Golar LNG Limited
Interim Report September 2001

- Golar LNG reports third quarter EBITDA of $21.9m.
- Golar LNG reports a net loss of $2.2 million: this result is negatively impacted by a $13.0 million unrealized book charge associated with the "mark to market" valuing of the USD 200 million Golar Mazo interest rate swaps.
- Ongoing negotiations with British Gas (BG) during the quarter result in agreement on a 20-year charter for one of Golar LNG's four newbuildings and improved cash flow for the four existing vessels chartered to BG.

THREE MONTHS TO SEPTEMBER 2001 RESULTS

Golar LNG reports a net loss of $2.2 million for the three months ended September 30, 2001 and loss per share of $0.04. This is, however, after a charge of $13.0 million for the adverse movement of the fair value of interest rate swaps. Earnings before interest, tax, depreciation and amortisation (EBITDA) for the quarter were $21.9 million.

Net operating revenues were $28.6 million and have benefited significantly from improved charter hire rates from BG but were reduced by approximately $1.1 million due to the scheduled drydocking of two vessels, which resulted in a total of approximately 34 days offhire. Three vessels have been drydocked in 2001. One vessel is currently due to drydock in 2002. Total operating costs of $5.6 million were within the Company's budgets and expectations.

Net interest expense for the quarter was $7.2 million. The main component of other financial items of $13.3 million is $13.0 million associated with the fair valuing of interest rate swaps. This is an exceptionally large quarterly movement in the valuation caused by the downward trend in interest rates but it in no way affects the cash flows of the Company. The swaps are held as part of the long-term project financing for one of the Company's vessels, the "Golar Mazo". Since September 30th an increase in long-term interest rates has reduced the negative value of the swaps and therefore reversed in part the charge incurred to date. As at November 28th the value of this reversal was $3.6 million. Any future interest increases in the Mazo swap arrangements from the written down value will in accordance with US GAAP be booked as a profit. The swaps notional principal is currently $200 million and this will decrease in a similar profile to the loan until they mature in 2009. The negative impact of the fair valuing of the interest rate swaps is partially offset by minority interests, which hold a 40% share in the "Golar Mazo". Minority interests therefore show income of $4.4 million.

The main part of the Company's financing is arranged in a $325 million bank syndicate. This loan has a margin linked to floating USD LIBOR, and has thereby benefited from the lower LIBOR rates.

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

NINE MONTHS RESULTS

The financial information presented herein is unaudited. In order to prepare historical financial statements prior to 31 May 2001 the Company has had to "carve out" the LNG business results from the previous owner's (Osprey Maritime Limited) financial statements. The nine months results to 30 September 2001 therefore consist of five months of 'carved out' results plus four months results for the new legal entity.

The net loss for the nine months to 30 September 2001 of $5.3 million is after a charge of $16.8 million relating to the movement of the fair value of interest rate swaps and $1.9 million relating to restructuring expenses. The restructuring expenses consist of employment severance costs incurred in connection with the restructuring of Osprey's operations, which have been allocated to the Company as part of the 'carve out'. EBITDA for the nine months at $59.8 million has been affected, as noted above, by the drydocking of three vessels during the period. The interest rate swap charge is included in and is the main component of other financial items, the balance relates to the amortisation of deferred financing costs and financing arrangement and other fees largely in relation to the Company's loans prior to 31 May 2001.

CORPORATE

The Board is pleased to be able to report that the successful reorganization of Osprey's LNG operations into Golar LNG is now positively impacting results. In particular, administrative expenses have been approximately halved from the previous year and similarly interest expense has been significantly reduced with improved rates of financing.

The Board is pleased to have secured a long-term charter with BG for one of the Company's newbuildings and to have re-scheduled the hire rates with BG for all four of its existing vessels that are currently chartered to BG. The latter deal will improve the Company's cash flow for the next years.

The Company announced on 19 November 2001 that it had signed an agreement with Merlin Production for a Feasibility Study covering a floating re-gasification terminal with special focus for the US market. The study includes looking at the feasibility of converting the "Golar Freeze" into such a terminal when its charter to BG comes to an end in March 2003.

