

LNG NORTH AMERICA

HOUSTON - MARCH 21 - 22, 2002



Overview of the market for LNG Vessels

By

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Golar LNG Ltd.

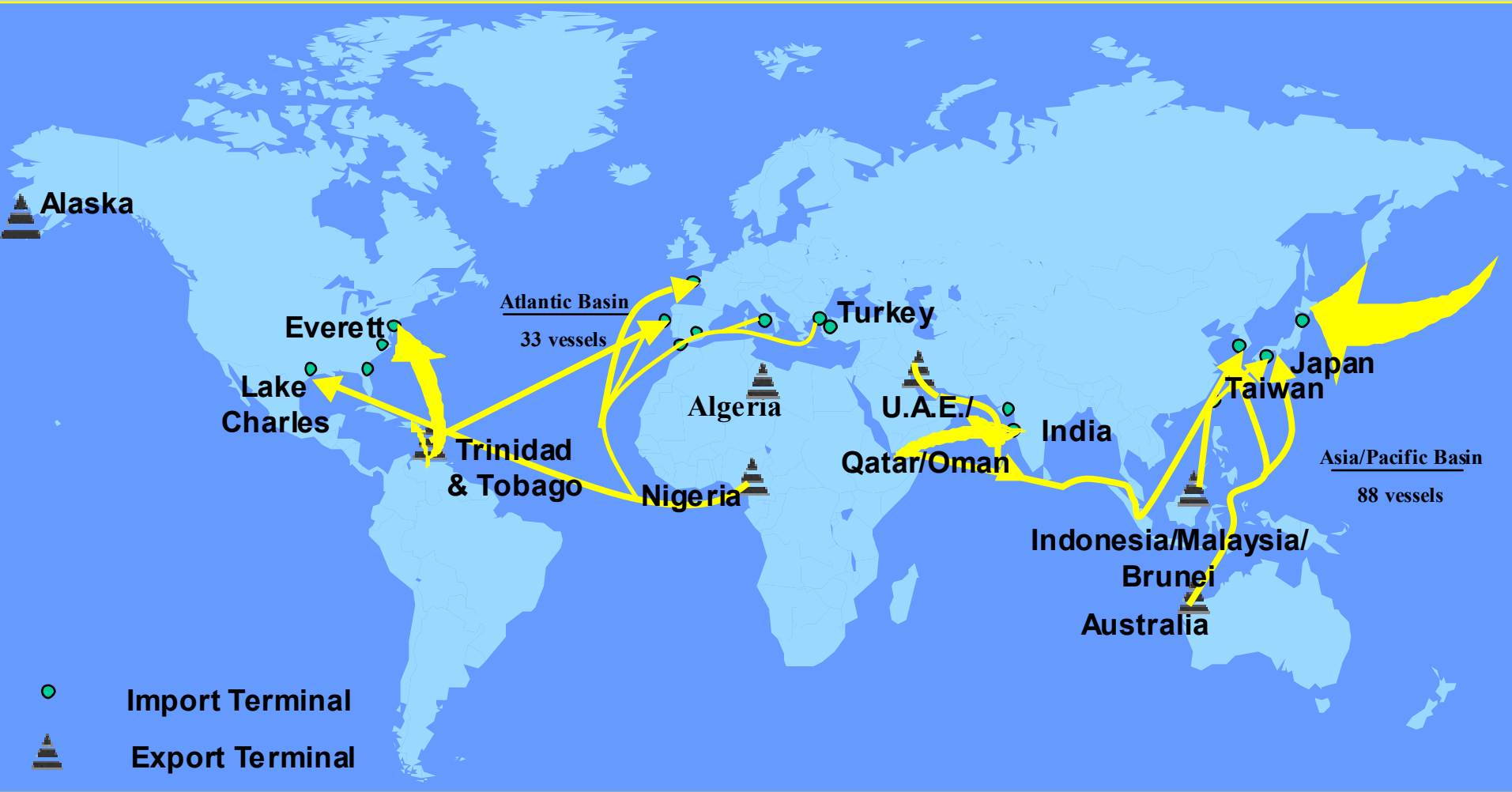
- World's largest independent LNG shipowner (10 ships)
- Present in both Atlantic and Pacific basin
- Listed on Oslo stock exchange, will be listed in US within Q1 2002
- Actively Pursuing additional activities in LNG Trading and downstream LNG chain



The Golar Strategy

- To be a shipowner that charters out LNG tonnage for various periods to the market in general.
- To 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.
- To be an LNG development / construction company that invests in or develops new concepts like floating regas or liquefaction units.

Global LNG Trade Flows (Long Term)





Summary of Global LNG Trade

LNG Imports in 2000		
	Million tonnes	% Change from 1999
Japan	53.32	5
Korea	14.31	12
Taiwan	4.37	11
Asia	72	7
France	8.58	16
Spain	6.82	26
Belgium	3.11	6
Turkey	3.213	47
Italy	2.63	27
Greece	0.38	
Europe	24.74	24
USA	4.82	40
Puerto Rico	0.26	
Americas	5.08	47
TOTAL	101.81	12

Sources of LNG Imports in 2000		
	Million tonnes	% Change form 1999
Indonesia	26.73	-6
Malaysia	15.03	2
Australia	7.18	-1
Brunei	6.58	8
Asia Pacific	55.53	-2
Algeria	9.75	3
Abu Dhabi	5.00	-2
Qatar	10.24	62
Libya	0.58	-17
Nigeria	4.43	2648
Oman	2.04	34
Mideast/Africa	42.04	88
Trinidad	2.90	3
USA (Alaska)	1.34	49
TOTAL	4.24	12

