

Golar LNG



**Second Quarter Results 2005
Presentation**



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Forward Looking Statements

This presentation contains forward-looking statements. These statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including examination of historical operating trends made by the management of Golar LNG. Although Golar LNG believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies, which are difficult or impossible to predict and are beyond its control, Golar LNG cannot give assurance that it will achieve or accomplish these expectations, beliefs or intentions.

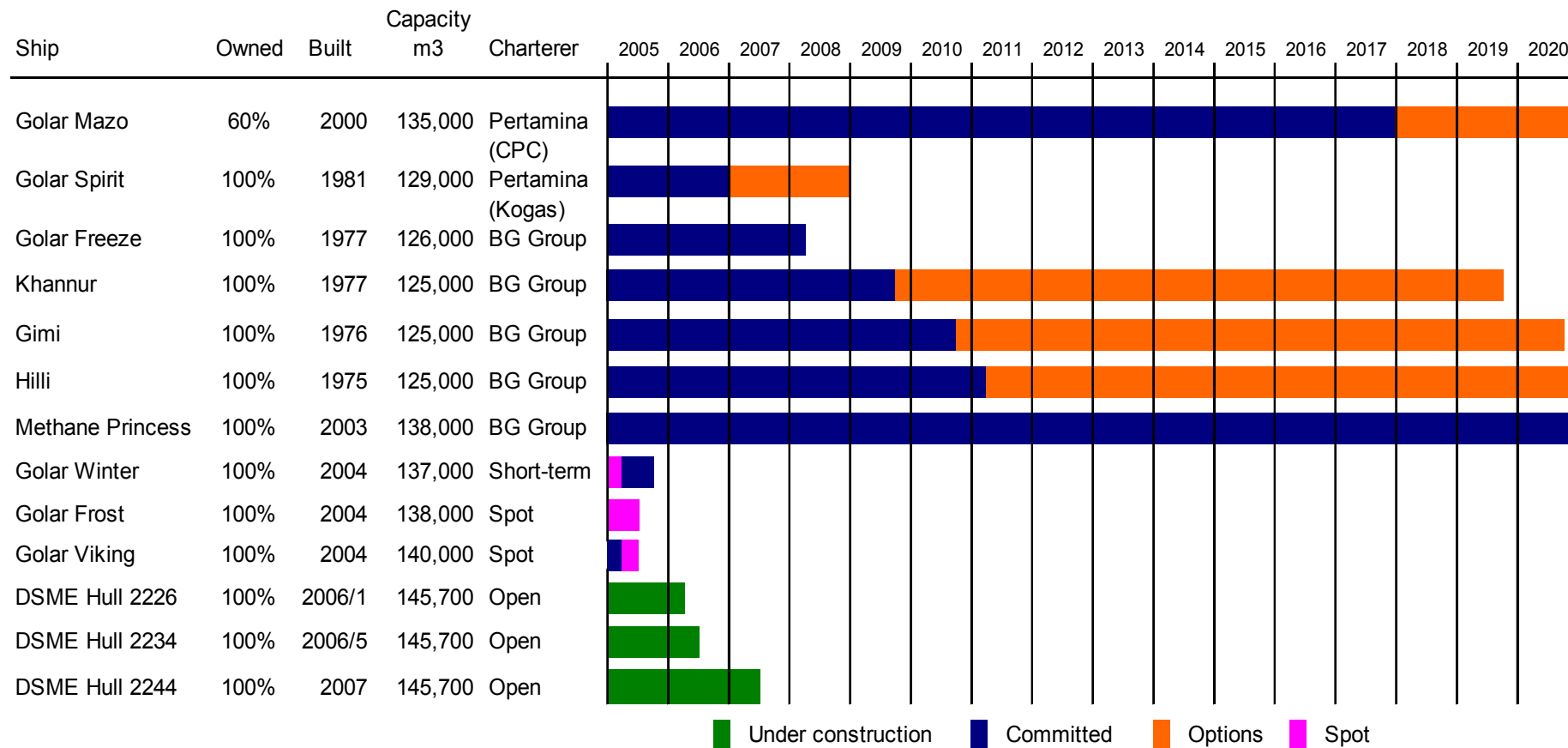


Agenda

1. Introduction
2. The Golar Portfolio
3. Q2 2005 and Recent Events
4. The Financials
5. Market Update



The Golar Portfolio



Golar Frost 'earmarked' for Livorno FRT project

Committed fixed contract revenue - \$1.2 billion

21% Investment in Korea Line - 2 LNG vessels on long-term contract to KOGAS and an interest in 4 other LNG vessels



