

Golar LNG



**SECOND QUARTER RESULTS 2004
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.

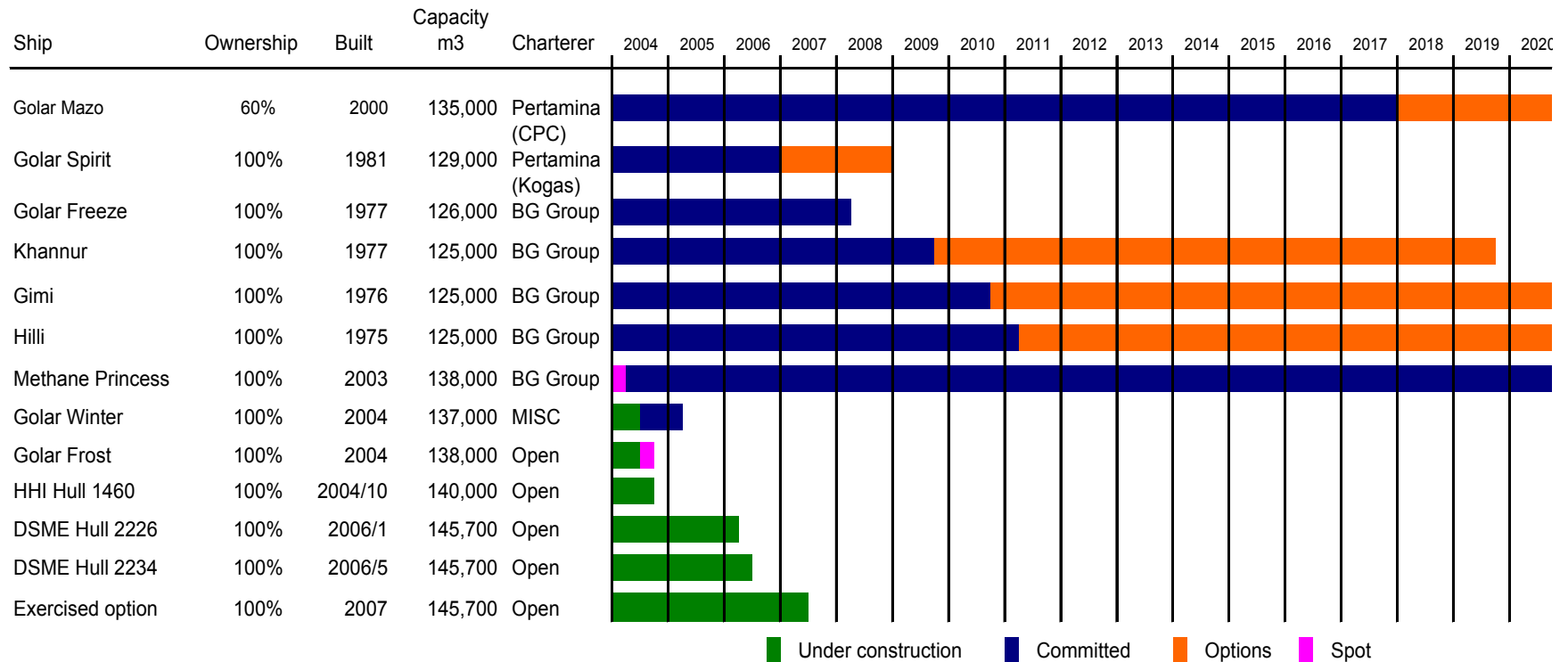


Agenda

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



The Golar Portfolio



NGSCO Vessels Under management only

Committed fixed contract revenue - \$1.4 billion

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

Livorno project potentially takes 3 vessels



Q2 Events

- Delivery of the *Golar Winter* and arrangement of a lease finance package. On charter to MISC for 10 months
- Investment in Korea Line up to 21% - Golar's equity accounting share of first half profits - \$14m
- Date set for Livorno floating terminal project second conference – September 22, 2004
- *Golar Frost* delivered in June 2004 – spot trading from July. Financed with \$110m debt facility-\$9m received from yard as compensation for late delivery
- DSME newbuild option exercised