Source for both tables : WGI

Liquefaction Projects

ESTIMATE

Existing capacity
(as of 15 April
2001)

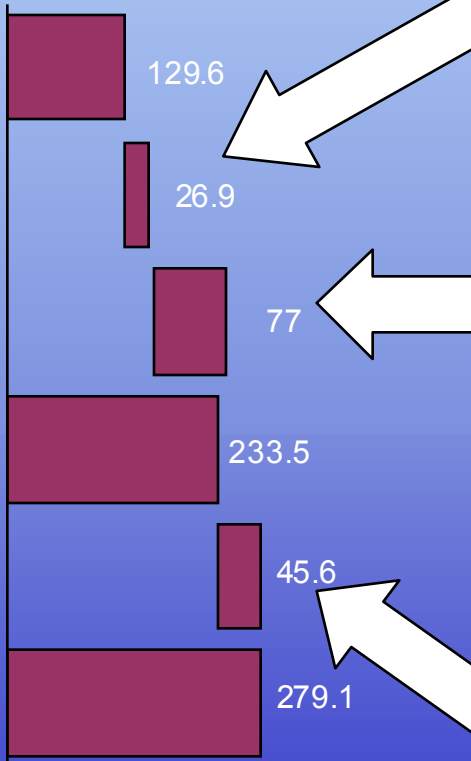
Under
construction

“Planned”

Total high
probability
capacity in 2005

“Prospective”

Total maximum
potential in 2005



Under Construction	Train no.	Capacity	Buyers*	Ships committed	Ships needed
Trinidad	2+3	6.7	2002 Spain, U.S.	6	6
Nigeria	3	3	2003 Spain, Portugal	3	3
Malaysia LNG III	1,2	6.8	2003 Japan, India	6	6
NWS IV	4	4.2	2004 Japan, China	1	4
Rasgas II	3	4.7	200 India	1	6
Qatargas **	1 & 2	1.5	2006 Asia, Europe	-	-

Planned	Train no.	Capacity	Buyers *	Ships committed	Ships needed
Yemen		6.2	2005 India, Japan	0	6
Iran (max)		15	2006 Japan	-	-
Nigeria	4+5	8	2005 Atlantic Basin	1	9
W. Niger Delta		4	2006 Atlantic Basin	-	-
Angola		3	2005 US, Europe	0	-
Australia (Darwin/NWS 5)		4.8	2005 U.S., China	0	4
Qatar (Ras Gas)	4	4.7	2005 Italy, India	0	2
Indonesia (Bontang I)	9	3	2005 China, India	0	2
Indonesia (Tangguth)		6	2005 Japan/Korea	0	2
Egypt***		12	2005/06 Atlantic basin	-	-
Venezuela N. Paria		4	2005/06 US, Carib., Br	-	-
Venezuela (Jose)		2	2005/06 US, Carib, Br	-	-
Norway		4.3	2006 US, Europe		

Proposed	Capacity	Buyers*	Ships committed	Ships needed
Australia, Gorgon	7	2006 US West Coast		
Russia, Sakhalin	9.6	2006 Japan, Korea, China, Taiwan		
Omangas	3.3	2006 Europe Far East		
Egypt	12	2006/07 Atlantic Basin		
Trinidad	3.3	2005/06 Atlantic Basin		
Russia Black Sea	5.7	2006/07 -		

