

Golar LNG Ltd.



“On Track.....”
Presentation London
January 2002

The Golar Strategy

1. Be a shipowner that charters out LNG tonnage for various periods to the market in general.
2. Be an LNG trader that buys LNG FOB from various sources either alone or with a partner, and sells gas to LNG customers all over the world. As part of the trading activity, Golar will consider investing in other parts of the LNG chain, like liquefaction or regasification capacity.
3. Be an LNG development / construction company that invests in or develops new concepts like floating regas or liquefaction units.

Major Events 2001

- Golar LNG established in May 2001 through USD 280 million IPO, with subsequent listing OSE.
- The initial Company was based on 5,6 LNG vessels employed on long-term charter to BG/Pertamina/CPC.
- The Company signed 4 further LNG newbuilding contracts.
- New charter deal signed with BG. Deal includes 20-year charter for one newbuilding + material changes to existing contracts.
- Gas price in US weakens.
- Golar develops floating terminal concept.

Balance Sheet 31/09/01

	<i>(1000 USD)</i>
Cash	69 222
Other current assets	7 980
Newbuildings	131 241
Vessels and equipment	646 664
Other long-term assets	4 345
TOTAL ASSETS	859 452
Short-term interesting liab	115 881
Other current liabilities	35 324
Long-term interest bearing debt	503 918
Other long-term liab.	15 987
Minority interest	21 513
Stockholders equity	166 829
TOTAL LIAB AND EQUITY	859 452

Golar Financing 30.09.01

<i>(USD 1000)</i>	<i>Short term</i>	<i>Long term</i>	<i>Total</i>	<i>Interest</i>
USD 325 million facility	20 000	305 000	325 000	Floating
Golar Mazo loan	10 603	198 918	209 521	Fixed 7.25 % incl 0.86 % margin
Newbuilding	85 278		85 278	Floating
Total	115 881	503 918	619 799	
British Gas N/B facility *			180 000	Undrawn/Floating

The Mazo swap has been marked to market as of September 31st 2001. The swap level at that time for an 8-year forward swap was approximately 5.0 %.