GOLAR LNG LIMITED SECOND QUARTER 2004 REPORT (UNAUDITED)

INCOME STATEMENT <i>(in thousands of \$)</i>	2004 Apr-Jun	2003 Apr-Jun	2004 Jan-Jun	2003 Jan-Jun	2003 Jan-Dec <i>(Restated)</i>
Operating revenues	38,520	31,027	74,508	64,143	132,765
Vessel operating expenses	8,255	6,776	16,499	14,030	30,156
Voyage expenses	621	109	905	204	2,187
Administrative expenses	1,910	1,528	3,608	2,734	7,138
Depreciation and amortisation	9,760	6,972	18,236	14,618	31,147
Total operating expenses	20,546	15,385	39,248	31,586	70,628
Operating income	17,974	15,642	35,260	32,557	62,137
Interest income	7,644	3,790	14,517	3,897	14,800
Interest expense	(14,239)	(9,211)	(27,169)	(14,617)	(37,157)
Other financial items	8,905	(592)	6,011	(1,789)	7,217
Income before taxes and minority interest	20,284	9,629	28,619	20,048	46,997
Minority interest	(5,195)	(756)	(5,179)	(1,427)	(7,052)
Taxes	(119)	(50)	(216)	(82)	(375)
Equity in net earnings of investee	7,348	-	13,964	-	-
Net income	22,318	8,823	37,188	18,539	39,570
Earnings per share (\$)	\$0.34	\$0.16	\$0.57	\$0.33	\$0.68



GOLAR LNG LIMITED SECOND QUARTER 2004 REPORT (UNAUDITED)

NET FINANCIAL EXPENSES <i>(in thousands of \$)</i>	2004 Apr-Jun	2004 Jan-Mar	2003 Apr-Jun
Lease related interest income	7.3	6.5	3.6
Other interest income	0.3	0.3	0.2
	7.6	6.9	3.8
Lease interest expense	(7.8)	(6.8)	(4.0)
Debt interest expense	(6.4)	(6.1)	(5.2)
	(14.2)	(12.9)	(9.2)
Interest rate swap gain/(loss)	9.9	(3.2)	(1.1)
Net FX gain on lease balances (including currency swap)	(0.7)	0.6	1.0
Other financial items	(0.3)	(0.3)	(0.5)
	8.9	(2.9)	(0.6)
Net financial expenses	2.3	(8.9)	(6.0)



GOLAR LNG LIMITED SECOND QUARTER 2004 REPORT (UNAUDITED)

BALANCE SHEET ASSETS <i>(in thousands of \$)</i>	Jun 30 2004	Jun 30 2003	Dec 31 2003 (restated)
Short term assets			
Cash and cash equivalents	102,687	50,078	117,883
Restricted cash and short-term investments	38,486	24,846	32,095
Other current assets	19,520	8,226	20,778
Long term assets			
Restricted cash (relates to leases)	670,069	428,829	623,179
Equity in net assets of non-consolidated associate	48,891	-	12,031
Newbuildings	94,045	308,471	207,797
Vessel and equipment, net	1,097,839	612,261	764,483
Other long term assets	7,313	7,236	5,577
TOTAL ASSETS	2,078,850	1,439,947	1,783,823

\$25.8m relates to leases
\$12.7m relates to bank debt

Relates to lease obligations

Korea Line



GOLAR LNG LIMITED FIRST QUARTER 2004 REPORT (UNAUDITED)

BALANCE SHEET LIABILITIES <i>(in thousands of \$)</i>	Jun 30 2004 (unaudited)	Jun 30 2003 (unaudited)	Dec 31 2003 (unaudited)
Short term liabilities			
Current portion of long-term debt	64,900	56,210	61,331
Other current liabilities	61,002	77,002	60,790
	<i>\$14.2m accrued interest rate swap loss</i>		
Long term liabilities			
Long term debt	670,163	586,783	593,904
Long term capital lease obligations	788,832	423,886	616,210
Other long term liabilities	93,110	68,310	94,226
Minority interest	23,885	13,081	18,706
	<i>Includes \$65.2m deferred lease benefit</i>		
Stockholders' equity	376,958	214,675	340,435
TOTAL LIABILITIES & STOCKHOLDER'S EQUITY	2,078,850	1,439,947	1,785,602
Percentage of fixed interest debt (41% as at August 31, 2004)	35%	40%	46.8%