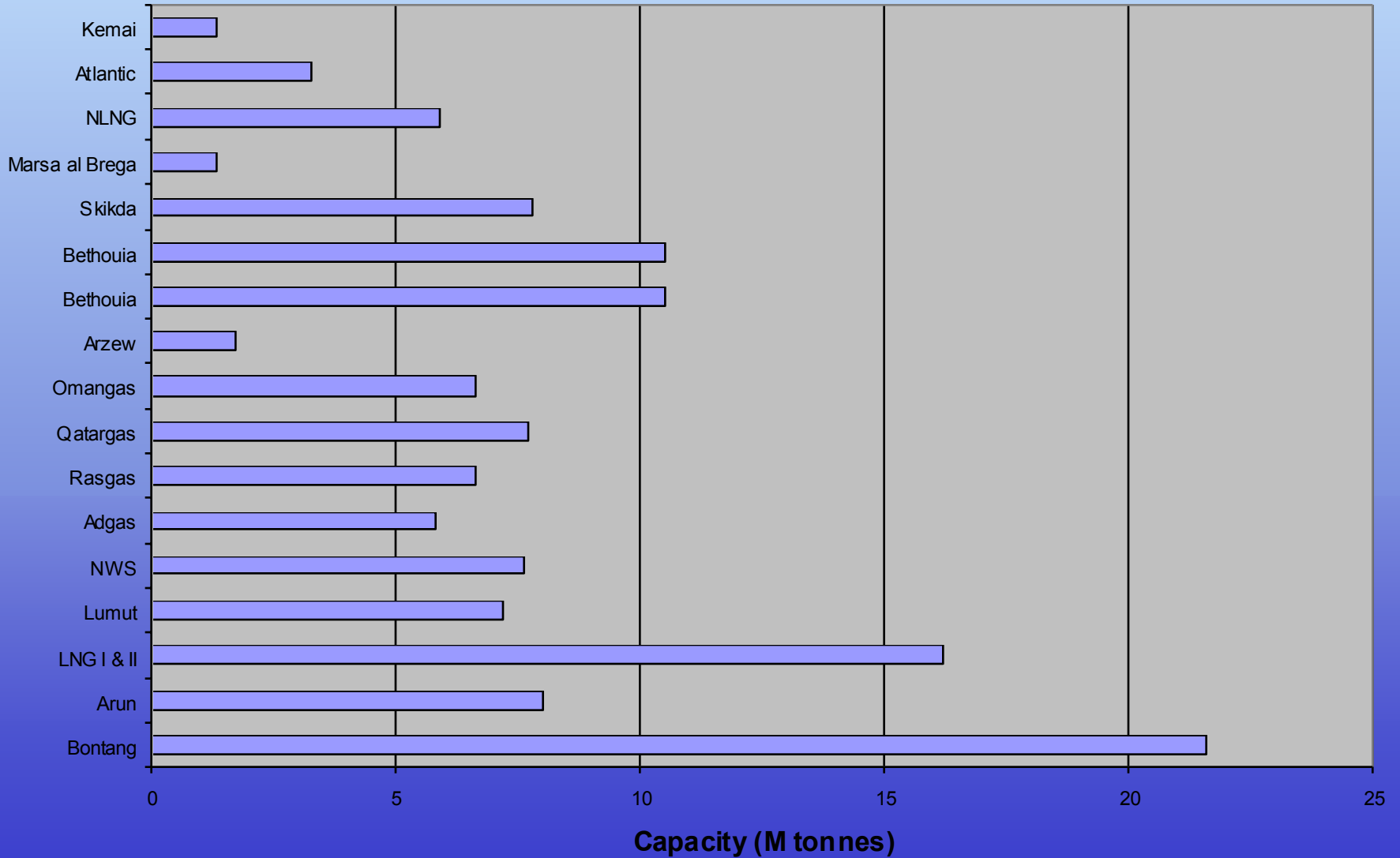
* Contracted buyers or announced buyers

** Qatargas debottleneck

*** 3 projects planned;

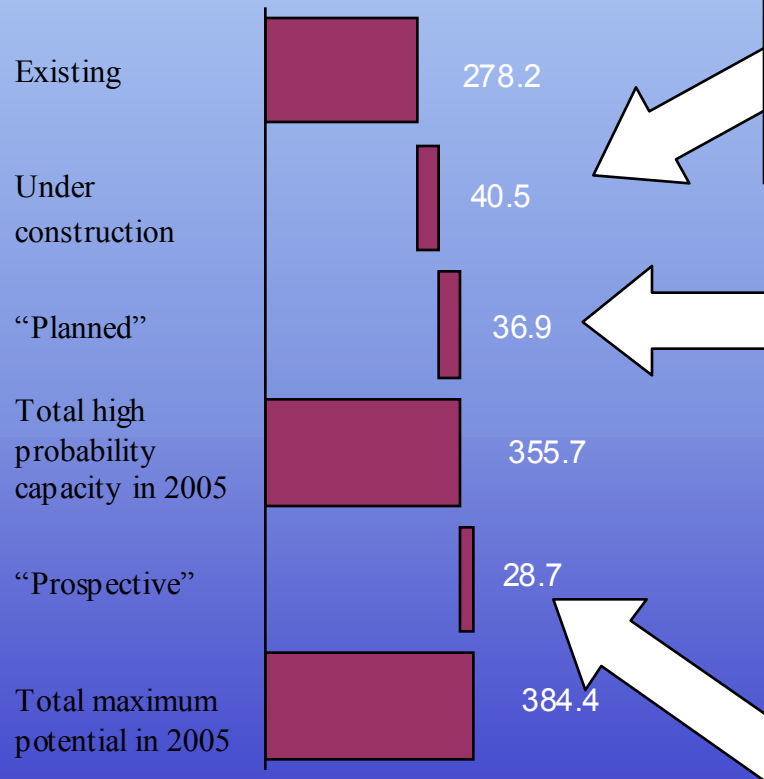
Source: Team analysis

Existing Liquefaction Capacity (M tonnes)



Regas Capacity 2000 - 06

ESTIMATE



Terminal	Capacity	Start year	LNG supplier*
Everett expansion, MA	2.5	2002	Atlantic LNG
Cove Point, MD	7.2	2002	Atlantic LNG, NLNG
Elba Island, CA	3.3	2002	Atlantic LNG, NLNG
Andres, Dominican Rep.	3.6	2003	Atlantic LNG
Dabhol, India	6.9	2002	Oman
Chita Midorihama, Japan	4.0	2002	Asian/Middle East suppliers
Tong Young, Korea	8.3	2002	Asian suppliers
Sines, Portugal	1.8	2004	Nigeria
Izmir, Turkey	2.9	2002	Qatar, Algeria

Terminal	Capacity	Start year	LNG supplier *
Huelva expansion, Spain	2.8	2003	NLNG 3
Suape, Brasil	1.5	2005	Nigeria, Angola, Trinidad, Venezuela
Dahej, India	5.0	2004	RasGas III
Hazira	5.0	2004	NWS, Oman
Cochin, India	3.4	2004	Atlantic LNG 2, 3
Bilbao, Spain	2.1	2003	RasGas IV
Offshore GBS, Italy	4.0	2005	NWS 4, MLNG III
Shenzhen**, China	3.0	2005	NLNG 3
Cartagena expansion, Spain	0.8	2003	NLNG
Valencia, Spain	3.6	2005	Asian supplies
Japan	0.2	2003	Indonesia, Pacific Rim