The Market and our Strategy

Global LNG Trade Flows

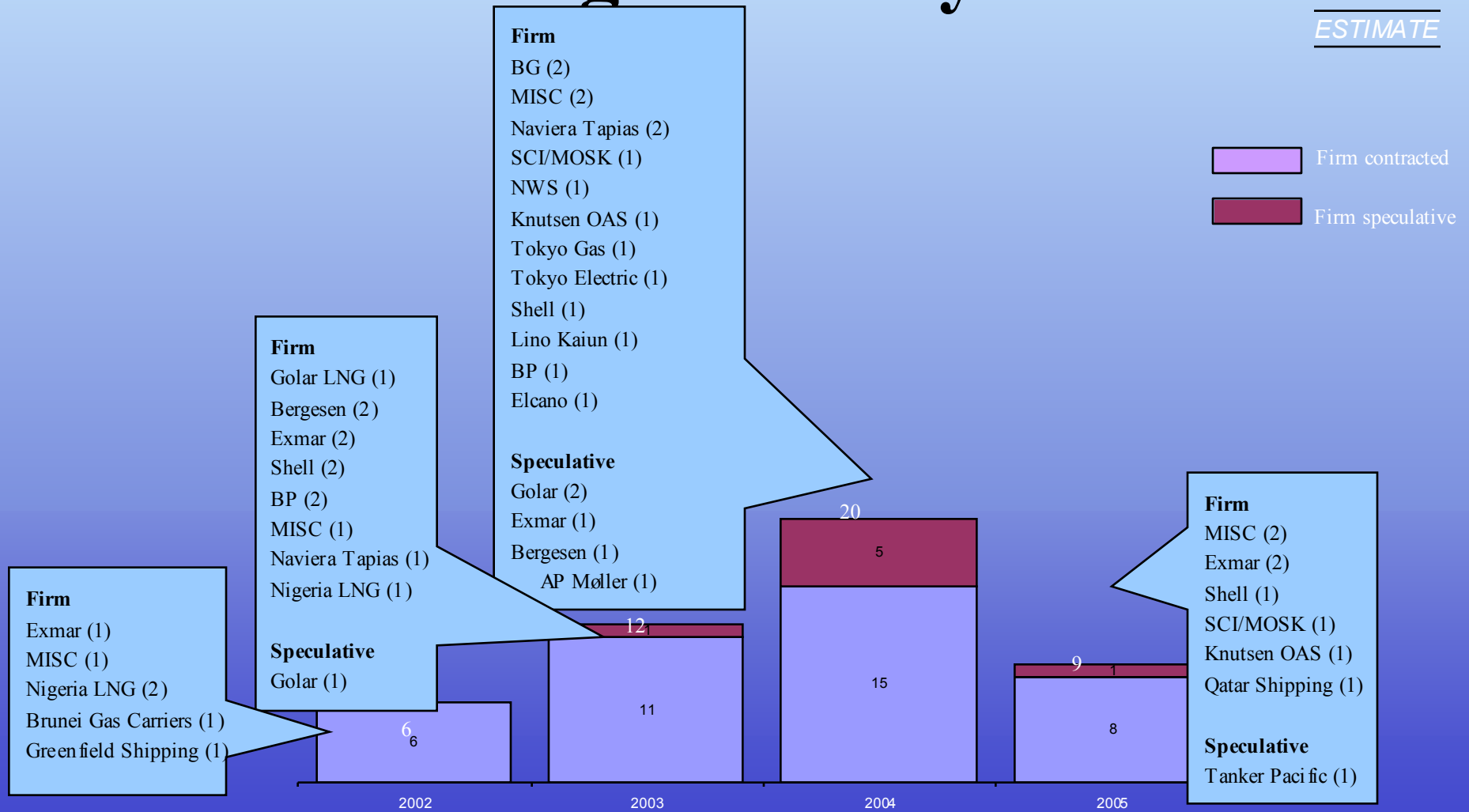


Ships needed up to 2006

Project	Start up	Capacity (mmta)	Required VsIs.	Covered
Trinidad 2-3	2002	6,4	7	Yes
Nigeria 3	2002	3,0	3	Yes
Egypt	2004	7,3	5	2
Malaysia	2004	7,2	6	Yes
RasGas/Edison	2004	4,4	4	No
NWS 4	2004	4,2	4	Yes
Ptronet	2004	5,0	2	Yes
Nigeria 4 -5	2005	7,8	8	No
Snohvit	2005	4,3	4	3
China Gandong	2005	3,0	2	No
Oman Expansion 3	2005	4,0	4	No
Yemen	2005	5,0	3	No
Angola	2006	4,0	2	No
Venezuela	2006	4,0	3	No
Tangguh	2006	3,0	3	No
Sakhalin	2006	4,5	2	No
Total		77,1	62	

Newbuildings Delivery Schedule

ESTIMATE



The Competitiveness of LNG

Indicated Cost Numbers

<u>Operation</u>	<u>USD/MMBtu</u>
Feed Gas	0.30 - 0.60
Liquefaction Infrastructure	0.50 - 1.00
Transportation	0.40 - 1.00
<u>Terminal</u>	<u>0.20 - 0.40</u>
<u>Total</u>	<u>1.40 - 3.00</u>

Variation of +/- \$1000/Day/TC (Nigeria - Lake Charles) = \$0.01/MMBtu

The Strength of the LNG Market

- US gas prices have a floor price around USD 2.50/ MMBtu created by:
 - Cost curve structure of gas production
 - Cost of steam coal equals USD 2 – 2.50/MMBtu gas.
 - Parity to oil (0.183)
- Short-term prices can show high volatility due to limited storage capacity and weather driven demand.
- US LNG import covers only 1 % of US gas consumption.
- LNG has large delivery flexibility.
- European Gas Pricing driven by underlying Value of Brent with Bulk of trade based on long-term firm agreements.
- Increasing tendency for Buyers to reduce their exposure open-ended oil price movements. Price trends now tending towards “S” Curve with inflexion points at c. \$12 -15 and \$24 - 26/bbl, corresponding to European Border Prices of \$2.00/MMBtu - \$4.50/MMBtu

The Spot Trading Market - An Economical Calculation

- Trade: Algeria – Lake Charles
- FOB Price: 60 % of Henry Hub
- Regas: USD 0.40 per MMBtu



Current Developments, January 2002

- Still tight short-term shipping market, few or no ships available for 1st half of 2002
- Several majors looking for short-term shipping capacity from 2003 onwards (2-4 years)
- Nigeria LNG Plus project- decision planned for end February 2002, 8.5 Mtons, 4 ships owned, 4 ships chartered
- Rasgas II, 4.5 Mtons, 6 ships, Decision February/March 2002
- Qatargas, Train 4, 4.5 Mtons, 4 ships, decision mid 2002
- Egypt, Union Fenosa, decisions made, start-up end 2004
- BG/Edison project, 2 –3 ships, decision mid/end 2002
- Snøhvit, 6 Mtons, 3-4 ships, decision February 2002

Where do we go from here ?