GOLAR LNG LIMITED SECOND QUARTER 2004 REPORT (UNAUDITED)

STATEMENT OF CASH FLOWS <i>(in thousands of \$)</i>	Apr-Jun 2004	Apr-Jun 2003	Jan-Dec 2003
OPERATING ACTIVITIES			
Net income	22,318	8,823	39,570
Depreciation and amortisation	10,038	7,185	32,721
Income (loss) attributable to minority interests	5,195	756	7,052
Equity in profit of non-consolidated associate	(7,348)	-	-
Drydocking expenditure	(8,016)	(4,916)	(12,737)
Change in market value of interest rate derivatives	(6,612)	1,058	(6,401)
Unrealised foreign exchange gain	(2,549)	(1,010)	(2,993)
Change in operating assets and liabilities	3,817	328	205
Net cash provided by operating activities	16,843	12,224	57,417
INVESTING ACTIVITIES			
Additions to newbuildings, vessels & equipment	(227,709)	(8,275)	(84,091)
Long-term restricted cash	(37,938)	(403,232)	(543,643)
Short-term restricted cash and investments	(7,084)	(4,993)	(30,781)
Net cash used in investing activities	(272,731)	(416,500)	(658,515)
FINANCING ACTIVITIES			
Proceeds from long-term debt & Lease obligations	273,715	779,081	1,122,426
Repayments of long-term debt	(18,259)	(371,882)	(561,208)
Additions to long-term lease obligations	1,877	-	2,660
Financing costs paid	(1,309)	(504)	(2,140)
Dividends paid to minority shareholders	-	(1,695)	(1,695)
Proceeds from issuance of equity	-	-	106,197
Net cash provided by financing activities	256,024	405,000	666,240
Net increase (decrease) in cash and cash equivalents	136	724	65,142
Cash and cash equivalents at beginning of period	102,551	49,354	52,741
Cash and cash equivalents at end of period	102,687	50,078	117,883



2nd Quarter Commercial Highlights Summary

- LNG Prices remain firm through early summer
- LNG Transportation
 - Fundamentals continue to gain strength
- Short Term
 - Lack of Supply
 - Firming demand in East



Product Supply Developments

- Malaysia: Tiga on Stream
- Algeria: Production resumes
- Indonesia: Still with problems
- New Production absorbs much of the excess tonnage
 - Mostly on medium term basis
- ‘Spot’ Requirement remains minimal