Terminal	Capacity	Start year	LNG supplier *
Hackberry, LA	5.7	2004	Atlantic Basin
US West Coast	5.0	2005	Australia
Florida via Bahamas	5.0	2004	Atlantic Basin
Altamira, Mexico	5.0	2005	Atlantic Basin
Recife, Brazil	2.1	2003	Nigeria, Angola, Trinidad, Venezuela
Pipovav, India	3.4	2005	Malaysia, Australia
Kakinada, India	2.5	2005	Malaysia, Indonesia

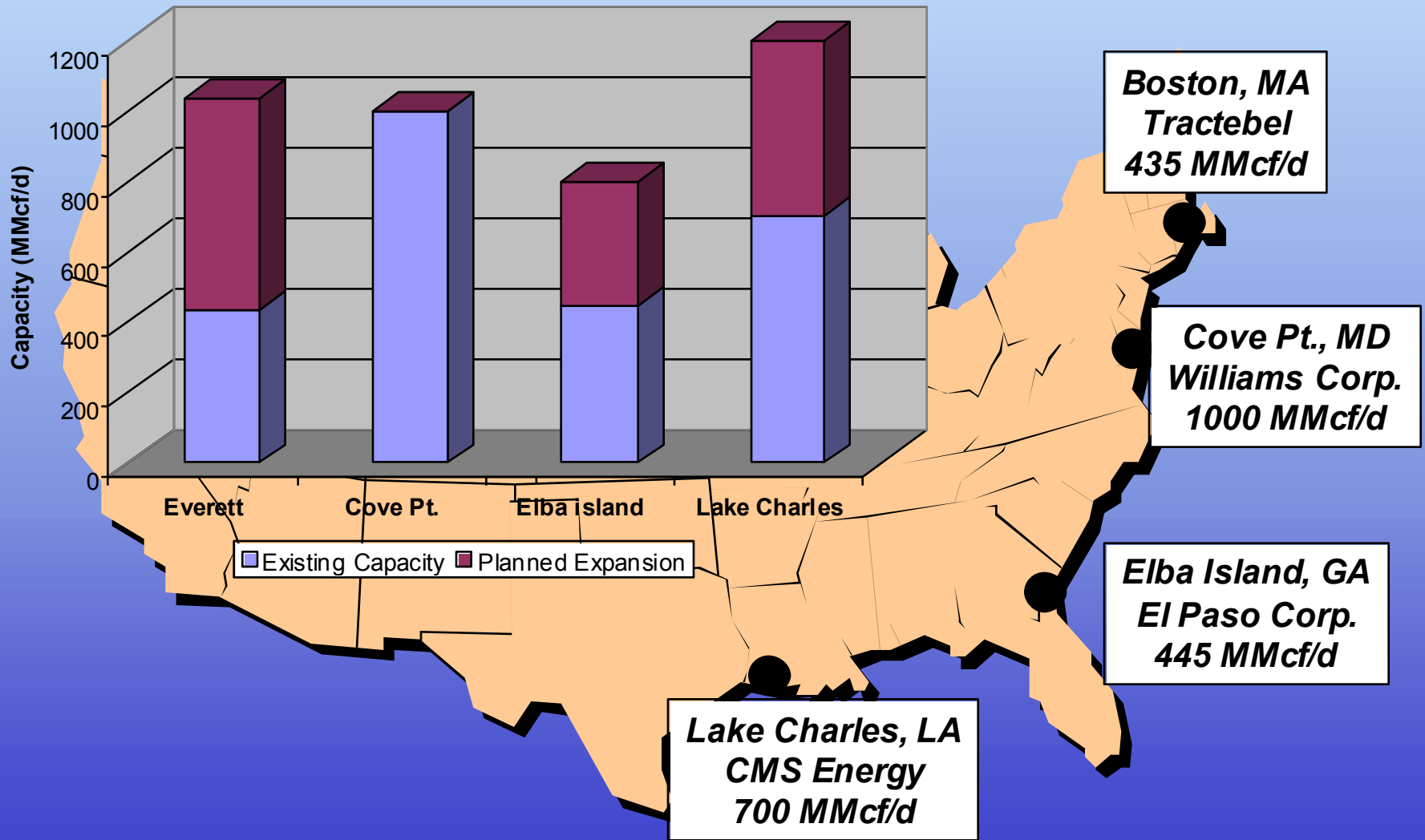
* Contracted suppliers or announced suppliers

