expected to take FID within the next 12 months. And as you can see, the proposed projects in the right-hand bar demonstrate the potential -- I stress potential -- for upside from US production.

But to put the demand into perspective, there's three US projects -- Sabine Pass Trains 1 to 4, Cameron, and Lake Charles will likely require a total of around 75 ships to service their requirements. And what makes US production even more interesting is, unlike Qatari LNG product cargoes, they don't have to be delivered to a predefined location. These cargoes will be attractive to a range of buyers, and we believe will create future trading opportunities.

So, given the recent fall in the oil price, we've been asked questions around the viability of new LNG production. So with apologies to those of you who heard this on our Q3 earnings call, here's how we see the next five years.

In Australia, the major projects are well under construction, and the CapEx is already largely invested. For example, Curtis, Australia Pacific, Gladstone and Gorgon are all due to start production before the end of 2015. Given the sum costs, we believe that these plants in Australia will be completed and will produce LNG that will need to be shipped. Whilst in the US, the new projects can be competitive even in the present oil price environment, especially where a buyer has committed to long-term take-or-pay contracts.

So in this table at the bottom right here, we've looked at the math. If you use a factor of 5.8 on the variable and fixed-cost section, this equates to an oil price equivalent of about $64. Whereas for those who have already committed to volumes on a take-or-pay basis -- so really we're talking about variable costs where the liquefaction cost is much less -- the oil price equivalent is around $50. So, we can't predict the oil price. We wouldn't even try to do that. But we do believe that the US LNG production is competitive in all but the most extreme scenarios.

So, to summarize on the LNG industry, demand is growing in this sector, and continues to grow, as is the number of suppliers and buyers. The new demand is remote from the supply, adding to tonne miles. There will be additional trading opportunities created in this market, especially from US production. And LNG trade is sustainable in a lower price oil environment.

So, what does the long-term secular growth and the new trading dynamics in LNG mean for the LNG shipping industry? Some of you will probably have seen this data before. We used it at the time of the MLP IPO roadshow in May -- Clarkson's data. And they're forecasting, given the LNG projects are either being built or forecast to be built, the LNG shipping order book will be short around 187 ships through 2020.

To put this into context, assuming a cost of around $210 million per newbuilding, this is an investment of around $37 billion which is needed in new ships through to 2020.

As LNG shipping has significant barriers to entry, established operators such as GasLog, we believe, will play a key role in providing this investment and in building these vessels.

And just one thing to note, this doesn't include any scrapping. We've already seen three ships scrapped this year. And with another 20 ships in the global fleet that were built pre-1980, we expect to see further scrapping in the coming months. So, that's Clarkson's view.

And what we at GasLog did was say, well, let's look at our own, if you like, conservative scenario. This scenario only assumes six US projects go ahead. We have them here in the middle of the table. These are namely Sabine Pass Trains 1 to 5, Cameron, Freeport, Lake Charles, Cove Point, and Corpus. They have a combined nameplate capacity of 82 million tonnes per annum. But in this conservative scenario, we are only assuming that they are producing around 60 million tonnes per annum by 2020.

And then on the top right hand side of this slide, we've included the Australian projects that we expect to come on stream. And I talked about the sunk cost, the sunk CapEx, and why we believe these will be built. A lot of this is coming on in the near-term. Curtis starts before the end of 2014. And Australia Pacific, Gladstone, and Gorgon are all scheduled to commence production before the end of Q3 2015. And with these additional volumes, we believe there will be a tightening of tonnage supply and demand balance through 2015.

So, under this conservative scenario, we still estimate there would be a need for an additional 90 vessels alongside the ones that are on the order book at the moment. And given the opportunities that we see right in front of us today mean that we believe that even if this conservative scenario came to pass, we would be confident to meet our 40:17 vision.

This slide shows the development of the order book over the last few years. During the peak of ordering here, in 2007, 2008, we saw new entrants coming into the market. But this time around, this hasn't been repeated. We've also -- we've seen almost no new entrants coming into this market since 2011, which I think talks to the barriers to entry that we see in this business.

What's interesting is, given the Australian production due to commence in 2015 which I have already spoken about, here in 2015 the newbuildings, only six of those 29 ships are actually unfixed, which again talks to our view that we will see a supply and demand balance tightening in 2015.

It takes roughly 3 years from ordering to take delivery of an LNG carrier. So, basically, the order book for 2017 is more or less finished with. We may see a few small additions to it. Therefore, if we do need 187 ships which Clarkson's are forecasting, we are going to need to produce around 55, 60 ships a year in 2018, 2019 and 2020.

When the Qataris were ordering for their production here in 2007 and 2008, the most we saw built in that year was 50. And now, whilst we don't subscribe to the shipyards being a bottleneck for ships, this figure does emphasize two things. It emphasizes the magnitude of the investment that's going to have to be made, and the amount of ships which the shipyards are going to have to produce.

We touched earlier on the increasing tonne mile demand in the LNG industry, and the graph on the right here shows this. There's been an increase of 36% since 2000 in the average distance for an LNG trade. It's now around 4200 miles. And compare that with US Gulf out to Asia of 9000 miles, which is the new production that's coming on in the US.

We use a metric of around 1.5 ships per 1 million metric tons of LNG, based on historical data. However, due to the greater distances involved, it's likely that the number of ships required to export 1 million metric tons of US LNG will be closer to 2.

And the graph of the left here shows how the number of trade routes are increasing as more countries export and more countries import LNG.

Within GasLog, we talk a lot about how we see the LNG shipping market today knowing what happened in the oil tanker market in the 1950s. And Peter alluded to that a little in his speech. At that time, the oil majors controlled the oil production, transportation, refining, and distribution. And then you either owned the vessels or long-term chartered them. And in the way that the oil market started to fragment and gave opportunities to traders and independent shipowners, we see the same dynamics playing out over time in the LNG industry.

In the oil industry, the additional optimization of price-driven arbitrage created increased tonne mile demand. And we believe similar dynamics will increase tonne mile demand for the LNG shipping in the next few years. And I think we are already starting to see that dynamic in action.

The shorter-term market for shipping, LNG shipping, is continuing to grow. We estimate it's currently around 15% of the overall market, up from around 5% to 6% a few years ago, five years ago. And whilst we don't want to read too much into short-term statistics, we've been encouraged by the increased activity in the short-term market.

In the last few months, the number of short-term fixtures concluded is up over 150%. And this is a trend -- this only goes to October -- it's a trend which has continued in November. We've seen a record number -- I think it was 17 fixtures done in November, as I said, which is a record for that month. So this is a continuing trend at the moment. And also, as noted in the top chart, we've seen the rates pick up markedly from the summer.

So we believe the increasing depth and liquidity in the short-term market offers an alternative for our open ships. We've got two ships coming open: one in December, one in February. That means we don't have to be price takers in the long-term market. What it does is it allows us to decide when and at what price we wish to lock in our ships for longer-term charters. And because of our platform and operational excellence, we are able to trade our ships successfully, as we've shown with the GasLog Chelsea, in that short-term market.

It's also worth pointing out that in anticipation of the US export tender activity, the amount of tenders for new vessels for long-term charters has also been increasing. We see around five tenders at the moment, either open or about to come to market, looking for around 40 to 50 ships. So it's not just liquidity in the short-term market. We are seeing people positioning themselves for these export cargoes from the US that we've been talking about.

So in summary, on the LNG shipping, we believe in the long-term secular growth trend in the LNG industry; and, based on that, the growing requirement for new LNG vessels. Australian production will commence in earnest in 2015, with the first US production starting with significant volumes in 2016. The order book, according to Clarkson's, is materially undersupplied with about 187 vessels required through 2020.

And we believe the barriers to entry, the significant barriers to entry in the LNG shipping, mean there's going to be established players such as GasLog who will be able to take advantage of the additional need for ships.

We also believe the trading of LNG will continue to increase, especially as the US starts to export cargoes. This will lead to increased tonne mile demand; and, hence, increased demand for LNG shipping. And with our experienced operational and financial platform, we think GasLog is well placed to take advantage of these changing market dynamics.

So, having looked at the industry fundamentals, in the rest of the presentation we will be explaining why we think GasLog is best placed to take advantage of the undoubted opportunities that we see.

First, a quick recap: GasLog listed on the New York Stock Exchange in April 2012; two ships on the water, eight on order. Today we have 15 vessels on the water and 10 on order. We now have a global presence and a high-quality operational platform with over 1100 employees.

We've got fixed contracted revenue of $2.7 billion. And I think we've demonstrated this year, through the equity and debt raises at GasLog Ltd. and the launch of the MLP that we have access to a variety of sources of cost-effective capital.

The GasLog Ltd. and GasLog Partners' consolidated fleet is one of the most modern on the water. It's about 4.4 years average age with the 15 vessels that we've got today. And we've built this fleet through a combination of ordering newbuildings, acquiring assets from oil and gas majors, and purchasing distressed assets at attractive prices. And you should expect us to do more of the same in the future.

You've also seen us, in the past, growing the fleet through declaring newbuilding options. And so having options with shipyards, as we have here, will also continue to be a part of our preferred strategy.