Q2 and Recent Events

- April 2005 – lease financing for hull 2226
- Further building fixed interest position - \$50m additional interest rate swaps in Q2. 56% fixed as June 30.
- Forward fixed \$105m of hull 2226 lease obligation – approximately 60% fixed after this.
- Livorno floating terminal project moves closer to formal approval.
- FPGP – Applied to Cyprus energy authority for licence
- FSRU specification development ongoing as well as other specific projects



Golar LNG Limited Second Quarter 2005 Report (Unaudited)

INCOME STATEMENT <i>(in thousands of \$)</i>	2005 Apr-Jun	2004 Apr-Jun	2005 Jan-Jun	2004 Jan-Jun	2004 Jan-Dec <i>(audited)</i>
Operating revenues	38,907	38,520	83,103	74,508	163,410
Vessel operating expenses	9,645	8,255	19,217	16,499	35,759
Voyage expenses	1,402	621	2,446	905	2,561
Administrative expenses	3,452	1,910	6,637	3,608	8,471
Depreciation and amortisation	12,821	9,760	24,956	18,236	40,502
Total operating expenses	27,320	20,546	53,256	39,248	87,293
Operating income	11,587	17,974	29,847	35,260	76,117
Interest income	9,479	7,644	18,189	14,517	31,879
Interest expense	(20,913)	(14,239)	(40,346)	(27,169)	(61,987)
Other financial items	(10,107)	8,905	(7,510)	6,011	4,804
Income before taxes and minority interest	(9,954)	20,284	180	28,619	50,813
Minority interest	(1,504)	(5,195)	(3,783)	(5,179)	(7,575)
Taxes	(295)	(119)	(420)	(216)	(420)
Equity in net earnings of investee	7,403	4,206	16,994	9,739	13,015
Net income	(4,350)	19,176	12,971	32,963	55,833
Earnings per share (\$)	(\$0.07)	\$0.29	\$0.20	\$0.50	\$0.85



Golar LNG Limited Second Quarter 2005 Report (Unaudited)

NET FINANCIAL EXPENSES <i>(in thousands of \$)</i>	2005 Apr-Jun <i>(unaudited)</i>	2005 Jan-Mar <i>(unaudited)</i>	2004 Oct-Dec <i>(unaudited)</i>	2004 Jul-Sep <i>(unaudited)</i>	2004 Apr-Jun <i>(unaudited)</i>
Lease related interest income	8.7	8.2	8.6	8.0	7.3
Other Interest income	0.8	0.5	0.3	0.5	0.3
	9.5	8.7	8.9	8.5	7.6
Lease interest expense	(10.4)	(9.8)	(10.0)	(9.2)	(7.8)
Debt interest expense	(10.5)	(9.6)	(7.7)	(7.9)	(6.4)
	(20.9)	(19.4)	(17.7)	(17.1)	(14.2)
Interest rate swap gain/(loss)	(8.1)	6.4	4.1	(5.2)	9.9
Net FX (loss)/gain on lease balances	(2.2)	(1.5)	2.6	(1.0)	(0.7)
Other financial items	0.2	(2.3)	(1.0)	(0.7)	(0.3)
	(10.1)	2.6	5.7	(6.9)	8.9
Net Financial Expenses	(21.5)	(8.1)	(3.1)	(15.5)	2.3



Golar LNG Limited Second Quarter 2005 Report (Unaudited)

BALANCE SHEET ASSETS <i>(in thousands of \$)</i>	Jun 30 2005	Jun 30 2004	Dec 31 2004 <i>(audited)</i>
Short term assets			
Cash and cash equivalents	87,794	102,687	51,598
Restricted cash and short-term investments	41,131	38,486	41,953
Other current assets	14,899	19,520	22,652
	<i>Relates to lease obligations</i>		
Long term assets			
Restricted cash (relates to leases)	718,127	670,069	714,802
Equity in net assets of non-consolidated associate	65,601	43,684	48,869
	<i>Korea Line</i>		
Newbuildings	108,002	94,045	145,233
Vessel and equipment, net	1,238,044	1,097,839	1,078,383
Other long term assets	11,116	7,313	6,839
TOTAL ASSETS	2,284,714	2,073,643	2,110,329



Golar LNG Limited Second Quarter 2005 Report (Unaudited)

BALANCE SHEET LIABILITIES <i>(in thousands of \$)</i>	Jun 30 2005	Jun 30 2004	Dec 31 2004 <i>(audited)</i>
Short term liabilities			
Current portion of long-term debt	65,759	64,900	66,457
Current portion of capital lease obligations	2,466	2,200	2,662
Other current liabilities	56,826	58,802	46,775
	Includes swap losses		
Long term liabilities			
Long term debt	792,654	670,163	636,497
Long term capital lease obligations	836,264	788,832	842,853
Other long term liabilities	84,326	93,110	86,033
Minority interest	30,065	23,885	26,282
	Includes deferred lease benefit		
Stockholders' equity	416,354	371,751	402,770
TOTAL LIABILITIES & STOCKHOLDER'S EQUITY	2,284,714	2,073,643	2,110,329
Percentage of fixed interest debt	56%	35%	51%