** Shenzhen is the port; also referred to as the Guangdong terminal

Source: GIIGNL, GTI LNG Sourcebook 2001, Team analysis

US Regas Facilities

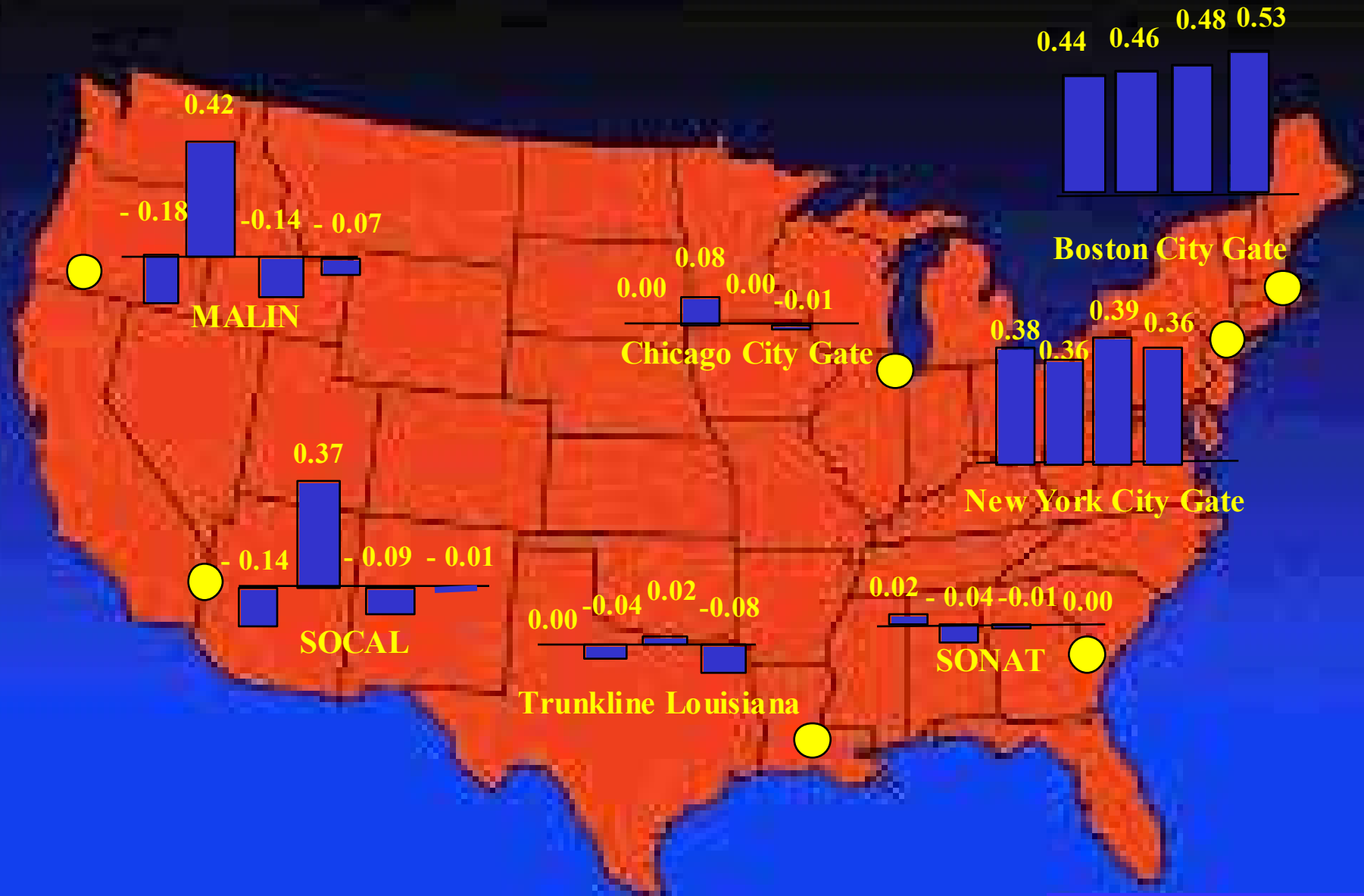
Current Capacity and Planned Expansion





Short Term Henry Hub Price Differentials : \$/MMBtu

(Nov. 2001 - Feb 2002)





The Strength of the LNG Market

- 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 - \$4.50/MMBtu
- US gas prices have a floor price around \$2.50/MMBtu created by :
 - Cost curve structure of gas production
 - Cost of steam coal equals \$2 – 2.50/MMBtu gas.
 - Parity to oil (1 : 0.183)
- US LNG import covers only 1 % of US gas consumption.



Competition from Europe for Excess Volume

European "Pull"

Spanish Dash for Gas

Nuclear Power Decommissioning

Some European Gas Importers expect growth in gas demand to be met by LNG to a larger degree than previously

Gas Gains at Oil's expense in Residential/Commercial Sectors

Strategic Trading Alliances between US and European Marketers

Less rigorous Destination Restrictions in European Gas Contracts

US Power - Still clings to coal

Dominance of coal means that small swings in coal consumption creates large swings in gas

