

**Golar LNG**



**Third 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.

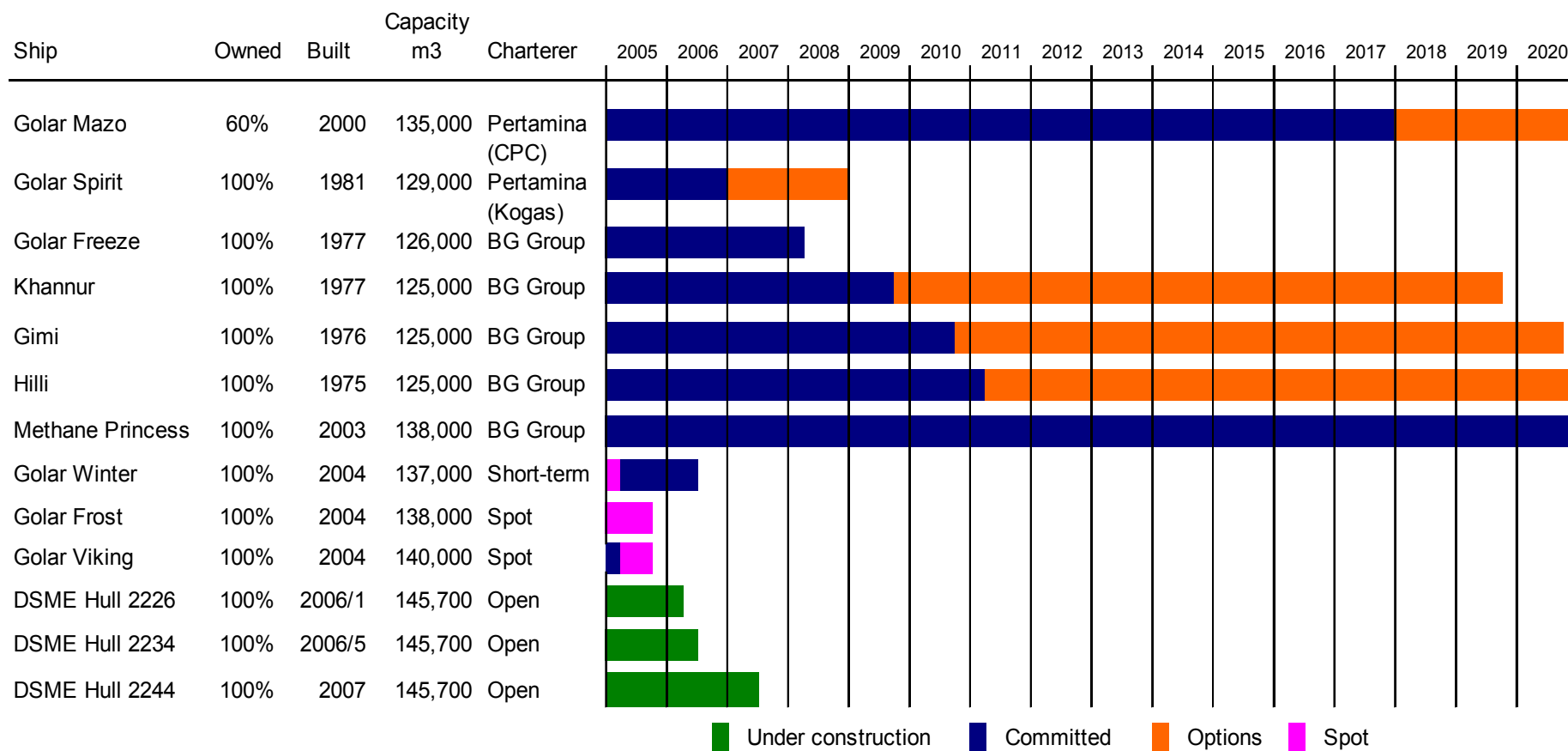


## **Agenda**

1. Introduction
2. The Golar Portfolio
3. Q3 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



## Q3 and Recent Events

- Improved spot vessel earnings
- Interest rate swap gains in Q3 reverse loss in Q2
- Management reorganisation beginning to deliver cost reductions
- Korea Line negative contribution
- Entered into Equity Swap
- FSRU & FPGP projects making good progress.