Golar LNG Limited Second Quarter 2005 Report (Unaudited)

STATEMENT OF CASH FLOWS <i>(in thousands of \$)</i>	Apr-Jun 2005 <i>(unaudited)</i>	Apr-Jun 2004 <i>(unaudited)</i>	Jan-Jun 2005 <i>(unaudited)</i>	Jan-Jun 2004 <i>(unaudited)</i>	Jan-Dec 2004 <i>(audited)</i>
OPERATING ACTIVITIES					
Net (loss) income	(4,350)	19,176	12,971	32,963	55,833
Depreciation and amortisation	13,144	10,038	27,305	18,768	41,772
Income (loss) attributable to minority interests	1,504	5,195	3,783	5,179	7,575
Undistributed net earnings of non-consolidated investee	(5,856)	(4,035)	(15,447)	(9,568)	(12,844)
Dry docking expenditure	(508)	(8,016)	(9,383)	(9,241)	(13,299)
Change in market value of interest rate & currency derivatives	15,950	(6,612)	14,746	(3,432)	(12,237)
Interest element included in capital lease obligations	1,527	1,877	3,731	3,874	6,321
Unrealised foreign exchange (gain) loss	(5,605)	(2,549)	(9,303)	(3,160)	5,161
Change in operating assets and liabilities	(4,261)	3,817	3,773	5,679	3,746
Net cash provided by operating activities	11,545	18,891	32,176	41,062	82,028
INVESTING ACTIVITIES					
Additions to newbuildings, vessels & equipment	(32,929)	(227,709)	(139,969)	(232,687)	(286,792)
Long-term restricted cash	(46,586)	(37,938)	(47,839)	(36,497)	(37,515)
Short-term restricted cash and investments	5,815	(7,255)	822	(28,337)	(31,806)
Purchase of unlisted investments	0	0	(3,000)	0	-
Net cash used in investing activities	(73,700)	(272,902)	(189,986)	(297,521)	(356,113)
FINANCING ACTIVITIES					
Proceeds from long-term debt & Lease obligations	44,800	273,715	464,800	273,715	273,715
Repayments of long-term lease obligations	(544)	0	(1,961)	-	(894)
Repayments of long-term debt	(9,763)	(18,259)	(264,540)	(30,172)	(62,281)
Financing costs paid	(916)	(1,309)	(3,626)	(2,280)	(2,740)
Payments to repurchase equity	0	0	(667)	0	-
Net cash provided by (used in) financing activities	33,577	254,147	194,006	241,263	207,800
Net increase (decrease) in cash & cash equivalents	(28,578)	136	36,196	(15,196)	(66,285)
Cash and cash equivalents at beginning of period	116,372	102,551	51,598	117,883	117,883
Cash and cash equivalents at end of period	87,794	102,687	87,794	102,687	51,598