US recession hits large industrial gas consumers

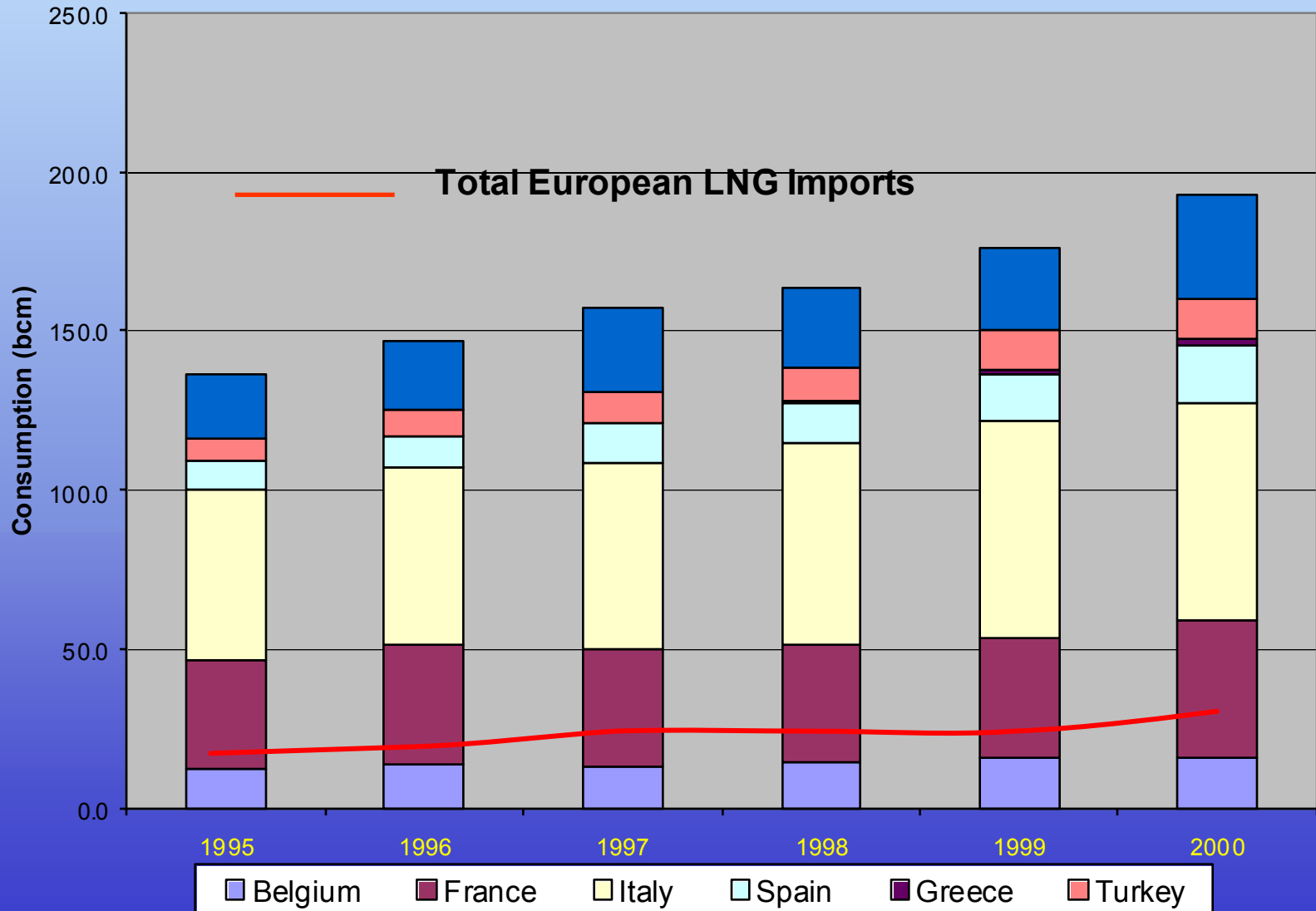
Current large gas storage overhang - lower prices in US?

U.S. "Push"