We've built our long-term fixed revenue primarily through our relationship with BG and Shell, who don't need any introduction. They are two of the leading players in the LNG industry. What is important, though, to remember is that with our contracts, they are with the customer, not individual projects. Which means the hire is not on risk if there's a problem with delayed startup or downtime on a project. We are actually fixed to the companies themselves.

But we've also been pleased with the performance of the GasLog Chelsea, the one vessel we've been -- so far we've been trading the short-term market. Our vessel has been on charter almost continuously since we took delivery in September 2013; and, in fact, just got rolled over by PNG, which is ExxonMobil, at a rate quite a lot in excess of the market rate because of the service that we've delivered. She served all the customers that you've highlighted at the bottom slide. And opening the door to a number of new and potentially long-term partners such as Exxon Mobil has been a great thing of having that ship trading in that spot market.

So as I advised in my opening remarks, the GasLog 40:17 vision is shorthand for our ambition to grow the fleet to at least 40 vessels, either on the water or on order by the end of 2017. We'll do this through newbuildings, preferably with long-term contracts against them, and purchasing existing on-the-water vessels, again looking for long-term contracts against them as we did with the BG acquisitions we made last year.

But I'd just like to really stress that whilst you'll hear us talk a lot today about the growth opportunities, and it's a central tenet of our strategy; we are not trying to build an empire where expansion comes at the expense of profitability. We'll only grow the fleet where we see attractive and accretive opportunities that benefit our shareholders. And given the developments we are presently seeing, and the ongoing negotiations in which we are actively involved, we feel confident we can replete the fleet growth that we've achieved over the past 2.5 years.

We think M&A will be an important part of that growth. We believe that there will be a continuing trend, and it will probably be emphasized even more with a lower oil price. The oil and gas majors will reallocate capital to their core business and out of shipping, and we are in active dialogue regarding such opportunities.

We also feel there will be an opportunity to consolidate the fleets of some of the smaller owners. And with the GasLog Ltd. and GasLog Partners combination, we are now able to look at a wider range of deals. There are some opportunities that have only been made possible by having GasLog Partners. And Andy will explain more about this in his presentation.

GasLog Partners is also set to play a major role in funding the 40:17 vision. As we explained at the time of the IPO, the reason for creating the MLP was to provide the capital we needed to accelerate the growth of GasLog in what we believe will be strong LNG markets.

Dropping the ships into the MLP releases capital to GasLog, which in turn allows us to order new ships. As we either order vessels against long-term contracts -- which you've seen us do last year with four ships with BG, or we put long-term contracts against existing vessels, which I'm sure you will see us doing in the near future -- these assets can then be turned, and in turn be drops down into the MLP.

This creates additional liquidity at GasLog Ltd., which then creates a virtuous circle where we can start to invest that capital again. And all the while, this creates exceptional value for GasLog Ltd. as we get increased cash flows from the IDRs and a premium valuation for the GP.

So, in summary, we see significant growth in the global fleet for the next five years at, least, and beyond that, especially as new projects start in Australia and the US. And based on this growth, our aim is to have at least 40 vessels by 2017.

Not only do we have a proven track record of growing this business, we now have the additional flexibility of the MLP to help us deliver on those future growth targets. We believe this creates a compelling investment proposition at both GasLog Ltd. and GasLog Partners. And Andy and Simon will take you through that later in the presentation.

And with that, I would like to hand over to Captain Graham Westgarth, who will explain how we at GasLog differentiate from our competitors in terms of our safety, quality, reliability, and service.

Graham Westgarth - ***GasLog Ltd. - COO***

Thank you Paul. My name is Graham Westgarth, and I'm the Chief Operating Officer of GasLog. Let me apologize for not bringing my parrot along today (technical difficulty). It's not often that I am actually let loose on investors, so it's a real pleasure for me to be here today.

My role is really to cover what we and our customers consider to be key elements in ensuring a safe, reliable, efficient operation, and in turn the value that actually is provided to investors.

So let me start by safety. Safety is one of our core values. It's ingrained in everything we do, either onboard or ashore. The reason we give it such importance is twofold. Firstly, we have an obligation to ensure that, in conducting operations, our staff are not injured in any way. We have a saying in the organization that everyone in our company has the right to go home safely. We truly believe this to be the case.

Secondly, when we talk to our customers, the first question they typically ask is what is your safety record? We do this for two reasons. One is to gauge where safety lies in our list of priorities. And the second, because both they and we recognize that while cargo is being transferred in our vessels, we are managing their transportation risk. And the last thing they want is some form of accident which could potentially damage their reputation. In essence, we are managing their brand and ours.

On this slide, you can see a few statistics related to our safety performance. There are three key points I would like to make in this respect. One, and Paul mentioned this earlier, we've achieved over 11 million man-hours without a personal injury of any kind. We are very proud of that. In my 40-plus years of experience within this industry I've never seen an achievement in a safety sector such as this, so it's very material to us.

Secondly, you can see from the graph on the right how we compare against an industry benchmark. Again, our performance is exceptional.

And thirdly, you'll note that, in our long period of construction in the shipyards, we have yet to have a personal injury to any of our on-site staff. Again, we consider this to be an outstanding performance, especially when you consider the relatively hazardous nature of shipyards.

The second question we're asked after safety concerns reliability. And the reason for this is that in essence we are a fundamental part of the gas delivery logistics team, and failure to deliver a cargo on time can have significant commercial consequences to our charters.

From my perspective, reliability comes in two parts. Firstly, you need to ensure that the hardware you are using is fit for purpose. The three elements that define this are good design, first-class equipment and suppliers, and a strong focus on quality control. In our case, we believe we tick all three of those boxes. We work with what are arguably the two best and most progressive shipyards in the industry in Samsung and Hyundai. Both have excellent design teams and a long track record of delivering high-quality vessels.

Our key suppliers are experienced and have a first-class reputation as producers of quality products. These include companies such as Wartsila, Kongsberg, EPV.

And then from a quality control perspective, you can see from this slide that we had had a constant presence in this yard for the last 12 years, typically with a team of around 20 experts. In that time, we have so far delivered on time and on budget 20 vessels with another 10 currently under construction.

The second element of providing a reliable service is through how you operate the vessels. In our case, we have invested heavily in ensuring that we have state-of-the-art systems and processes. We are at the forefront of online remote monitoring of our machinery such as engines and propulsion. This enabled us to predict potential failures and also manage our maintenance so that it is carried out when needed as opposed to using time or hours based criteria.

As you can see, the result of building good ships and operating them using the latest techniques and tools has resulted in 100% uptime from 2010 to 2013. The two other key elements relate to providing such reliability are experience and competence. Let me take each of these in turn.

You can see from the slide that since our inception we have made 2,000 port calls, visited 88 terminals in 33 countries and safely delivered over 64 million tons of LNG. I don't believe there are any of our competitors who have anywhere near this specific experience, and I can safely say it's highly valued by our customers.

Turning to competency, in my view at least, the most important ingredient in delivering a first-class service is related to competency, both on board ashore. Taking our shore-based organization first, you can see on this slide what I consider to be some outstanding statistics. We have over 1,000 years of combined shipping experience. 400 of those years are seagoing related. And my colleagues reminded me yesterday that most of that fell on my shoulders. And then 62% of our workforce have a postgraduate degree or higher.

What isn't mentioned here is our retention rate, which currently stands at around 96% historically and for 2014 is currently running at 99%. So what I can say is that the combination of experience, competent, committed and well-educated workforce provides us with a real competitive advantage within this industry.

So when we look at our seagoing workforce, of which there are close to 1,000, it's a similar picture. Again, there's a high degree of experience with the large majority of our seafarers being with GasLog since its inception. We've also invested heavily in recruiting and training cadets in offices so that we can ensure we have sufficient qualified and experienced personnel to meet our future growth plans. We think this is vital, as there will undoubtedly be a shortfall of skilled personnel in the very near future as more LNG vessels deliver. And again, as you can see, we have retention rates at our offices of around 93%. So in essence our operational platform is robust and scalable and it provides us with the ability to take advantage of the growth opportunities Paul referred to earlier.

Let me talk a little bit about innovation. One of the most important elements our customers consider when awarding business is the overall cost of delivered LNG molecule. In reducing innovation which improves this in any way is highly valued. So within our industry, great strides have been taken in terms of improving this metric. And we would like to think that GasLog has been at the forefront of driving such improvements. In this regard, we have a dedicated newbuild technology and innovation group who have a number of ongoing projects which include retrofitting energy-saving devices, such as saver bins and propeller boss cap fins. I won't bore you with explaining what they are, but typically they provide between 3% and 5% energy efficiency to existing assets.

We are also involved in a project with BNV industry partners, the classification is DMV, Hyundai heavy engineering and the membrane manufacturers GTT looking at the next generation of LNG vessels. This involves researching whole ships, rivet profiles, propeller designs, membrane systems and engine technology.

Just to dwell slightly on engine technology, recently introduced into the industry is the two-stroke technology as opposed to the four-stroke that we've been building over a number of years. And just so you'll understand the consequences of this, the two-stroke engine is something, it's close to 20% more efficient than the four-stroke engine. So if you have a 174 that actually burns 120 -- 174,000 cubic meters that burns 120 ton of fuel a day, if you use a two-stroke, it could conceivably use 100 tons of fuel going forward. This type of initiative is highly valued by our customers because it's a physical demonstration that we are prepared to invest in projects which potentially improve the economics of the industry.