## Golar LNG Limited Third Quarter 2005 Report (Unaudited)

<b>INCOME STATEMENT</b> <i>(in thousands of \$)</i>	<b>2005</b> <b>Jul-Sep</b>	<b>2004</b> <b>Jul-Sep</b>	<b>2005</b> <b>Jan-Sep</b>	<b>2004</b> <b>Jan-Sep</b>	<b>2004</b> <b>Jan-Dec</b> <i>(audited)</i>
<b>Operating revenues</b>	<b>42,787</b>	<b>43,524</b>	<b>125,891</b>	<b>118,032</b>	<b>163,410</b>
Vessel operating expenses	9,253	9,673	28,470	26,172	35,759
Voyage expenses	967	988	3,413	1,893	2,561
Administrative expenses	2,658	1,812	9,295	5,420	8,471
Depreciation and amortisation	12,913	11,356	37,869	29,592	40,502
<b>Total operating expenses</b>	<b>25,791</b>	<b>23,829</b>	<b>79,047</b>	<b>63,077</b>	<b>87,293</b>
<b>Operating income</b>	<b>16,996</b>	<b>19,695</b>	<b>46,844</b>	<b>54,955</b>	<b>76,117</b>
Interest income	8,752	8,466	26,941	22,983	31,879
Interest expense	(21,151)	(17,151)	(61,544)	(44,320)	(61,987)
Other financial items	8,963	(6,860)	1,498	(849)	4,804
<b>Income before taxes and minority interest</b>	<b>13,560</b>	<b>4,150</b>	<b>13,739</b>	<b>32,769</b>	<b>50,813</b>
Minority interest	(2,164)	355	(5,947)	(4,824)	(7,575)
Taxes	(152)	(132)	(571)	(348)	(420)
Equity in net earnings of investee	(283)	723	16,711	10,463	13,015
<b>Net income</b>	<b>10,961</b>	<b>5,096</b>	<b>23,932</b>	<b>38,060</b>	<b>55,833</b>
<b>Earnings per share (\$)</b>	<b>\$0.17</b>	<b>\$0.08</b>	<b>\$0.37</b>	<b>\$0.58</b>	<b>\$0.85</b>



## Golar LNG Limited Third Quarter 2005 Report (Unaudited)

<b>NET FINANCIAL EXPENSES</b> <i>(in thousands of \$)</i>	<b>2005 Jul-Sep</b>	<b>2005 Apr-Jun</b>	<b>2005 Jan-Mar</b>	<b>2004 Oct-Dec</b>	<b>2004 Jul-Sep</b>
Lease related interest income	8.1	8.7	8.2	8.6	8.0
Other Interest income	0.7	0.8	0.5	0.3	0.5
	<b>8.8</b>	<b>9.5</b>	<b>8.7</b>	<b>8.9</b>	<b>8.5</b>
Lease interest expense	(9.8)	(10.4)	(9.8)	(10.0)	(9.2)
Debt interest expense	(11.4)	(10.5)	(9.6)	(7.7)	(7.9)
	<b>(21.2)</b>	<b>(20.9)</b>	<b>(19.4)</b>	<b>(17.7)</b>	<b>(17.1)</b>
Interest rate swap gain/(loss)	9.5	(8.1)	6.4	4.1	(5.2)
Net FX (loss)/gain on lease balances	0.3	(2.2)	(1.5)	2.6	(1.0)
Other financial items	(0.8)	0.2	(2.3)	(1.0)	(0.7)
	<b>9.0</b>	<b>(10.1)</b>	<b>2.6</b>	<b>5.7</b>	<b>(6.9)</b>
<b>Net Financial Expenses</b>	<b>(3.4)</b>	<b>(21.5)</b>	<b>(8.1)</b>	<b>(3.1)</b>	<b>(15.5)</b>



## Golar LNG Limited Third Quarter 2005 Report (Unaudited)

<b>BALANCE SHEET ASSETS</b> <i>(in thousands of \$)</i>	<b>Sep 30 2005</b>	<b>Sep 30 2004</b>	<b>Dec 31 2004</b> <i>(audited)</i>
<b>Short term assets</b>			
Cash and cash equivalents	77,710	101,503	51,598
Restricted cash and short-term investments	43,703	46,499	41,953
Other current assets	17,222	18,509	22,652
<b>Long term assets</b>			
Restricted cash (relates to leases)	708,623	668,023	714,802
Equity in net assets of non-consolidated associate	65,380	44,545	48,869
Newbuildings <span style="border: 1px solid black; padding: 2px;">Korea Line</span>	109,248	95,660	145,233
Vessel and equipment, net	1,224,299	1,086,706	1,078,383
Other long term assets	10,885	6,961	6,839
<b>TOTAL ASSETS</b>	<b>2,257,070</b>	<b>2,068,406</b>	<b>2,110,329</b>