European Gas Consumption by Selected Country

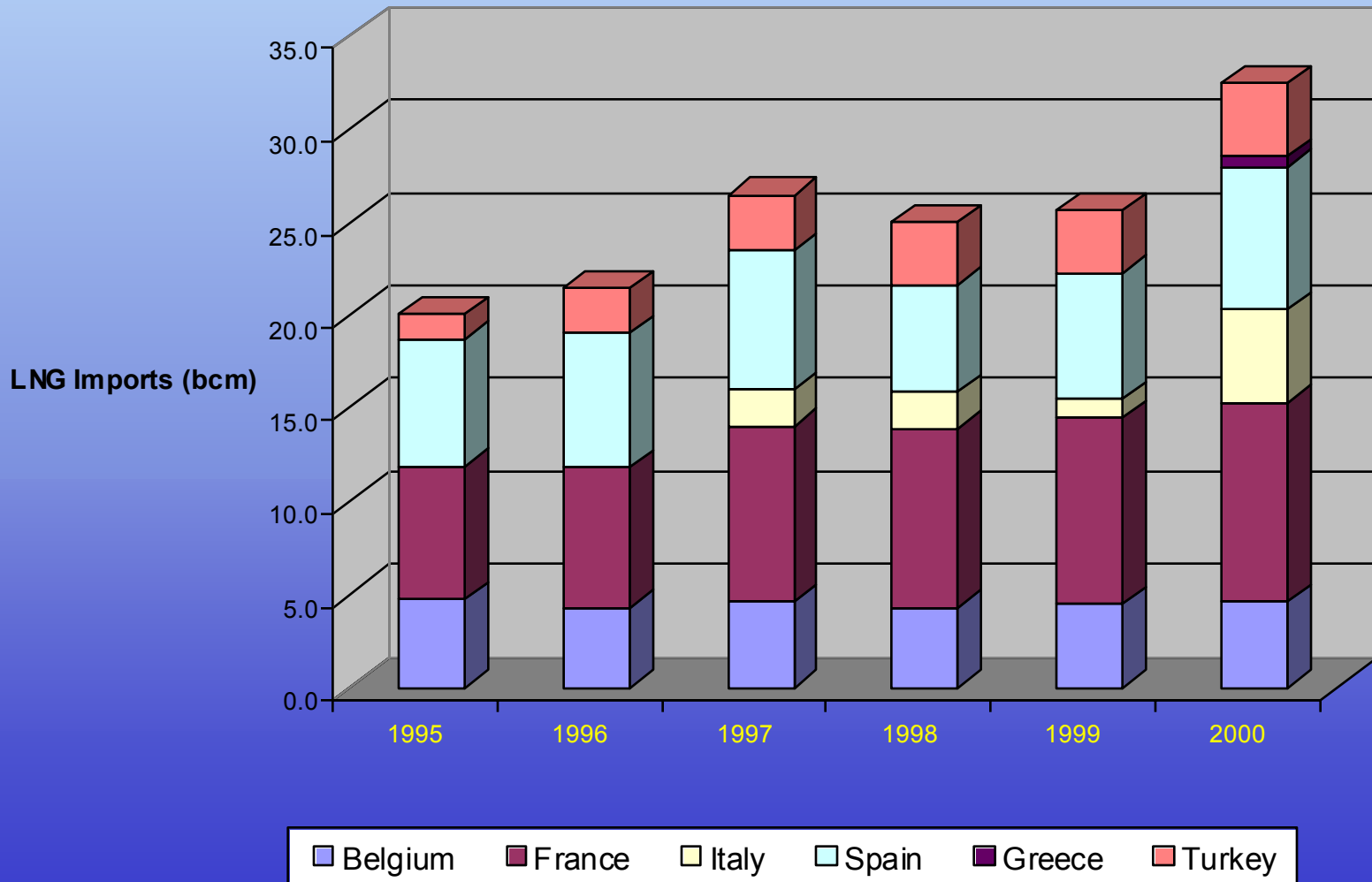
Golar LNG Limited



Source : U.S. Energy Information Agency



European LNG imports



LNG New Ship Supply

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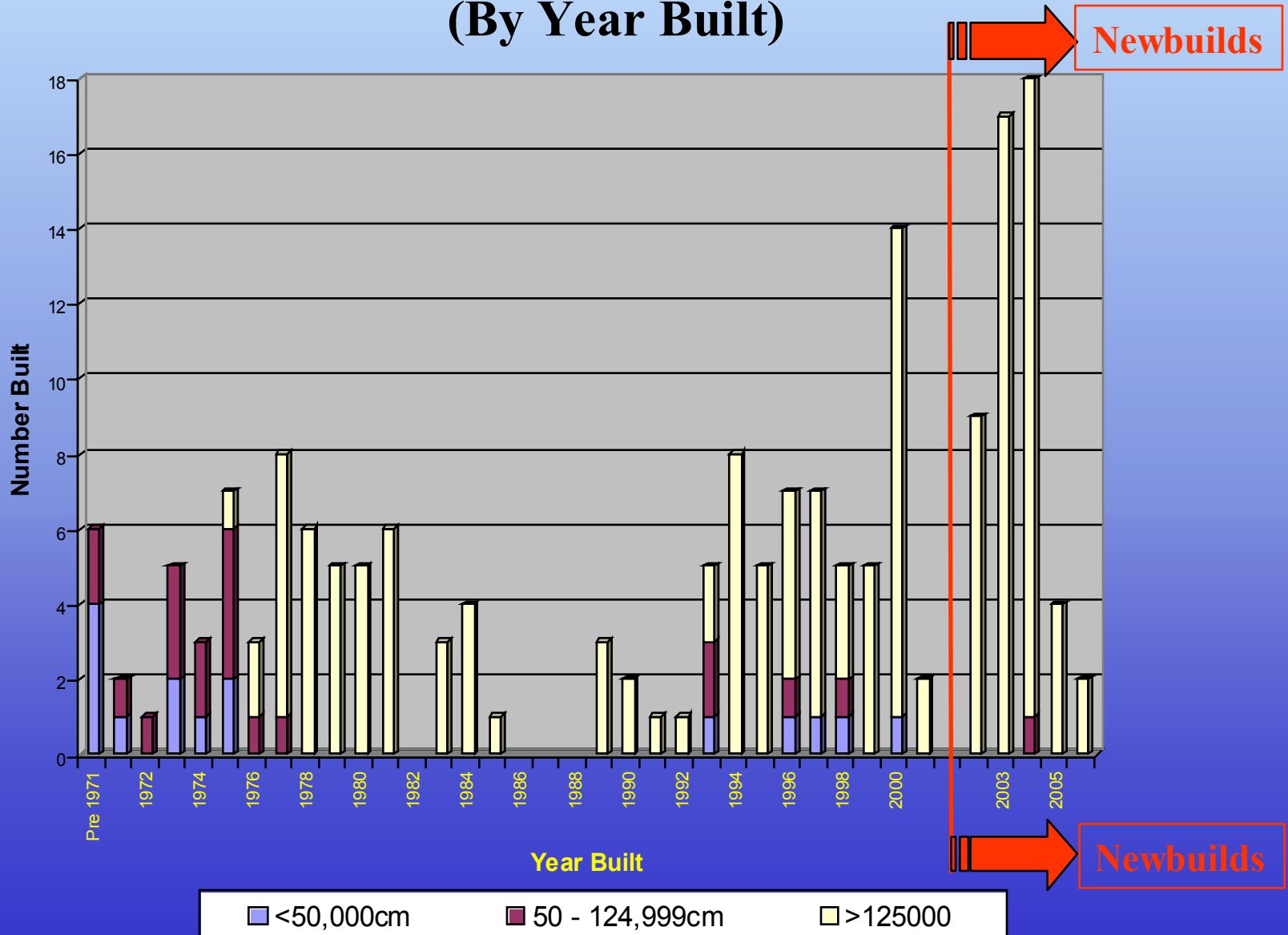