So finally, and to summarize, we firmly believe that our focus on safety, reliability through new building and operations, experience, competence and constantly seeking to improve means we will be able to continue to fix our vessels on good charters with first-class customers. And from an investor perspective, our approach to operations ensures preservation of existing value by providing safe and reliable service, and enables future value through a focus on building vessels where we adopt value added designs and technology. Thank you.

Jamie Buckland - ***GasLog Ltd. - Head of IR***

So we're going to take a quick break, 20 minutes. If everyone could be back at 3:25, that would be great, and we'll crack on with the MLP and the finance section. Thank you.

Hello. I think we're going to get started again. Drumroll please. For the next section we've got Andy who's going to talk about GasLog Partners, and then Simon will finish off with the finance section and then we'll have a Q&A, and then we've got drinks for those of you who can stay. So Andy, over to you.

Andy Orekar - ***GasLog Partners LP - CEO***

Thank you Jamie. I realize that my section did not have a very evocative title, unlike some of my colleagues here. So let me spend a minute, I'll tell you what we are going to discuss for the next several minutes.

First, we're going to cover how we are structured and the relationship that GasLog Partners has with GasLog Limited. Two, we're going to talk about what we've achieved since we met with many of you during our IPO process. Three, we're going to talk about how we plan to grow the MLP and increase distributions for our unitholders. And lastly, I'm going to spend a minute on how we are valued today in the market and why we believe that a significant valuation re-rating opportunity is ahead for GasLog Partners.

On Slide 41, I'm very excited spend some time reviewing our story and why we believe it is a compelling opportunity today for you to co-invest in GasLog Partners alongside GasLog Limited. Before we look forward and talk about our plans for future growth, I wanted to spend a minute discussing what we've accomplished in our short history as a publicly traded partnership.

Since going public in May with three ships on the water and a $420 million market cap, we've achieved 100% vessel utilization with zero downtime across our fleet. We've acquired two vessels in our first drop-down transactions for $328 million. And we've refinanced all of our outstanding debt with a single facility that extended our maturities and is nonrecourse to GasLog Limited. In total, we've raised over $800 million in new financing in just seven months, all of what we believe are attractive cost of capital. This capital has laid the foundation for our acquisition growth strategy that I will talk about today.

For those of you new to our story, I wanted to spend a minute on our ownership structure and the relationship between these two public companies. As you can see from the bottom of this slide, GasLog Partners fully owns a fleet of five modern LNG carriers, including the methane Rita Andrea and methane Jane Elizabeth, which we acquired in our first drop-down acquisition in September. Following this acquisition, our fleet is currently generating $98 million in EBITDA on an annualized basis.

As you can see from the diagrams, the public owns 57% of the partnership's common units with GasLog Limited owning the remainder. GasLog Limited also owns 100% of our general partner and IDRs, or incentive distribution rights. Simon will illustrate the value of the IDRs for you in our next section.

Finally, while we are a partnership, we have elected to be treated as a corporation for US federal income tax purposes. As a result, investors in GasLog Partners receive Form 1099s for tax reporting and not K-1s, which we believe is a positive differentiator for us versus most other MLPs as K-1s are typically more complex for investors to prepare.

Turning to Slide 43, we established the MLP with an objective of best in class corporate governance and shareholder alignment with GasLog Limited. Curt and I and the majority of GasLog Partners directors are independent of GasLog Limited and collectively we have a significant amount of relevant industry and transaction expertise which is particularly relevant for an MLP like ours who's strategy is driven by acquisition. As part of the omnibus agreement between the two companies, we have a right of first refusal to acquire any GasLog Limited vessel with charter length of five years or more. Note that this is our right, not the obligation, and the complex committee of our board, which consists entirely of independent directors, is responsible for approving such transactions.

Most importantly, there is a strong and lasting alignment of interest in investors between the two companies. In addition to our general partner, GasLog Limited owns 43% of our common units, including all of our subordinated units. These subunits do not have an early conversion feature which has become very common in recent MLP IPOs, and accordingly they will remain subordinated for three years following our IPO.

In short there is clear alignment between GasLog Limited and GasLog Partners shareholders. Simply put, what's good for one is good for the other.

Turning to Slide 44, I thought it would be helpful to elaborate on Paul's comments regarding our long-term contracts and the nature of our revenues. We think this is particularly relevant in light of today's current volatility in the energy markets. At GasLog Partners, our revenue is comprised entirely of fixed fee contracts at daily hire rates. The contract is effectively take or pay for those of you who are familiar with that type of structure. We take no energy commodity price risk and our contracts are with the producer, not a project, so we do not have any exposure to a specific liquefaction project.

In addition, because our revenues are based solely on daily rates, there's also no volume risk, so we are not exposed to a certain gas field or region reducing its production output. Our fleet of five vessels has an average remaining charter length of 4.2 years from today and as Paul discussed earlier, our fleet is on charter to the leading global players in LNG, in our case BG Group, an A-rated counterparty with a $50 billion market cap.

Finally, our charters include options that would extend our average duration to 11 years. Should our charterer not extend these options, we are very comfortable with our rollover risk as our contracts feature staggered maturities and expire on what we expect will be very attractive market for LNG shipping demand.

On Slide 45, I wanted to take you through our growth pipeline. And just as a reminder, GasLog Partners has a right of first refusal to acquire any GasLog Limited ship with contracts of five years or longer. Accordingly, we have five ships in our fleet today with a further 10 available for drop-down, all of which are on long-term charter. We describe these 10 vessels as option vessels, and they are listed here under the light blue header.

In the total GasLog fleet of 25 vessels, there are an additional 10 vessels that over time will become eligible for drop-down if they are placed on charter for five years or more. This group is represented by the header "Further Parent Assets" in navy blue and extents our visible pipeline of assets and cash flow to grow the partnership.

We have been added on the right to GasLog 40:17 Vision that Paul described for you in addition to our existing pipeline which is listed on the right-hand panel of the slide. You can see that GasLog vision 40:17 adds an additional 15 ships on top of the 20 existing vessels in our pipeline, adding even greater visibility to our distribution growth into the future. We believe that even prior to today's introduction of the GasLog 40:17 Vision, GasLog Partners offers multiple years of visible and low risk cash distribution growth.

As Curt mentioned in his introduction, we have already delivered significant growth in EBITDA and aggregate cash distributions ahead of our IPO forecast. In our first full quarter, we have grown our annualized EBITDA by over 60% and our planned aggregate cash distribution by over 40%, including our intention to increase our LP distribution by approximately 15% for the fourth quarter of 2014. This growth is primarily driven by the recent acquisition of two vessels, as well as our strong underlying operating performance.

So, we are outperforming our expectations at IPO, and we believe we offer investors a continued superior distribution growth opportunity, and that growth can be sustained for several years to come. Our first drop-down acquisition is expected to generate 15% accretion for the fourth quarter of 2014, and we continue to believe we can deliver a 10% to 15% CAGR from the forecast we provided you at IPO. We believe there is additional upside to this growth rate should GasLog Partners yield trade in line with other MLPs who offer similar rates of sustainable distribution growth. I'll talk about more of that in a minute.

Finally, at approximate 4.5 times debt to EBITDA today, we have modest leverage relative to our peers in LNG shipping. We have significant financial capacity for additional acquisitions, including acquisitions of third-party assets that would be additive to the pipeline I just showed you. We feel we have the balance sheet in place today to aggressively pursue debt-financed acquisitions and are actively evaluating multiple opportunities.

Turning to 48, to illustrate further our confidence in the 10% to 15% growth rate over our IPO forecast, we have highlighted in more detail what our current fleet of potential drop-down vessels can offer investors. As you can see from the graph on this slide, we believe the current GasLog Limited fleet provides a visible path to 10% to 15% growth for several years to come. GasLog's 40:17 vision creates an opportunity to extend this drop-down schedule by multiple years while also potentially accelerating our growth rate should our pipeline be further extended by the third-party acquisitions I just mentioned.

Importantly, GasLog's Vision 40:17 gives us optionality to either extend our annual growth trajectory or accelerate growth on a yearly basis, depending on which alternative is most optimal for our equity value and can sustain future growth.

In addition to the growth trajectory I just described, we also believe there is a significant valuation re-rating ahead for GasLog Partners, which in turn should positively impact evaluation of GasLog Limited on a sum of the parts basis, as Paul has touched on and Simon will take you through in much more detail shortly.

We think it's important that investors place GasLog Partners in the right context. We truly see ourselves as pipelines on the water and a critical component of the global midstream energy infrastructure. This graph plots the current distribution yield and the expected distribution growth for GasLog Partners at approximately 80 of our MLP peers. Please note we've excluded the variable distribution MLPs, the upstream MLPs which we believe aren't comparable due to their greater cash flow volatility. And so we've tried to produce a truly thoughtful and intellectually honest set of peers for you to consider.

Now, I realize there are a lot of dots on this slide, but to summarize, GasLog Partners, which is listed here as the large orange dot, is truly undervalued on a yield basis relative to its projected growth rate. These growth rates are all publicly available, provided by Wall Street research analyst projections through FactSet. The best-fit line on this chart suggests that, given the growth we offer investors, GasLog Partners to trade at an approximately 4% yield. In fact, as you can see, there are many other MLPs that offer approximately 15% growth and in fact trade below a 4% yield.