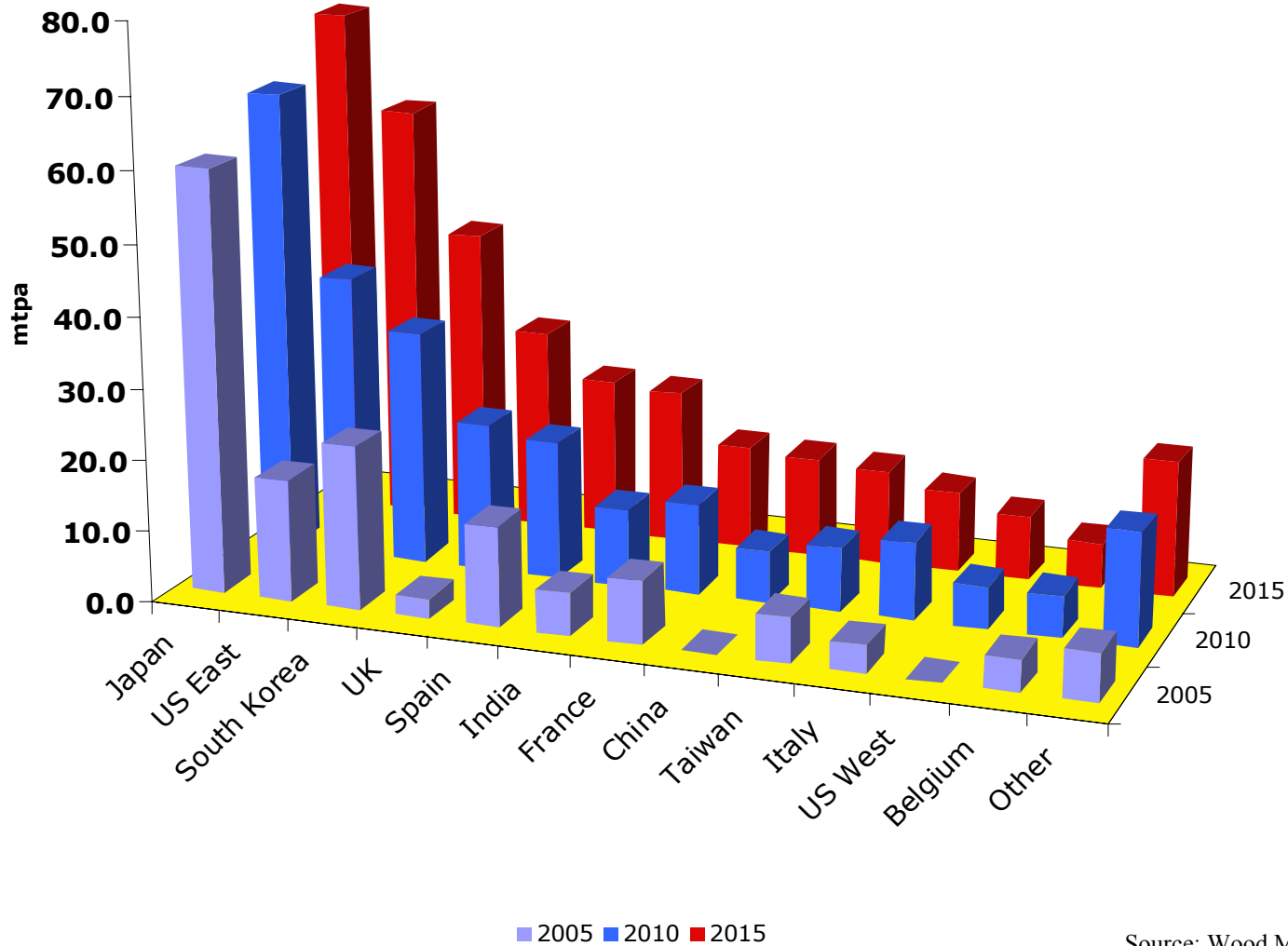


Spot Market Overview

- Demand for LNG as strong as ever
 - Led by Japan, Korea, Spain. US takes less than expected.
- Prices increase generally in line with Crude Oil
- Production
 - Egypt finally ramping up, Nigeria, Qatar, Trinidad to follow
- Spot sellers - taking the whole margin
- Other Elements
 - No regasification shortage (Lake Charles, Isle of Grain remain idle)
 - Transportation excess remains - but reduced.



Forecast LNG Demand



Source: Wood Mackenzie



New Production

million tonnes/year

2005	Nigeria LNG T4&5	8.0
	Atlantic LNG T4 (Trinidad)	5.2
	Qalhat LNG - Oman	3.7
	RasGas II T2	4.7
2006	ELNG 2 (Idku)	3.6
	Darwin (Bayu Undan)	3.2
	RasGas II T3	4.7
2007	Snohvit	4.2
	Nigeria LNG T6	4.0
2008	Damietta (Segas) T2	5.3
	Equatorial Guinea (Alba)	3.4
	Sakhalin 2 T1/2	9.6
	Tangguh - Indonesia	7.0
	QatarGas II	15.6
	Australia NWS 5	4.2
2009	Australia Gorgon	10.0
	Peru LNG	4.4
	Yemen	7.0
	Atlantic LNG T5 (Trinidad)	5.2
	Venezuela	4.7
	Brass LNG Nigeria	10.0
	OK LNG Nigeria	10.0
	TOTAL	137.7



Project Developments

- Yemen takes 9 Ships
 - Long term Rates improve slightly
 - Operating Cost pass through Sakhalin – delays and cost increases – no surprise
- Both Egypt projects now ramping up
- Increasing interest for Iran – Spain, France, India, China
- Project time slips as long term demand not there yet

Transportation

- Shipyard situation some berth availability but main problems accommodating owners wish to delay.



Other Opportunities

- **Technology Based**
 - Floating Regasification
 - Livorno
 - Other
 - Power Generation
 - Developing Interest
 - Other
 - Torp Technology – Hi Load System
 - U.S. Site
- **SPOT**
 - As LNG Supply increases
 - Additional services for Customers
 - Revenue Sharing