Management Focus 2002

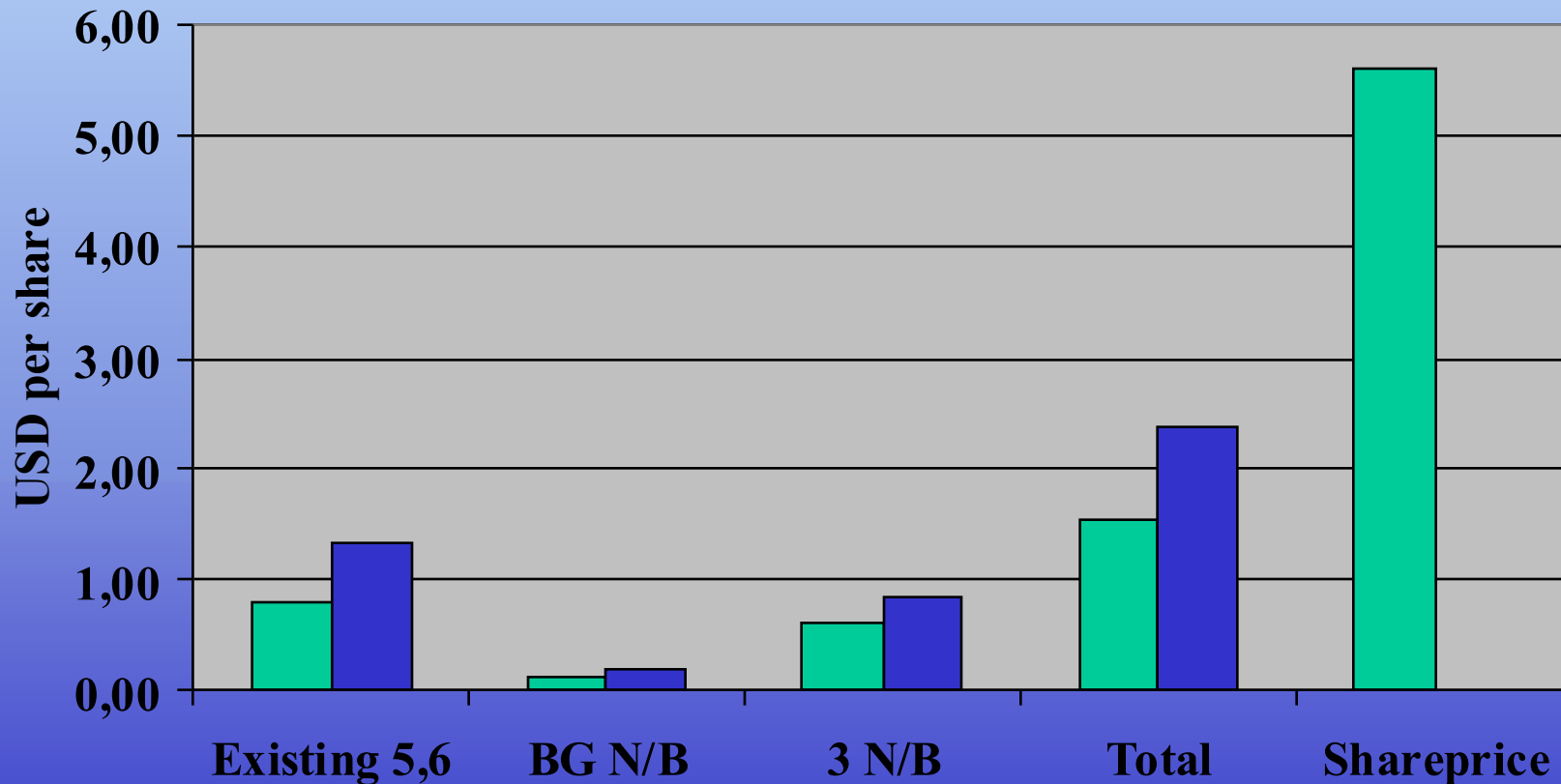
- Seek long-term charter for at least one more ship.
- Develop Golar Freeze floating terminal concept.
- Consolidation / pooling with other owners.
- Optimise existing financing structure to include tax lease.
- Arrange financing for Newbuildings.
- Consider interest hedging for loans.
- Establish partnership with non-shipping LNG players.
- Develop trading arm.
- List Company in US.

What to Expect in 2002

- Full year benefit of Golar Freeze rate increase.
- Three remaining BG ships increase rates from January 2002.
- Only one drydocking.
- Projected 2002 revenue USD 134 million.
- Further reduction in ship operating and admin costs.
- Full benefit of low interest level.

Illustrative Earnings EPS/CFPS

All ships employed long-term



3 unemployed ships chartered out at TCE = USD 65,000 per day
3 unemployed ships financed with USD 85 million in debt per ship
Cost of financing 5,45 %



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