We realize we can't control our trading yield or valuation multiple that the market chooses to apply to us, but we clearly offer a superior growth profile than many other MLPs that trade at a similar yield. To put it another way, we trade at a significant higher yield than many other MLPs who offer a similar rate of growth. So what does this mean?

As this slide shows, we believe GasLog Partners offers investors a top-quartile total return opportunity. This chart, taking the same group of 80-plus comparables, shows the simple total return defined as today's current yield plus the expected compound annual growth rate and LP distribution through 2016. Again, these are all public numbers that we have taken from analyst projections through FactSet. You can see that the average expected total return is about 12% to 13%, While GasLog Partners and others in the top quartile of the MLP sector are expected to deliver in excess of 20% total return. We believe this compelling total return opportunity should translate to a lower yield for GasLog Partners over time.

Finally, and I promise this is the last numbers slide, to take our analysis one step further, this chart demonstrates the significant potential upside to our unit price should GasLog Partners trade at a yield commensurate with its growth rate. What we've simply shown here is our initial IPO forecast distribution, which you could find in our prospectus, of $1.50, and then what that distribution would be if we were to grow to at a 10%, 12.5% and 15% compound annual growth rate.

As an illustration, we've also shown higher growth rate of 17.5% should we be able to accelerate our growth through GasLog's 40:17 vision or the third-party acquisitions I mentioned, or a combination of both. You can see that even at our current yield of 6%, this growth implies an approximately $35 unit price for GasLog Partners, which is more than 35% higher than where we trade today. Should we trade at 5%, the yield center is in excess of $40 per unit, and if we were to trade at a 4% yield, which, again, from the earlier scatterplot demonstrated consistency with the MLPs offer at similar rate of growth, our value center is in excess of $50 per unit. Of course, we recognize the yield that we trade at is simply a function of our growth and the market's belief in the sustainability of that growth, but we believe the drop-down pipeline we have presented as well as today's introduction of GasLog 40:17 provides a visible, low risk portfolio of cash flows to support our growth.

Given our business model is growth through acquisition, the lower our trading yield, the more accretive each acquisition can become. We believe that our distribution growth merits a lower yield, and that lower yield can have a compound effect of potentially increasing our growth from the same acquisition pipeline. While we do not expect our units to be valued at 4% overnight, even the 5% and 6% yield growth show a substantial undervaluation from where we trade today.

So, to conclude, GasLog Partners has delivered strong operational and financial performance, and we have outperformed our IPO growth projection. We have successfully completed our first drop-down acquisition only four months after the IPO and expect to deliver 15% growth in less than one full year, all while maintaining balance sheet capacity for more acquisitions. Our low risk cash flow stream is supported by long-term contracts and we have significant visibility for multiple years of growth. We believe this growth can be further enhanced by today's introduction of the GasLog Vision 40:17, which would give us an additional 10 vessels for a total of 35 potential drop-down candidates.

Finally, we believe there is a significant valuation re-rating opportunity ahead based on how our growth is valued at peer MLPs. A re-rating of our yield can further accelerate our distributions as it reduces our cost of equity capital and enables us to acquire vessels on more accretive terms. Simply put, if the market gives us a lower yield, we can deliver more growth.

With that, I will hand over to Simon to take you through our combined financial platform.

Simon Crowe - ***GasLog Ltd. - CFO***

Thank you, Andy. Good afternoon to you all. I want to tell you a little bit today about where we've been, where we are going, and what we are worth. So those are the three things I want to try and cover in the next few minutes. So Peter and Paul have already reminded you about our track record since the initial GasLog Ltd. IPO. We've come a long, long way since 2012. At our last Investor Day I set out some of our plans and ambitions, and I think you'd agree or hope you'd agree that in the short space of time we've delivered on those plans and realized some of those ambitions. And I'm personally very proud with what we've achieved. And I love this business. I think it's a great business and it's got a great future.

So putting it to numbers, as Paul talked about earlier, when we IPO'd we had about 10 vessels in the fleet and only two on the water. And fast-forward to today, and we've got 15 on the water and another 10 in the yard coming out very soon. It's an increase of 15 ships in two years. I think that's pretty remarkable.

And what has our growth meant financially? Well, you can see here on the slide, you can see that our contracted days are up nearly 130%. EBITDA is more than eight times higher and our market cap has increased quite significantly. So a lot of profitable growth added in a relatively short space of time. I think you'd all agree 2014 for GasLog has been a busy year for us. We've raised over $1.8 billion of capital. And as Peter keeps reminding me, the year isn't quite over yet.

We will also draw down on a further $300 million in total by the end of December for the finance facilities on the two ships that we've delivered in 2014. So in the first half of the year, as you can see here, we raised over $650 million of debt on the 16 ships we bought from BG, along with over $300 million of equity at GasLog Ltd. We were also able to raise a further $500 million NOK on our Norwegian bond, which we were able to get away at just under 6%, which I was very, very pleased with.

The second half of the year was really a story about GasLog Partners. Firstly, the IPO, which was very, very well received; then our first two-ship drop-down coming in September, which, again, was very well received. And it was ahead of our initial expectations at the time of IPO. We have also been able to simplify the GasLog Partners capital structure with a single $450 million facility, which we announced a few weeks ago. We think the fixed costs there and the 20-year amortization profile are a good reflection of the confidence that our lending banks have in GasLog and the wider LNG sector. So I was delighted with that facility.

So it's been a very busy and a very fruitful year. And I, for one, see very similar opportunities ahead. This slide sets out our newbuild CapEx profile. We've got 10 ships being built currently. And as you can see, the payments are very backended with the majority of the cost being due on delivery. We have already got financing in place for Gas 9 and 10 that are being delivered in the next few months and expect to have finance in place on the eight newbuilds delivering in 2016 and 2017, in the first half of next year. Our discussions with banks on the Korean export credit agencies are progressing very well. And just as a reminder, four of those ships have over $1 billion of associated contracted revenue on them. So, I think we're in good shape there.

And as it stands today I think we expect unfinanced element of these ships to be met with internally generated cash flows with no need for additional GasLog Ltd. equity. So, I think we are in pretty good shape.

So the capital structure -- here you can see it laid out for GasLog Ltd. Our net debt at the end of the quarter, end of quarter three, stood at about $1.6 billion. That was broken into about $1.1 billion for GasLog Ltd. and about $450 million at GasLog Partners. And you know we continue to consolidate GasLog Partners into GasLog Ltd.

Our policy has been to swap the long-dated debt into fixed rates. And at the moment about 60% of our debt is hedged at around 4.5%. We plan to continue to hedge what we see as quite attractive rates at the moment. So most of our debt is long dated; there is no real need to refinance in 2015. However, we will look at the shorter-term maturities -- you can see that white bar -- in 2016. And it's likely that next year you'll see a repeat of the recent GasLog Partners facility to help facilitate the plans drop-downs going forward. So there will be some refinancing, I expect, there in the debt markets next year.

In terms of overall leverage, well, the base case delevers the balance sheet as we drop down vessels to GasLog Partners. And I think building the capacity to take advantage of opportunities as we see them is very important to us. We want to be ready to move quickly. When the fleet is fully delivered, the consolidated GasLog Ltd. debt to cap will be less than 60%, giving us a capacity of well over $1 billion. So you can see our capital structure has evolved nicely over the last 18 months, and we expect it to continue to develop as we execute on opportunity going forward.

Turning now to dividend and distribution policy, something that a lot of you in this room, I know, are very interested in, we see GasLog Ltd. and GasLog Partners as being two distinct vehicles from a cash distribution perspective. GasLog Ltd. is our growth vehicle. Our aim is to increase dividends progressively, in line with what we've done previously. And the focus here is on capital growth. One option we have is to link the dividend to the MLP cash flow. And as we mature, we will continue to evaluate this going forward. GasLog Partners is our yield vehicle, growth and yield together giving total returns to investors. And we are all aligned and motivated on hitting our stated 10% to 15% compound annual growth rate of LP distributions per unit for the foreseeable future. We've already hit our 15% growth target for this year, so we are pretty happy about that. And we've got a very good pipeline of drop-downs today and we hope to have an even better one in the future.

So in summary, the way I like to think about it is -- and here's the commercial. But buy GasLog Ltd. for superior capital appreciation driven by significant GP value creation and a growing fleet position in an attractive LNG shipping market. And buy GasLog Partners for high and stable annual cash returns driven by visible growth and cash flows from LNG carriers operating under long-term contracts.

So now on to the 40:17 Vision. Paul laid this out earlier in his presentation. Now, just to clarify, this is really about us maintaining our market share. We see the fleet expanding; there are about 400 vessels in the fleet today. We see that expanding by 200, 300 vessels. You could get even higher if you take some of the forecasters. But let's just focus on the 40:17 Vision. It's about maintaining our market share.

We've had a good think about it, and it's not ordering ships on spec. We can think about the customers that these additional 15 ships will go to. And we are still very much focused on the long-term contracted market. So we think this is a pretty reasonable place to be. And we've already grown by 15 ships. I see no reason why we can't grow by another 15 ships and some more, perhaps.