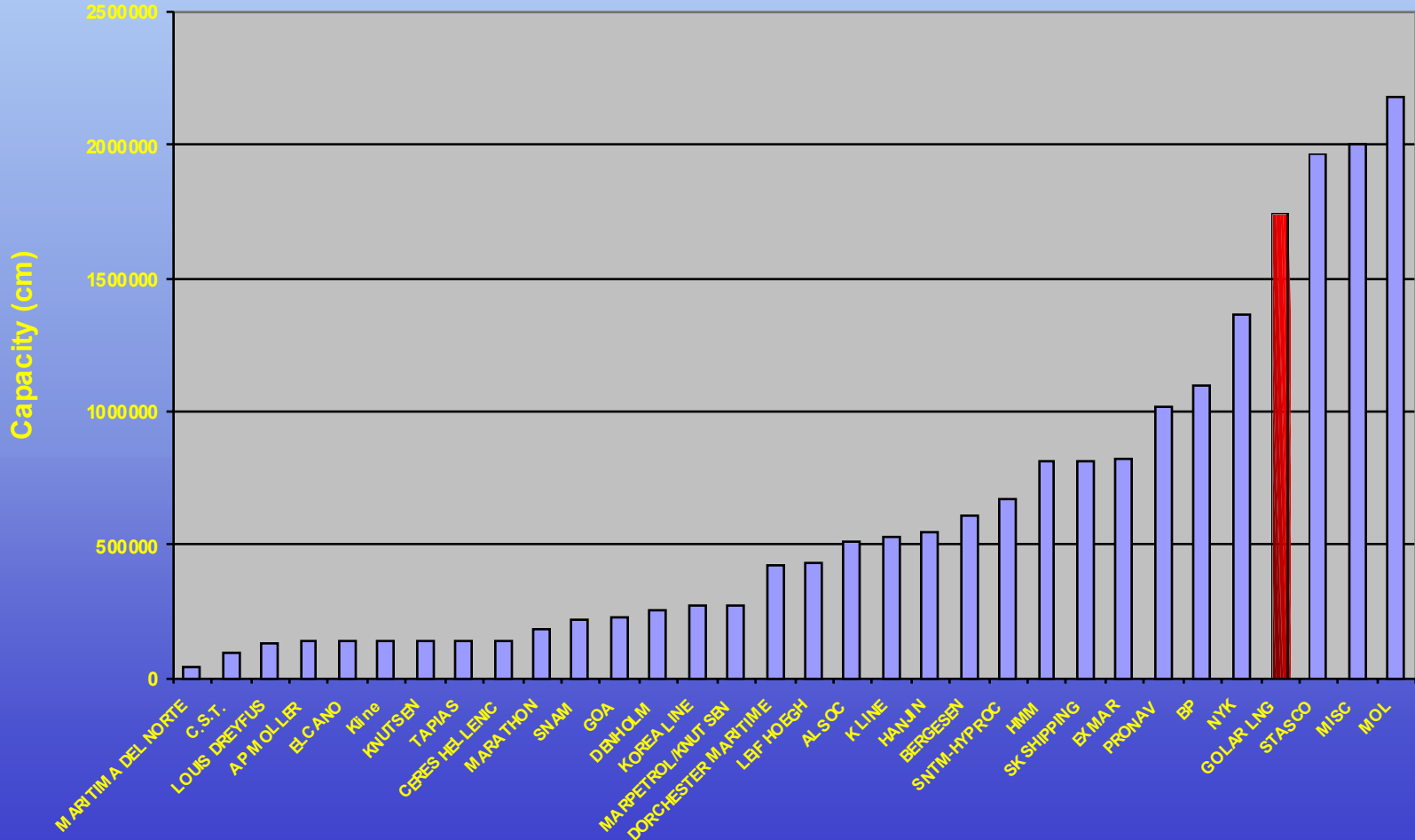
Free Yard Capacity - Major Yards

<i>Yard</i>	<i>Capacity per year (ships)</i>	<i>Earliest Delivery</i>
Daewoo	6	Q1 2005
Hyundai	4	Q2 2005 (Moss)
Samsung	4	Nov. 2004
Kawasaki	3	Mid 2005
Mitsubishi	2.5	1st. Half 2005
Mitsui	1.5	1st Half 2005
Hanjin	2	Q1 2005

Total Fleet (By Year Built)



Operators by Fleet Capacity



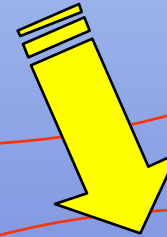


Shipping Moves to Centre Stage

Old World

Long Term Bilateral trades with shipping capacity constraining trades

Shipping constraints seen as bottleneck linking upstream expansion to promising new markets



New World

Entering Dynamic Growth Period bringing greater geographic diversity of Buyers and Sellers

More flexible Innovative sales arrangements

Orders now placed for uncommitted capacity

Trading patterns become less static with supply contracts tailored to a number of small buyers in a spread of locations

Large Buyers – to buy from various sources on fob basis using due to emerging destination flexibility





Changing LNG industry Structure

Historic

- Supply Push
- E & P Dominated
- Long-term contracts
- Dedicated ships and routes
- Crude Oil index supplies
- High costs

Recent/Future

- Downstream market pull
- End-market influence
- Emerging Merchant deals
- More flexible shipping options
- Changing mix of supplies
- Cost reductions



Possible Changes in the LNG Shipping Chain

- Increase of Supply Sources and Markets (Variety of routes and flexibility of destinations)
- Increase in non-traditional trading
 - Combination of Short and Long term contracts
 - Spot, swaps and arbitrage trading
- Increase in Buyers involvement in LNG trades (FOB trading)
- Increase in non-dedicated vessels leading to LNG trading Opportunities



Golar LNG Ltd.



HHI Mark III Technigaz Membrane
Delivery : October 2004
Total Capacity : 140,000sm³