## Golar LNG Limited Third Quarter 2005 Report (Unaudited)

<b>BALANCE SHEET LIABILITIES</b> <i>(in thousands of \$)</i>	<b>2005</b> <b>Sep 30</b>	<b>2004</b> <b>Sep 30</b>	<b>2004</b> <b>Dec 31</b> <i>(audited)</i>
<b>Short term liabilities</b>			
Current portion of long-term debt	65,822	65,298	66,457
Current portion of capital lease obligations	2,537	2,451	2,662
Other current liabilities	53,555	63,770	46,775
<b>Long term liabilities</b>			
Long term debt	780,622	657,694	636,497
Long term capital lease obligations	818,671	786,119	842,853
Other long term liabilities	83,457	92,558	86,033
Minority interest	25,028	23,530	26,282
Stockholders' equity	427,378	376,986	402,770
<b>TOTAL LIABILITIES &amp; STOCKHOLDER'S EQUITY</b>	<b>2,257,070</b>	<b>2,068,406</b>	<b>2,110,329</b>

Includes deferred  
lease benefit



## Golar LNG Limited Third Quarter 2005 Report (Unaudited)

STATEMENT OF CASH FLOWS <i>(in thousands of \$)</i>	Jul-Sep 2005	Jul-Sep 2004	Jan-Sep 2005	Jan-Sep 2004	Jan-Dec 2004 <i>(audited)</i>
<b>OPERATING ACTIVITIES</b>					
Net (loss) income	10,961	5,096	23,932	38,060	55,833
Depreciation and amortisation	13,261	11,721	40,566	30,489	41,772
Income (loss) attributable to minority interests	2,164	(355)	5,947	4,824	7,575
Undistributed net earnings of non-consolidated investee	283	(723)	(15,164)	(10,463)	(12,844)
Dry docking expenditure	145	(1,886)	(9,238)	(11,127)	(13,299)
Change in market value of interest rate & currency	(6,650)	7,050	8,096	3,618	(12,237)
Interest element included in capital lease obligations	1,706	1,209	5,437	5,083	6,321
Unrealised foreign exchange (gain) loss	(3,221)	(780)	(12,524)	(3,940)	5,161
Change in operating assets and liabilities	1,186	(625)	4,959	5,054	3,746
<b>Net cash provided by operating activities</b>	<b>19,835</b>	<b>20,707</b>	<b>52,011</b>	<b>61,598</b>	<b>82,028</b>
<b>INVESTING ACTIVITIES</b>					
Additions to newbuildings, vessels & equipment	(1,558)	(949)	(141,527)	(233,636)	(286,792)
Long-term restricted cash	(5,974)	(845)	(53,813)	(37,342)	(37,515)
Short-term restricted cash and investments	(2,572)	(8,013)	(1,750)	(36,179)	(31,806)
Purchase of unlisted investments	-	-	(3,000)	-	-
<b>Net cash used in investing activities</b>	<b>(10,104)</b>	<b>(9,807)</b>	<b>(200,090)</b>	<b>(307,157)</b>	<b>(356,113)</b>
<b>FINANCING ACTIVITIES</b>					
Proceeds from long-term debt & Lease obligations	-	-	464,800	273,715	273,715
Repayments of long-term lease obligations	(529)	0	(2,490)	-	(894)
Repayments of long-term debt	(11,969)	(12,071)	(276,509)	(42,243)	(62,281)
Financing costs paid	(117)	(13)	(3,743)	(2,286)	(2,740)
Dividends paid to minority shareholders	(7,200)	-	(7,200)	-	-
Payments to repurchase equity	-	-	(667)	(7)	-
<b>Net cash used in/provided by financing activities</b>	<b>(19,815)</b>	<b>(12,084)</b>	<b>174,191</b>	<b>229,179</b>	<b>207,800</b>
<b>Net decrease/increase in cash &amp; cash equivalents</b>	<b>(10,084)</b>	<b>(1,184)</b>	<b>26,112</b>	<b>(16,380)</b>	<b>(66,285)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>87,794</b>	<b>102,687</b>	<b>51,598</b>	<b>117,883</b>	<b>117,883</b>
<b>Cash and cash equivalents at end of period</b>	<b>77,710</b>	<b>101,503</b>	<b>77,710</b>	<b>101,503</b>	<b>51,598</b>