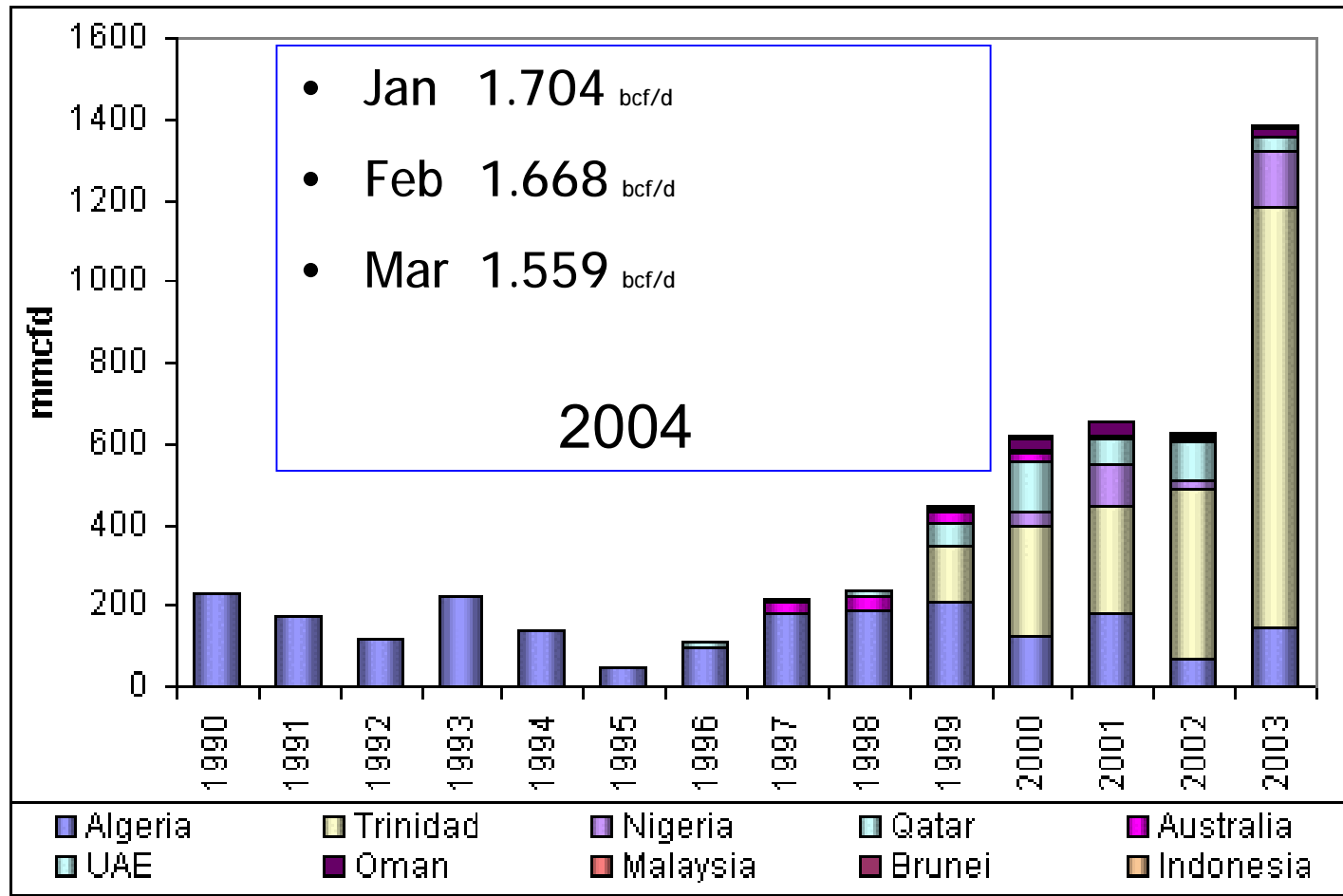


US Market Summary 2003 v 2002

- US Imports more than double in 2003
- 10.5MT imported in 2003-ie 500 bcf or about 2% of the US total gas supply for the year. 5MT in 2002.
- 203 cargoes imported to all four terminals in 2003 (cf/ 105 cargoes in 2002)
- 2003 imports averaged c 1.4bcf/day during some summer months
- Factors contributing to strong growth in 2003:
 - * High gas prices
 - * Henry Hub cash prices averaged \$5.50/MMBtu in 2003 compared with \$3.05/MMBtu in 2002
 - * Reactivation of Cove Point in July 2003
 - * Additional Export Capacity from Atlantic LNG (T3 in April 2003)
 - * Increased Shipping Capacity delivery to US