So, we've added these 15 ships in the last few years, so we proven we can do it. And we believe we can do it again. The operations and the financial platform are far more developed now than in 2012. And Graham outlined earlier our superior operational track record. We believe that we are one of the very few independent operators that has both a strong operational and financial platform.

For me there are three key pillars to this financial platform. Firstly, a secure cash flow; secondly, the MLP to support that growth; and thirdly, access to competitive financing. I'm just going to touch on each one of those now. So first, the contracted and committed days, a key to our stable financial platform -- we have over $2.7 billion of firm revenue going out to 2026. The option days are worth around $3 billion. So together that's nearly $6 billion of firm committed revenue. And as Paul discussed earlier, when our firm period start to expire we think we are in a great part of the cycle to either take advantage of good rates or get the charter renewed by our customers. I think we've got the balance about right, and this is very key to our strong financial platform.

Secondly, GasLog Partners. Andy took you through the development of that just now, and this really does provide another engine for growth at GasLog Ltd. as we drop down ships into the MLP. It's a virtuous cycle. GasLog exercises on newbuilds and purchases ships. It secures long-term charters. We execute on long-term financing. We take delivery, and then we drop these vessels down from GasLog Ltd. into GasLog Partners, providing further growth capital to expand the fleet. This completes the cycle. And having access to this MLP capital is key to our strong financial platform.

The final pillar is sourcing cost-competitive capital to ensure we are driving down the cost per molecule delivered to our customers. It's another cost. Just stepping aside a minute, I joined GasLog about two years ago. And over those last two years I've just been really, really pleased with the appetite and the interest and the attention that we get from our group of banks. I've worked in a number of industries around the offshore oil and gas, and the level of interest and the level of commitment we get from our banks and the support we get in our debt funding and other funding exercises has been, I think, amazing. We are adding to our bank group, and I think this will continue going forward. So I think I'm very, very pleased with what I see in front of us in terms of access to that particular type of capital.

So there are three parts to our cost-competitive capital. Firstly is the secured debt. Typically, we see margins about 2% to 3% over LIBOR, and then we usually swap it into a fixed rate going forward. As I said earlier, we are seeing roughly about 4.5%. And we can usually get about 70% of the asset value on this kind of a basis. However, we've seen recently some 80% being offered on higher-quality assets, which I think is interesting.

Secondly, we've got a tranche of corporate facilities. Our NOK bond is a good example of that, very competitive funding, senior unsecured funding. And I think going forward we will continue to evaluate a number of sources in this area, and deciding on exactly what depends on the unique factors at the time.

And the final part is the equity in the form of free cash flow, MLP proceeds, and GasLog Partners equity as they look to do their own deals directly. So I want to remind you that our debt capacity is good and we continue to delever to build the capacity for opportunities as we need it. As I said, our bank group has been very supportive and we have expanded this group as we execute on transactions. In summary, our three pillars of committed cash flow, a strong MLP, and access to multiple sources of competitive finance mean we are very well placed to execute our strategy and vision for the future.

So, now the sum of the parts valuation. I'm now going to take you through how we think about the value of GasLog. We think that using the sum of the parts is really the best way to think about the value of GasLog Ltd. going forward. So Andy has already shown you this slide, which illustrates our potential growth in LP distributions in the coming years. As you can see from the graph on this slide, we believe the current GasLog Ltd. fleet provides a visible path to a 10% to 15% compound annual growth rate in LP distributions per unit through to 2019, those two lines.

But GasLog's 40:17 Vision also creates an opportunity to extend our drop down schedule by multiple years beyond what you can see on the graph in front of you. It also has the potential to accelerate our growth rate, should our pipeline be further extended by third-party acquisitions, which we continue to actively pursue and evaluate.

So you can see on the chart by mid-2019 we estimate that the distribution is between $2.50 to $3 per unit. And this is an important part of the value drivers for GasLog Ltd. So you can see that $2.50 to $3 by 2019.

Understanding the value created from the incentive distribution rights is very key to the sum of the parts valuation for GasLog Ltd. And this chart shows the percentage of cash flows that go to the IDRs increases disproportionately as the GasLog Partners distribution increases, an important factor to bear in mind.

So in my previous slide I talked about $2.50 to $3 per unit being achievable by 2019. So this translates and this means around 15% to 20% of the 2019 GasLog Partners cash flows could go to the IDRs. So you can see that $2.50 to $3 of distribution translating to this 15% to 20% of the cash flow going to the IDRs by 2019. And that's an important piece of information.

As you know, GasLog Ltd. has a long and healthy pipeline of assets to drop into GasLog Partners. Our strategy is to drop vessels down into the MLP at fair value. And this is consistent with what we did at the time of the IPO and for the recent drop-down. And this benefits both parties -- higher returns for GasLog Partners' investors and higher IDR splits for GasLog Ltd. investors. And we think this is the way to structure the relationship, the best way to structure the relationship -- two very different investment vehicles with one single ideology.

So here's the next part of the illustration of the sum of the parts. This sets out what the IDR cash flow might look like, once all the current 25 vessels have been dropped down into the MLP by the end of 2019. And it assumes no more equity at GasLog Ltd. You can see here on the slide an illustration of the EBITDA generated by the fleet.

Once we've taken off the management fee paid to GasLog Ltd. we get an EBITDA of about $470 million at GasLog Partners by 2019. We then assume an EBITDA to distribution cash flow ratio of just over 56%, which is taken from the IPO perspective. We then apply our management's stated target coverage ratio of 1.125 to get to a cash distribution of around $240 million. So as I stated earlier, that would mean approximately 17% of distribution cash flow goes to the IDRs at GasLog Ltd., or just over $40 million. So you can see we calculate the EBITDA, we use an EBITDA to distribution cash flow ratio, we apply the coverage ratio, we get the distributable cash flow, and then we use the graphs that we looked at earlier to derive the amount due to the IDRs.

So, turning to the last slide, here we have the sum of the parts. We think that GasLog Ltd.'s equity value is somewhere between $30 and $40. This is an illustration. And let me take you through this. First, I take the $40 million of IDR cash flows that I just laid out in the previous slide and I apply it, and there's an illustrative multiple of 20 to 30 times to that. I then discount back to today, and you get to a present value of the IDRs of around $500 million to $800 million or about $6 to $10 per share. You can see it just here. So this is the value of the IDRs in 2019 discounted back to today and shown there.

The second box is the value of the LP units that GasLog holds in GasLog Partners. So we've currently got 10.5 million units in GasLog Partners. Andy laid out some illustrative unit prices. And we've used $30 to $50 per unit, and that gives you a value of $400 million to $600 million or about $5 to $7 per share. So that's the second part.

So that represents the number of units that GasLog Ltd. holds in GasLog Partners today at some prices that Andy has laid out in his presentation earlier. Next, we assume in this illustration that we drop down the remaining 20 ships into GasLog Partners. For illustration purposes I've just assumed cost price of $210 million per TFDE ship and $168 million per steam vessel, giving a value of just over $4 billion or about [$50] per share.

The last box is really a little bit too complicated and I really excluded it from my valuation. It's really the value of the cash flow before you drop it down and it has an interplay between this box here. But I thought we shouldn't forget about that, especially for some of the analysts in the audience who may go and use this in their calculations. It's important to get the timing right.

I then need to take off the net debt and the present value of the outstanding CapEx for the fleet, and I come up with an equity value of around $30 a share. As we realize the 40:17 Vision, when we are able to drop another 15 vessels into the MLP, then the same logic applies. The cash flow in GasLog Partners increases and the percentage of that cash flow going to the IDRs could increase from, say, 17% in my illustration here to nearly 30%. And this would give me a value of around $40 plus per share. So I think that's important to think about in your valuations going forward.

So, to summarize, we've got a strong track record of execution. We've exceeded expectations on growth. We got a very good access to cost competitive capital, and our existing and planned growth provides a significant valuation upside in at least the $30 to $40 range.

And with that, I'll hand back over to Paul.

Paul Wogan - ***GasLog Ltd. - CEO***

Thank you, Simon and everybody else. And given how long I spoke earlier, this will be mercifully brief for you all. I think it's fair to say, when we arranged this Capital Markets Day today, that we didn't really expect to be standing here with the share price of both Companies at the levels that they are at. And I think some external circumstances have caused that. But ironically, it makes our job a little bit easier for us to really show the value which we believe is apparent in both Companies.

As Andy took you through the case, as you look at the yield and the opportunity to re-rate that yield in GasLog Partners, that leads to a huge potential for valuation increase in GasLog Partners. As Simon showed with the sum of the parts, we believe that there's a huge re-rating value in GasLog Ltd. as well. And one thing I want to stress is, as we talk about the growth, as we talk about 40:17 and what that means, the most accretive think we can do as a business is to put long-term contracts against ships and drop them into the MLP. So that's where you will see our real focus on 40:17. It won't be going out and just ordering a lot of ships on speculation. It will be focused on that so that we can drive the value in both Companies.

Now, I think the one thing that's going to cause the re-rating of both Companies and really drive the share price is as we do those accretive deals going forward. And I think this is a great opportunity to invest in both Companies. But I would really say to everybody in the room, the train is pulling out of the station. Please make sure you don't miss it.