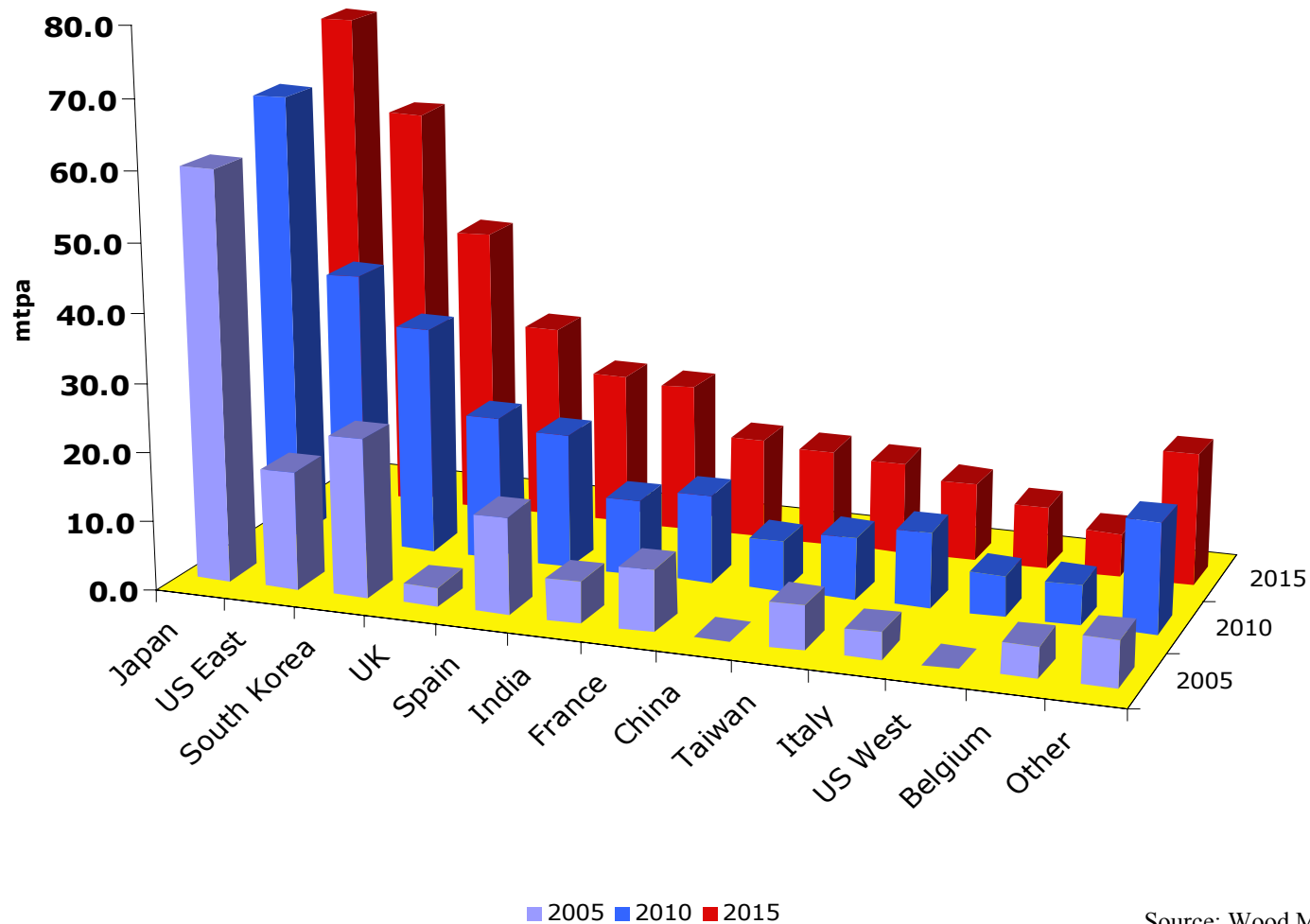


## Spot Market Overview

- Demand for LNG as strong as ever.
- Short Term market very sensitive to US/Europe/Far East Pricing.
- New production finally impacting shipping market.
- Spot sellers - taking the whole margin.
- Other Elements.
  - Project ramp up means that for a short period anyway, less ships are available in the spot market.
    - Vessel utilisation improving.
    - Some upward pressure on rates.



## Forecast LNG Demand



Source: Wood Mackenzie



## New Production

	2005	ELNG 2 (Idku)	3.6
		Atlantic LNG T4 (Trinidad)	5.2
		Qalhat LNG - Oman	3.7
		RasGas II T2	4.7
	2006	Nigeria LNG T4&5	8.0
		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
		<b>TOTAL</b>	<b>134.1</b>

million tonnes/year



## Project Developments

- Qatargas Qatarmax project finalising -
  - Rate very disappointing.
  - ChevTex led Brass River tendering for up to 12 x 145-200,000 m<sup>3</sup> vessels.
- Egypt quantities becoming significant.
- Iran hiccough due to political problems with India.
- Project timing still showing slippage.
- Shipyard situation: Excitement over further projects conceals long term overcapacity.



## Other Opportunities

- **Technology Based**
  - Floating Regasification
    - Livorno
    - Other
  - Power Generation
    - Developing Interest
  - Other
    - Torp Technology – Hi Load System
    - U.S. Site
- **SPOT**
  - Opportunities occur as project tonnage absorbed: further tonnage required to provide flexibility.