MARKET

The market for LNG transportation is, in the short term, driven by short-term gas prices in the US. After experiencing weak gas prices in October as a result of lower demand and high storage numbers, gas prices in November have recovered and the future curves indicates prices between US$3.00 and US$4.00 MMBtu. At these levels, importation of LNG to the US is highly competitive.

The latest spot fixture in the market has been concluded at Time Charter Equivalent rates between US$50,000 – 70,000 per day, while longer term business has recently been concluded at levels around US$ 70,000 + per day.

The ordering of new LNG carriers in the third quarter of 2001 has stopped as a result of the uncertain economic climate and indications of falling newbuilding prices. A total of 47 LNG carriers are presently on order. There is limited availability of ships for charter before 2004.

OUTLOOK

The Board is actively pursuing chartering opportunities for the remaining three newbuilding contracts. Based on current discussions with different parties the Board expects that additional charter coverage for some of the remaining three newbuildings will be concluded during the next half year. Such charter coverage may include short and long-term time charter business as well as use of ships in a trading program. Golar has received several indicative proposals for joint venture schemes, such schemes also involving the Golar Freeze terminal project. The Board is currently evaluating and developing these opportunities.

Golar LNG has, on the back of the new 20-year charter with BG, received proposals for financing of the major part of the Company's newbuilding program including pre-delivery installments. Such financing is also likely to include tax leases on existing ships and newbuildings. The Board has set a target of May 2002 to conclude such financing. Based on the current trading value of the Golar stock, the Board feels it is unattractive and dillutive to finance part of the newbuilding program through equity issues. The Board will therefore focus on financing solutions, which eliminate or minimize the need for new equity.

The development in the equity market and the current trading value of the Golar stock has stalled Golar's planned listing in the US. It is however still the Company's ambition to have a US listing of the Golar share in the first half of 2002.

The EBITDA numbers for the fourth quarter will show a positive development compared to the third quarter. The Company has already committed all capacity for 2002. The numbers for 2002 will show further positive development as a result of improved TC rates and further reductions in operating costs.

The Net income numbers will be influenced by changes in long-term interest rates and the "mark to market" revaluation of the $200 million swap arrangement. Since September 30th an increase in long-term interest rates has reduced the negative value of the swaps and therefore reversed in part the charge incurred to date. As at November 28th the value of this reversal was $3.6m.

With committed forward charter revenue in excess of $1.5 billion, a continued strong demand for global use of gas, a well-balanced fleet, good delivery positions for the newbuildings, and several interesting employment possibilities including establishments of joint ventures, the Board remains optimistic about the future.

'November 30, 2001
The Board of Directors
Golar LNG Limited

Hamilton, Bermuda

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GOLAR LNG LIMITED THIRD QUARTER 2001 REPORT

INCOME STATEMENT *(in thousands of $)*	**2001 Jul – Sep** *(unaudited)*	**2001 Jan – Sep** *(unaudited)*
Net operating revenues	**28,603**	**82,382**
Vessel operating expenses	5,641	17,052
Administrative expenses	1,016	3,672
Restructuring expenses	-	1,894
Operating income before depreciation and amortisation	**21,946**	**59,764**
Depreciation and amortisation	8,008	24,245
Operating income after depreciation and amortisation	**13,938**	**35,519**
Interest income	652	2,804
Interest expense	(7,836)	(25,716)
Other financial items	(13,285)	(20,710)
Loss before taxes and minority interest	**(6,531)**	**(8,103)**
Minority interest	4,363	3,033
Taxes	(58)	(208)
Net Loss	**(2,226)**	**(5,278)**
Loss per share ($)	(0.04)	(0.09)

BALANCE SHEET *(in thousands of $)*	**2001 Sep 30** *(unaudited)*
ASSETS	
Short term	
Cash and cash equivalents	69,222
Other current assets	7,826
Amounts due from related parties	154
Long term	
Newbuildings	131,241
Vessel and equipment, net	646,664
Other long term assets	4,345
Total assets	**859,452**
LIABILITIES AND STOCKHOLDERS' EQUITY	
Short term	
Short term interest bearing debt	115,881
Other current liabilities	35,324
Long term	
Long term interest bearing debt	503,918

Other long term liabilities	15,987
Minority interest	21,513
Stockholders' equity	166,829
Total liabilities and stockholders' equity	**859,452**