QUESTION AND ANSWER

Jamie Buckland - ***GasLog Ltd. - Head of IR***

So we'll take Q&A now in normal style. You put your hand up. When you get the microphone, tell us who you are and where you work and will take it that way. So why don't we start with Jon here in the front.

Jon Chappell - ***Evercore ISI - Analyst***

Jon Chappell from Evercore ISI. Just a couple questions, maybe the first one to Peter if he's going to get back up there. But he mentioned at the very beginning the commentary -- is he still in the room? Yes, okay -- about enormously disappointed if something didn't happen by the end of the year. There's 29 days left in this year, by my math. So just wondering if you can elaborate that a little bit more, to the extent that you can.

And also to Paul's closing comments, which I think are a very important narrative to the story right now, how important are contracts on something that you would do in the very short term? And are they out there? Is there a liquid market for those today?

Jamie Buckland - ***GasLog Ltd. - Head of IR***

Just wait for the microphone. And one of those days is Christmas day, so --

Peter Livanos - ***GasLog Ltd. - Chairman***

First, if you remember last year, I was involved in the acquisition of $1 billion of tankers between Christmas and New Year's. So it's a good time to buy. There are some obvious assets that, no pun intended, you see floating around that I think we are in a prime position to be able to add to our balance sheet. And I like that because it adds revenue, not just steel. And so, I expect these guys to bring that home for a good Christmas present this year. Certainly, that's what I'm hoping we're going to achieve.

That doesn't stop me from thinking further into next year and looking at the enormous possibilities that we see developing around some new relationships and some existing relationships. The universe of LNG shipping providers is small. The credible universe is even smaller. And I think that we are really getting ready to look at some serious opportunities in terms of how we develop this business going into the next decade.

Frankly speaking, when you look at the turmoil that we've been through in the last couple months, if you are not a seller it's great because it means you are a buyer, which I am. It also means that you have a lot of opportunistic players take pause and not enter the sector. And that's good news for those who are in the sector already. So the turmoil, the pause, the hesitation that we've seen since October going through to the end of the year is a nice way of adding a barrier to entry for anyone who may be contemplating this sector. We've seen some numbers here that are pretty compelling. I think you've done your own analysis on the way the sector looks and I think it's pretty good.

Does that sort of take you there without getting too specific?

Paul Wogan - ***GasLog Ltd. - CEO***

Yes. I think you are asking as a follow-up around what we are seeing in terms of the longer-term contracts, Jon. I touched on that little bit in the presentation. We are seeing, at the moment, a number of tenders out there where people are really looking for vessels for US production. And I also talked about two or three of the projects, where you add together what they are going to be requiring, it could be upwards of 70 vessels.

I think it's fair to say, and I was talking to Thor about this -- he has been in the industry longer than I have. He as Head of Commercial has been incredibly busy in the last few weeks looking at the amount of tenders which we are seeing coming out. And I think it's that which is giving us the confidence to come out with this 40:17. We think there are going to be a lot of opportunities for us to have good assets with good long-term fixed contracts against them, which is going to be helpful both for GasLog Ltd. and GasLog Partners. And I think some of those things are coming down the pipe very quickly.

Chris Wetherbee - ***Citigroup - Analyst***

Chris Wetherbee from Citi. You talked about maintaining market share with the 40:17 target. When you think about the cadence of growth and Peter's comments about something potentially before the end (technical difficulty) and you think about a little bit beyond that, does it seem a bit conservative? Is there an idea of potentially growing market share, as we've talked about, I think, since you guys have come public? And when you think about that opportunity, with the MLP trading potentially above 6%, is that still something that is doable in those valuations? Do you think about recycling that capital?

Simon Crowe - ***GasLog Ltd. - CFO***

Yes. For me 40:17 is a great target, but I think I would be disappointed if we didn't grow further in the next two, three to 5 years. I think we see the opportunities there. I think it's doable. I think we are in a period of an interesting time in the market, but I think we've got a strong balance sheet, good access to capital. And we are very thoughtful about which types of capital we use and when we use them. So I think we will continue to do that, but I'm always a strong believer, if you see an opportunity such as the ship on the water with a strong counterparty and a strong contract, then you will be able to secure financing and then ultimately you will be able to refinance that in a more long-term way. We've already -- we did that earlier this year, and I could see us repeating that sort of pattern going forward.

Andy Orekar - ***GasLog Partners LP - CEO***

And Chris, I would just add that while we do believe GLOP is undervalued, as I took you through, the access to capital and the growth plans that were put together in advance of GasLog Partners going public envisioned a yield environment that was very much dependent on trading consistently with the shipping MLPs. I think we have reason to believe that we can do better than that over time. But it -- from a growth plan and capital planning process, the yield that we are at today doesn't close any doors to us in that regard.

Chip Oat - ***Tradition Capital Management - Analyst***

Chip Oat, Tradition Capital Management. Two short questions at a longer one. The two short ones, either Andy or Simon, from the slide on the IDRs, if I read it correctly in the splits you are now at 0%; not for much longer, but at 0%. The high splits look like 30% and no higher as opposed to 50% in some other MLPs, if I'm reading it right. And as high splits at 30% are reached at a $4 annualized distribution, that is my first question.

The second is, I don't think anybody thought that Exxon Mobil and Chevron would be more than $10 billion and over budget and two years late on Gorgon. You expressed confidence in a 2015 start for the Australia project. Anybody willing to put a percentage number of confidence in that? That is the second question.

The third, for Paul, this is not a request for guidance, but you are a clean story, so your spreadsheets or your plans going out three to eight years a pretty simple. Assuming that your assumptions on the demand, the supply being available, day rates, all the numbers that you plug in, as CEO, you have got some range of annualized growth rate in the out years that, in your head, and you communicated it, will make you happy and below which you won't be happy, and above which might be too optimistic. What is that number?

Paul Wogan - ***GasLog Ltd. - CEO***

We will take them in order so I have some time to think.

Simon Crowe - ***GasLog Ltd. - CFO***

Okay, why don't I take the first one, and apologies if our presentation was confusing. So what you saw on the slide was the total cash distribution going to the IDR. So we in fact do have the, I would say, fairly standard [215, 25, 50%] splits. But, of course, that is on the increment over the dollar amount is what it is set at.

So we are today at $1.50. We have announced our intention to increase to $1.725 to $1.750. Our 15% split starts at $1.725. Following our fourth quarter distribution of GasLog, that will be in the 15% split; 50 is 2.25.

Paul Wogan - ***GasLog Ltd. - CEO***

2.25. 2.25.

Simon Crowe - ***GasLog Ltd. - CFO***

So what you are seeing again on this chart here is when we are at those levels, the total cash flow, as the LP distribution grows over time, what is the total going just to the IDRs as opposed to the LP unit. Does that answer your question? Okay, then the second.

Thor Knappe - ***GasLog Ltd. - SVP, Head of Commercial***

Simply, the Australian products they will start loading on within the next 12 months, starting this month already. When you hear what BG is saying about Curtis, they continue to reiterate that the first cargo will load from Curtis this month before the end of the year. And when you see also the products like Gorgon and the Australia Pacific LNG, Gladstone, they are currently scheduled for, I believe, middle of the year-ish. And that is also what they continue to reiterate.

And when you get to this part in the EPC construction of those plants, it comes with a fairly high degree of certainty, because all of the long lead items are in place and now it is in the final stages. So these are -- these products are also being developed by the leading companies who have been involved in this before.

And let's not forget, if you take a developer like Exxon Mobil, who you have mentioned, they managed to deliver the Papua New Guinea project this year many months ahead of time, which is something that we benefited from, of course, because they took the GasLog Chelsea, needing our skills. So the market can also slide from the upside.

And I can go a step further and say that we actually talked to the Australian developers who need vessels earlier than reported start dates. Now, that is very positive sign for us that the Australian products will be there and will be coming on in the very near term.

It's actually, a very exciting time. You are seeing a lot of volume about to come into the market. As Paul mentioned earlier, we don't have that many more unfixed vessels in the 2015 order book. And I think we are well-positioned to leverage our platform as we have done in recent period.

Paul Wogan - ***GasLog Ltd. - CEO***

Well, I will give you a very simplistic answer. When you look at our fleet at the moment of on-the-water ships and ships on order, we have 25-ship fleet. We have laid out that we think we can grow that to 40 ships end of 2017. Five ships a year gives you roundabout a 20% growth rate.

I think through to the end of this decade, if we can't repeat that sort of 15%, 20% growth rate of our fleet, then I would be disappointed. And the reason is, that really would keep us in -- within our present market share. And I think, given our platform and our expertise and the barriers to entry that we were talking about, I think there could be potential for that on the upside. But that is kind of how I view the growth rate.

Unidentified Audience Member

Paul, the question is mainly for you. Your stock is trading well below the liquidation value at this point, and the whole discussion is about lower oil prices and how they affect the LNG shipping industry. Can you elaborate a little bit more on that, and also, how low will the oil prices impact LNG demand since crude is becoming more competitive?

And, also, the offtake agreements, some of the tax of the agreements, who are the beneficiaries of that and what is the impact on projects beyond 2017? Are they already under construction and clients like BG or Gazprom that they seem to have lost a lot of equity value recently?

