

# **Golar LNG Limited**

## **Interim Report June 2001**

### **INTRODUCTION**

Golar LNG Limited (the “Company”) was incorporated in Bermuda in May 2001 for the purpose of acquiring the Liquid Natural Gas (“LNG”) shipping interests of Osprey Maritime Limited and Seatankers Management Co. Ltd. These interests were acquired in late May 2001 and consist of two newbuildings and six LNG carriers, of which all six are currently under long term charter contracts.

To finance the purchase of the LNG operations, the Company raised \$280 million through the private placement of 56 million shares at a price of \$5.00 per share. Additionally, a subsidiary of the Company raised \$325 million through a credit facility secured by the underlying vessels. In early July 2001, the Company delivered a prospectus relating to the introduction to listing of its shares on the Oslo Stock Exchange, and on July 12, 2001 the Company’s shares were listed for trading on the Oslo Stock Exchange.

On July 19, 2001, the Company announced that it had entered into two contracts for LNG newbuildings for delivery in 2004. Upon execution of these contracts, the Company now has four newbuildings on order and has options for newbuildings for delivery in 2004, 2005 and 2006.

### **JUNE 2001 RESULTS**

Golar reports net income of \$0.52 million for the month ended June 30, 2001 and earnings per share of \$0.01. Earnings before interest, tax, depreciation and amortisation (EBITDA) for the month were \$6.32 million. This result is influenced by the loss of approximately \$1.2 million in operating revenues due to the scheduled drydocking of two vessels.

Net operating revenues were \$8.23 million and were reduced by the scheduled drydocking of two vessels which resulted in a total of approximately 38 days offhire. Total operating costs of \$1.59 million were within the Company’s budgets and expectations.

Net interest expense for the month was \$2.38 million. Interest income earned was relatively high due to cash balances arising from the share issue. Included in other financial items of \$(0.62) million is \$(0.56) million associated with the fair valuing of interest rate swaps.

The weighted average number of shares outstanding as of June 30, 2001 and for the month then ended was 56,012,000.

The financial information presented herein is unaudited. The Company is currently finalising an exercise to produce historical combined financial statements for the LNG assets that it has acquired. These financial statements are being prepared in accordance with accounting principles generally accepted in the United States (“US GAAP”). Upon the completion of this exercise the Company will have available audited combined financial statements for each of the years ended December 31, 1999 and 2000. Greenwich Holdings Ltd. indirectly controls 50.01% of the Company through their controlling interest in Osprey. The purchase of the LNG operations has been treated by the Company as a transaction between entities under common control. The accounting for the acquisition of the assets from an entity under

common control is discussed in the Company's prospectus dated July 9, 2001. This exercise to produce and audit historical financial information may impact the financial information presented herein and while management does not expect any material adjustments, there can be no assurance that certain information will not be changed.

## **CORPORATE**

The Board is pleased with the fact that the reorganization of Osprey's LNG operations to Golar LNG has gone in accordance with the original plan. Considerable time has been spent on the reorganization of Golar Management in London. The purpose has been to further strengthen Golar's operating credibility as the leading independent operator of LNG tonnage in the world. It has also been important to take advantage of cost efficiencies achieved through being part of a bigger purchasing pool.

The promotion of Graeme McDonald to Managing Director for Golar Management in London, and the recruitment of Sveinung Støhle (Ex Nigeria LNG) as new Executive Vice President have further strengthened our management team.

## **OUTLOOK**

The Board is actively pursuing chartering opportunities for the existing four new building contracts. Rates in the market for long term deals with commencement before 2005 shows a positive development. The fact that Golar LNG is the only party who can offer substantial shipping capacity within 2004 makes the Board confident about getting attractive employment of the ships. An announcement of the employment situation for a portion of the newbuildings should be expected in the third quarter.

August 31, 2001  
The Board of Directors  
Golar LNG Limited  
Hamilton, Bermuda

Questions should be directed to:

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# GOLAR LNG LIMITED JUNE 2001 REPORT (UNAUDITED)

| INCOME STATEMENT<br><i>(in thousands of \$)</i>              | Month ended<br>June 30, 2001 |
|--|------------------------------|
| <b>Net operating revenues</b>                                | <b>8,231</b>                 |
| Ship operating expenses                                      | (1,593)                      |
| Administrative expenses                                      | (319)                        |
| <b>Operating income before depreciation and amortisation</b> | <b>6,319</b>                 |
| Depreciation and amortisation                                | (2,629)                      |
| <b>Operating income after depreciation and amortisation</b>  | <b>3,690</b>                 |
| Interest income  | 402                          |
| Interest expense   | (2,785)                      |
| Other financial items  | (617)                        |
| <b>Income before taxes and minority interest</b>             | <b>690</b>                   |
| Minority interest  | (170)                        |
| Taxes  | -                            |
| <b>Net income</b>  | <b>520</b>                   |
| <b>Earnings per share (\$)</b>                               | <b>\$0.01</b>                |

| BALANCE SHEET<br><i>(in thousands of \$)</i>      | 2001<br>June 30 |
|---|-----------------|
| <b>ASSETS</b>                                     |                 |
| <i>Short term</i>                                 |                 |
| Cash and cash equivalents                         | 69,981          |
| Other current assets                              | 6,076           |
| <i>Long term</i>                                  |                 |
| Newbuildings                                      | 37,518          |
| Vessel and equipment, net                         | 636,582         |
| Other long term assets                            | 3,257           |
| <b>Total assets</b>                               | <b>753,414</b>  |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>       |                 |
| <i>Short term</i>                                 |                 |
| Short term interest bearing debt                  | 25,603          |
| Other current liabilities                         | 21,483          |
| <i>Long term</i>                                  |                 |
| Long term interest bearing debt                   | 508,918         |
| Other long term liabilities                       | 16,257          |
| Minority interest                                 | 12,642          |
| Stockholders' equity                              | 168,511         |
| <b>Total liabilities and stockholders' equity</b> | <b>753,414</b>  |