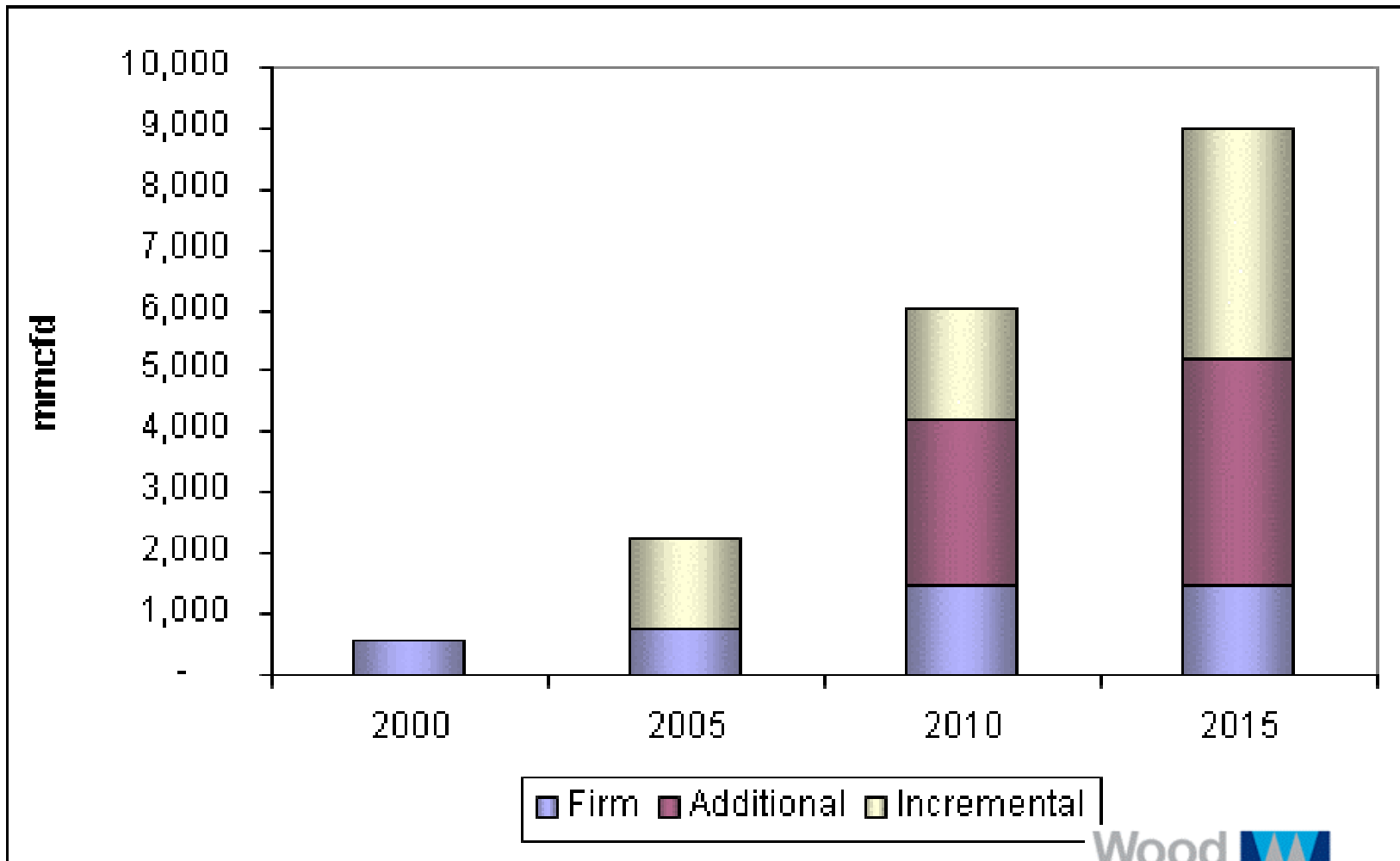


US Import Development





US Import Forecast





Incremental LNG Supply 2004

- Malaysia Tiga – Train 2
 - On Line
- Qatar:
 - Petronet ramp up
 - Qatargas debottleneck
- Egypt
 - First gas December



Project Development

- **Qatargas** – Larger vessels
 - Shipyards high pricing upsets Qatar's economics
 - ExxonMobil to press ahead with 12 ship requirement
- **Snohvit** – min 12 month delay
 - Now no gas before 2007
- **Some delays:**
 - Nigeria 4
 - Sakhalin
 - Tengguh



Import Development

- USA
 - Cheniere's Freeport Terminal progresses
 - Positive progress in other US Gulf, Mexico, and USWC
- Europe
 - Spain, Portugal all in line
 - Zeebrugge upgrade (for EM)
 - Isle of Grain, Milford Haven on schedule
 - Livorno nears permitting completion