Paul Wogan *- GasLog Ltd. - CEO*

Well, I think the first part of the question was around the oil price and -- our share price, sorry, and how that has been affected. I think like a lot of people, for me, when I look at our business, our business is primarily around long-term fixed rate contracts. And none of that has changed at all in what has been happening with the oil price recently. Those long-term contracts stay in place.

We still -- we are performing, we are executing as we said we were. So I think, for us, it is just a matter of -- I think there is a lot of people saying -- they are seeing us as part of that energy space, which, for me, actually, is a compliment. I mean, I have been in shipping for 30 years. To be part of the energy space, I think, is actually good because people are starting to understand that we are that floating pipeline and that we are an integral part of the energy space.

But our underlying business is still as strong as ever. Our cash flows are still as strong as ever. And, as we have laid out, our growth is strong as ever. So I do believe that you will see our share price bounce back from this as people start to take more stock about what this means in a more nuanced basis, rather than just a risk off in terms of the energy stocks.

The other question I think was around how do we see the offtakes and who are the beneficiaries of that. We tried to lay out a little bit about what that means for the US projects and how they can be competitive in the sort of $50 or below $45 to $60 environment. But, if you think about the actual projects that have been built around the gas field, all the costs really are there -- some costs, the variable costs are almost negligible. So the gas coming out of the existing projects is definitely going to flow and it is definitely going to find a home, in my opinion.

I think, as we go forward, as gas becomes its own market, we will see gas disconnecting from the oil price. I think gas is, as I said, set to grow and become its own commodity. I don't think it will be driven off the oil price, necessarily, going forward.

And so, the only thing I think in terms of a long-term lower oil price is, does that give people pause to thoughts on the projects which are later out -- the East African type of projects, et cetera. But, I certainly can't predict the oil price.

One thing I would say is, in 2009, when the oil price was around $40, $45 a barrel, we saw the Gorgon project and we saw another project in Australia taking FID. So I think people look through short-term movements in the oil price and see that gas itself is going to be the preferred fuel, the preferred transportation fuel of the future. And I think you will see that -- people seeing that through that sort of temporary pricing and continuing to invest in new projects. Tell me if that answers your questions.

Unidentified Audience Member

(inaudible - microphone inaccessible)

Paul Wogan *- GasLog Ltd. - CEO*

Yes. But I think -- as I said, I am not an expert on BG's stock price, but I think in the same way that we have almost become correlated with the oil price at the moment, and we sat here sort of scratching our heads saying, why would that be, I think we are seeing that with many energy stocks. I think BG's underlying LNG business is still very strong. And I wouldn't be surprised if, as the nuances come out of the energy trade, that we don't see them also having a recovering share price. But, again, I am not an expert on that. Sorry.

Unidentified Company Representative

If I may just add to that, one thing that BG has been very with over the past decade is their trading model and getting access to LNG and having a very diverse base of opportunities in a market to put that -- put those molecules into. Not just an A to B trade, but they have the whole out alphabet to where they can place their volumes into.

And, going forward, I mean, I think those -- they could be a very successful player beyond what they already have been, based on all the new volumes coming out, which they have secured as well, and their trading model and their ability to leverage the LNG position they have and deliver that energy across the world, which we help enable. Mike?

Mike Weber *- Wells Fargo - Analyst*

Mike Weber from Wells Fargo. My first question is actually for the MLP, so Andy or Simon. You guys are sitting at about 4 1/2 times net debt to EBITDA now. And if we are in a scenario in 2015 where there are headwinds around your equity currency value, how far do you think you can push that in terms of, I guess, fully funding dropdowns of debt? I guess the best way to ask the question is how many all-debt dropdowns could you do in 2015 and today, if you had to?

Andy Orekar *- GasLog Partners LP - CEO*

Sure. I will take a shot at that. And Simon can jump in where I am wrong. I think, as an MLP, and given our growth strategy, there is a limit on the amount of leverage we want to carry, just because we want to make sure there is that security of cash flow distribution. So, while shipping assets in our sector can be leveraged seven times or more, I don't think -- you never see us get to that level to maintain that security of cash flow.

Having said that, I think, as you know, we talked on the IPO of doing one debt-financed vessel dropdown, and I think saw an opportunity as hopefully good stewards of your capital to do more than that, and do more of it ahead of schedule this fall. And so I think we still have that firepower for one vessel dropdown, all debt.

I think, beyond that, we -- clearly, we do have more balance sheet. I wouldn't want to commit to a bigger target than that this time because, again, there is other opportunities we are considering where we want to have that balance sheet with some spare capacity. And we want to be able to move as quickly as we possibly can, whereas we have, of course, have a bit more time to manage dropdowns given they are coming from our parent company with our right of a first refusal.

So it is really a balance between those two. But I think, consistent with what we said in the spring, I think we still have that dry powder for an additional debt-financed dropdown.

Mike Weber *- Wells Fargo - Analyst*

A second question is for Peter and for Paul. I just wanted to follow up on the acquisition questions from earlier. But, around the idea of acquiring on the water assets and immediately accretive assets, how do you think about managing the obsolescence risk associated with older technology, other steam-powered assets or dual fuel? Would you require a longer initial contract for on-the-water assets versus, say, a new build asset that has higher trade ability? In terms of what you are looking at now, how is that typically shaping up and how are you thinking about it?

Paul Wogan *- GasLog Ltd. - CEO*

Yes. When we look for opportunity for assets on the water, we obviously take into account -- we do very much take into account sort of the residual value risk. And, again, one thing that I am pretty certain about is I have no idea what residual value is going to be. I will make a guess and it will be wrong.

So what we do do is say, okay, what do we need to earn on that ship to make sure that we get a good return on investment when it comes off its fixed period; if it comes off its fixed period the options are not renewed. And, is that cost competitive with a delivered molecule cost? You have heard us talk today about what is the delivered cost of molecule for the customer, because that is what is really important.

And so having an asset coming off a charter that has got a much lower capital cost for us, we can be competitive with those vessels into a charter and make sure that their delivered cost of molecule is still competitive. So that is how we think about the residual value.

And so the length of the contract -- the rate on the contract are all those things we would feed in and say, okay, what is the capital we still have on our balance sheet. What do we need to make a return on that? And does that look competitive against what we are seeing in the new innovations in the market? And if it does, that is something that is attractive to us. Greg?

Greg Lewis - ***Credit Suisse - Analyst***

Greg Lewis from Credit Suisse. I guess this question is either for Thor or Paul. As we think about the oil price curve moving lower, you know it are kind of took that shift down, has there been any impact that you have noticed with your customers in thinking about what they are willing to pay long-term for LNG contracts at this point? Or is it sort of too early in the game and we really haven't noticed any downward pressure?

Just because, if you think about that spread between oil and LNG, clearly there is a profitability that they are baking in. And I am just trying to gauge whether that you have seen customers start to push that down.

Paul Wogan - ***GasLog Ltd. - CEO***

Probably the best way for me to answer that is I would be disappointed if, on the next business that we do on new vessels, that we didn't meet or beat the rate that we have already achieved on our existing fleet. So I think, in a sense, it probably would be too early to see that. But there is nothing in the market that tells me that those long-term rates that we think we can obtain are in any way pressured right.

Greg Lewis - ***Credit Suisse - Analyst***

Okay. Great. And then, just -- it doesn't sound like you can comment much about the tenders that you mentioned, the 50 or 60 vessels I think that was mentioned. But, is there anything, at least in conversations or things that you are hearing -- I guess two things. One is, are these -- do these vessels need to be purpose built for that specific project? Or is it the possibility where we could actually see vessels that are already on the water be contributed to a 5- to 10-vessel package?

Thor Knappe - ***GasLog Ltd. - SVP, Head of Commercial***

No, it is certainly possible that you could see on-the-water vessels take some of the demand that you mentioned now that we see. So it could well be a mix in the future. But, for sure, that number of vessels will need new buildings.

I mean, just as a side comment, when we see -- when we look at all the products being built right now, which are being built as taken FID, it is clear that a lot more vessels will need to be ordered than what is currently on the order book. There is -- well, I hope that answers.

Peter Livanos - ***GasLog Ltd. - Chairman***

Let's not mix up the freight rates associated with commodity shipping with the LNG sector. If you look at the term rates the charters are looking at putting ships onto -- as they put these ships into their projects going forward, the key drivers are going to be about making sure that there is a reliable delivery of the product to the buyer and the receiver. A $4000 or $5000 a day discount against a trade-off of reliability to that is just simply not what is thought about when this is done.

And I am not being cavalier and saying that the charter doesn't try and get the best rate he possibly can. But, as he looks at taking ships in for these projects, he really is measuring a whole series of criteria. The freight rate is only part of it. And it is -- it doesn't have the same value in that calculation that it would on a straight tanker doing an oil cargo.

That is not to say that when you look at the short-term spot market, you don't see freight rates making a trade more profitable or even possible. But, when you look at our strategy, which is around providing ships into five- to seven-year charters, the rates that those ships can achieve really are geared around the services that they are going to provide to that charter, rather than any particular short-term financial calculation against it.

You imagine what the cost to a receiver is of having a dry gas tank if you are supplying gas to a city. It is infinite. And so the reliability of delivery of the product is critical when it's going forward. If the projects were also putting billions of dollars of capital at risk in terms of building these liquefactions, not to mention the E&P side beyond that, the shipping side of it is really a very small added cost. And so, dialing out that risk early on with the right provider of services and the right type of ship has relevance in terms of how the negotiation is done.

Hence, this sector continues to show value in a platform where other commodity shipping sectors probably don't as much. Does that help as you think about it?

Jamie Buckland *- GasLog Ltd. - Head of IR*

Anymore? One right at the very back in the corner.

Nish Mani *- JPMorgan - Analyst*

Nish Mani with JPMorgan. Just a quick question on consolidation; I know you guys mentioned the opportunity to acquire vessels in the open market. But as we have seen share prices come off, and spot rates and charter rates kind of come off a touch as well, we really haven't seen that much pressure on asset values relative to the other categories just mentioned. So does that imply that overall returns in the business are going to come down on an unlevered basis, given that asset values remain relatively firm, but the rate environment is softening a touch?

Paul Wogan *- GasLog Ltd. - CEO*

Well, I think it goes back to a little bit what Peter was just saying. You look at the vast majority of this business is conducted on -- very much conducted on a long-term business with long-term charter rates. And so, to a certain extent, the asset value is immaterial when you have those long-term contracts against those vessels.

And I think, also, we will see volatility in the shorter-term market. But I think a lot of people are seeing through some of the weaknesses that we have been seeing over the last 12 months through to what we are seeing going forward in terms of the new product coming on, and seeing that we can expect a tightening in the market and we can expect those shorter-term rates to go up. So I think it is not a surprise to me that we haven't seen those asset values under pressure.

Now, the ability, though, to be able to use those assets, well, I think does depend on your platform. And you saw us with GasLog Chelsea able to go into the market and take an asset at a distressed price because that company was having problems. You may see in future other companies, who have come into this market not really understanding the dynamics and what is required to perform in this business, as distressed sellers.

And that may well be an opportunity for us if the price is right. But I think for the vast majority of players in this market who have a good platform and long-term contracts, I don't think you're going to see those asset values under pressure at this point in the cycle at all.

Jamie Buckland *- GasLog Ltd. - Head of IR*

Any more? Back down here to John.

Unidentified Audience Member

Two follow ups. First, the 40, 2017 program seems relatively ambitious, 50% growth in three years. But you really already have more than half of that in place with the options. When you think about exercising those options, first of all, can you give us an update on the timeline on the expiration of those (technical difficulty) Port Hyundai? And then, also, when you think about exercising those, do you want to have contracts on the floor that are already unchartered that are already fixed contracts before you move to exercise options?

Paul Wogan *- GasLog Ltd. - CEO*

Well, in terms of the actual options themselves, I think one of the things that we have been focused on with the shipyards is how do we put something in place that is a little bit longer term, rather than just sort of options that (technical difficulty) often. And Graham, who heads up our new building negotiations, has been very successful in terms of talking to the shipyards and putting into place longer-term optionality contracts for us.

So although we have options up there, which will expire in the shorter term, we also have behind that option with both Hyundai and Samsung stretching off quite a way into the future. And we did that because we believe access to berths, as we talked about earlier, this need to build a large number of ships over a relatively short period, we believe access to berths at competitive prices will be a competitive advantage for us. So what was the second part of the question?

Unidentified Company Representative

Paul, I guess -- because you are also mentioned the four ships that we have open now that will deliver in 2017. What I would say is, what we look at some of the tenders that we have in front of us now, and the opportunities, and those ships are pretty much ideal fits for that type of business. So I think we are very confident that those ships will be something that we can put charters against in a relatively short period of time.

Unidentified Company Representative

And I think just to elaborate, I think we have what we are calling the long-term supply agreements with both Hyundai and Samsung, where we actually have dedicated berths out to every year for right now to 2021.

Unidentified Audience Member

Peter, if you don't mind, before I hand it over, because my last question is for you, too.

Peter Livanos - ***GasLog Ltd. - Chairman***

Shipyards have been burnt by people buying ships, getting them at a point where they have no charters attached and, essentially, either not taking and delaying delivery; any number of things. And so they have become a lot more selective in their client base. So when they look at this group and they see execution, it gives them a lot more confidence to negotiate and have a larger option program ahead.

Furthermore, if you are discussing a tender or if you are in any kind of discussions with an end user, the shipyard will usually -- and I say usually, but very usually -- work with you because they consider it a tripartite agreement: the builder, the owner, and the charter. And it is in their interest to make sure that a credible owner has access to the right ship at the right price with which he can negotiate a credible charter with a first-class charterer.

So, unlike commodity shipping again, you have a lot more of a cooperative dialogue with the yards in terms of the way they look at deadlines on options, pricing on options, and how they support various owners and various (technical difficulty) going forward. So it does give us a lot of comfort to know that the yards we have been dealing with count on us to find the charters and, consequently, go back to them to order the ships.

It is a little bit of a -- to use the term earlier, a virtuous circle. Sorry, but I thought I ought to add that, because I think it is relevant to the story.

Unidentified Audience Member

Last one; Curt mentioned earlier he has been buying some of the stock in the open market. To the extent that all of you individually -- I am not going to ask the usual dog and pony buyback program for the entire Company. You obviously have other things to spend the money on. But, have you guys been taking advantage of the stock price weakness despite the fact that nothing has changed in your corporate strategy to buy back stock -- or to buy stock for your own accounts? And what will those filings hit the tape?

Unidentified Company Representative

I think most of us can answer that question, but, Peter, why don't you go first and --.

Peter Livanos - ***GasLog Ltd. - Chairman***

The answer is absolutely. We have -- as insiders and affiliates, we are -- we fall under a complex set of SEC rules in terms of how, when, and what we can buy. But we have been buying as insiders. I know the Board has been buying. I know the management team has been buying, and at these numbers, we would be a fool not to, to be perfectly honest with you.

How long will that continue? Well, to the extent that this is a dynamic business, which looks at opportunities at all times, and there may be things that develop that cause us to have insider knowledge, we may be forced to go into closed periods. We were in a particularly long closed period from the middle of summer until the release of our numbers in November, which was enormously frustrating for all of us as we were unable to trade.

And so the answer is, yes, we do. We have been taking advantage of that. Why wouldn't you? How many times do you get a chance to come back into a story at these kinds of valuations? We saw it come out at an IPO, rate up, it get beaten down for reasons that have nothing to do with the underlying fundamentals of the business (technical difficulty) a year. It is on track and on target.

If you don't look at it as an opportunity, then I think you sort of missed the point. And I feel sorry for the people who are being forced to sell, because I gather there is a lot of pressure on a lot of funds that have nothing to do with the GasLog story, the LNG story, but would have more to do with a risk off and it has been like catching a falling knife. That means that, for those of us that understand this, it is great. I mean, what else can I say? I don't know if anyone wants to add any more to that.

Unidentified Company Representative

John, the only thing I would add is, the answer for myself is yes. And, as a foreign private issuer, we don't have Form 4 filings. So it was a good question to ask because, unlike some other US companies, you won't see these filings hit the wires. So thank you for asking it, but, unfortunately, those are not part of our reporting requirements until you get a greater than a 5% shareholder for certain individuals.

Jamie Buckland - ***GasLog Ltd. - Head of IR***

Final questions, anyone else? One more, Chip, if you promise that it is not a tricky one.

Chip Oat - ***Tradition Capital Management - Analyst***

Tricky? You are a clean story. Your spreadsheets are much less complicated than at least one of your competitors that I can think of.

My question is, what could go wrong? And I ask in this context. The story is clean. The demand, even at the bottom range of projections, is strong. The supply is going to be there, maybe even in 2014 and 2015. Who knows? Management is clearly experienced and expert. Your safety record, whether it remains impeccable, will still always be superior.

But, there are no unbreakable toys in business. There is bumps in the road and you think about them all the time. Sure, the debt markets could lock up on Simon for about a year, but that will change. There could be a strike at one of the shipyards, push back delivery of a couple of vessels by a year, 18 months maybe.

But what do you really worry about? Where do you cross your fingers or where do you have Plan Bs in place that are not part of the positive story? Because they haven't happened.

Paul Wogan - ***GasLog Ltd. - CEO***

I can tell you what keeps me awake at night, and I think reputations take many, many years to build and you can you lose them in an instance. And that is around the safety, reliability side of the business. And that is why we spend so much time and so much effort making sure we get that right, because this LNG industry has a fantastic record of safety, of delivering what is a volatile compound safely to the customer.

We want that to continue. We don't want GasLog to be the person that has an accident, has an injury or whatever, because that would really dent our reputation and make it very difficult for us to follow through on all the other things that we are saying here today. And so when Graham -- we are lucky we have Graham Westgarth with us, who is probably the finest operations guy in the industry, because that is really what our whole brand and our whole reputation is around. It is around the seafarers on the ship delivering those molecules to our end customers safely and reliably.

And the time we get that wrong is the time that we would have problems as a Company. And so we are in safe hands, but we don't take that for granted at all. That is something that we focus on and make sure every single day that we get that right.

Jamie Buckland ***- GasLog Ltd. - Head of IR***

And, with that, thank you, everyone, for coming. The whole of the exact management team and our Board members who are here will be staying around for drinks in the next hour or so. Please hang around and speak to us then. Thank you for coming and appreciate all your support.