Golar LNG Limited
Interim Report June 2002
<u>Corrected version</u>

- Golar LNG reports second quarter EBITDA of $23.6 million
- Net income for the quarter amounts to $6.1 million after the impact of a net loss of $2.8 million as a result of the “mark to market” valuation of interest rate swaps.
- Agreement with BG Group for a new five year charter for the Golar Freeze as from April 2003
- Construction Permission for Baja LNG Terminal filed with Mexican Authorities.
- Heads of Agreement with Saipem for floating regasification terminal for Italian market

SECOND QUARTER AND SIX MONTHS RESULTS

Golar LNG reports a net income of $6.1 million for the three months ended June 30, 2002, and earnings per share of $0.11. This is after a gross charge of $4.7 million as a result of the movement of the fair value of interest rate swaps. Earnings before interest, tax, depreciation and amortisation (EBITDA) for the quarter were $23.6 million.

Net operating revenues were $32.1 million for the quarter. Average daily time charter equivalents (TCE’s) were $58,162, this is marginally down on last quarter’s rate of $59,600 due to off hire caused by a vessel having an unscheduled docking as a result of being struck by a tug during mooring operations. Total vessel operating expenses were $7.1 million for the quarter. Operating expenses continue at the same level as Q1, reflecting the continued high investments to support the upgrading program of the four existing vessels on charter to BG.

Net interest expense for the quarter was $5.7 million, which continues to benefit from lower USD LIBOR rates that have reduced the cost of floating rate loans. The main component of other financial items of $5.0 million was $4.7 million associated with the fair valuing of interest rate swaps. This charge is offset by the minority interest element of 40 per cent resulting in a net loss for Golar of $2.8 million.

Net income for the first six months of 2002 was $15.1 million (2001 net loss $2.5 million) and EBITDA was $48.2 million (2001 EBITDA $37.8 million). The improvement from the previous year is a reflection of increased rates for four of the ships and a reduction in interest expenses. As noted above, net income is after the impact of the movement of the fair value of interest rate swaps. The total loss on the interest rate swap for the six months was $5.2 million and after minority interest share the impact on net income was $3.1 million.

The weighted average number of shares outstanding as of June 30, 2002 and for the quarter then ended was 56,012,000. In view of the current capital program, the company will not pay a dividend for the second quarter 2002.

FINANCING

The Company has received a proposal to increase the original USD 325 million debt facility by a further USD 60 million. The increase of the facility reflects the extended charter on the "Golar Freeze" as well as the changes in the time-charter rates implemented last year. The Board has also used an option to defer some of the yard payments until delivery in order to better match the new building obligations against the cashflow from the existing vessels. As a result of these measures the Board does not expect that any additional equity will be required to finance current newbuildings.

In order to improve the cost of financing the Company is currently considering different types of lease arrangements. A final decision is yet to be made.

CORPORATE AND OTHER MATTERS

The Baja LNG project (Marathon Oil, GGS and Golar LNG) received a significant boost on August 2nd with the announcement from the Mexican authorities that the new legislation needed for such projects had been put in place. Since the documentation necessary for applying for the construction permits had already been prepared in anticipation of this legislation, Baja LNG's construction application was filed on August 5th in Mexico City. It should be noted that there are several competing projects in the same area, all looking to construct the same type of facility as Baja LNG. It is anticipated that the Mexican authorities will make a decision on the award or not of the permits within the next 2-3 months.

In furtherance of the Company's strategy to pursue business opportunities in other parts of the LNG chain, the Company signed a Heads Of Agreement with the Italian offshore construction company Saipem, in April 2002, for the joint development of floating regasification terminals for the Italian market. The joint venture is developing according to plan, with the partners currently discussing a project with one specific client. These discussions have already led to the preparation of a technical pre-engineering study on behalf of the client.

The planned listing of the Company's shares in the US has been somewhat delayed. The current plan is to have the listing completed by September/October 2002.

MARKET

Gas prices in the US remained well above USD 3 Mmbtu throughout the quarter, and the same level was seen in Europe.

This price level caused a flurry of spot cargoes being brought to the US, mostly to the Lake Charles terminal, from sources as far away as Australia and Brunei. However, the bulk of the gas came from the Middle East, namely Qatar. The Lake Charles terminal regasification capacity, which is being controlled by BG, has been fully utilized in the last couple of months, and an extension of the terminal capacity is presently under consideration.

The fate of the previous Enron chartered ships, the “Hoegh Galleon” and the “Excalibur” were sealed during this period with the first being taken by Tractebel and the second going back to its owner, Exmar, after settlement of bids. The US bankruptcy court handled the process.

The situation with the Rasgas tender is still somewhat unclear as no official announcement has been made, but it seems likely that a Mitsui led consortium has been awarded 1 ship and that AP Moller has also been awarded 1 ship.

With regard to the Company’s own activities during the quarter, an agreement was reached with British Gas for the future use of the “Golar Freeze”, whereby the existing charter which was to expire end March 2003 will be extended for another 5 years.

The Company has signed the first spot FOB (Free on board terms of trade) agreement with a major producer, and is in discussion with several others with the objective of getting a number of similar agreements put in place.

The next 6 months will see the addition of an extra 9 million tons of nominal LNG production capacity in the Atlantic basin, with the start of train 3 in Nigeria, and trains 2 and 3 in Trinidad. This represents roughly 150 additional cargoes on an annual basis, and the ships to be used to transport this gas are either in the process of being delivered or their construction is nearing completion.

It is likely that the new facilities as well as other existing facilities are able to increase their production capacity by eliminating ‘bottlenecks’. These production volumes, which are sensitive to spot prices, have no committed shipping capacity and are likely to be covered by spot / short-term tonnage.

OUTLOOK

In respect of Golar’s 3 open ships under construction, bilateral discussions are being pursued with several different companies. These discussions include the potential conversion of one of the ships to a floating regasification terminal.

The Board maintains the view given in the first quarter report that the strategic value of a new building improves as a function of the time remaining until the ship is delivered. Golar’s next two open vessels become available in a period when US future prices are currently trading in excess of $ 4,00 /mmbtu. This underpins the strength of the LNG market.

The earliest delivery dates for new contracts from shipyards are now estimated to be late 2005 to early 2006. The fact that the Company is one of the few providers of shipping capacity who has open capacity for 2003 / 2004 further strengthens Golar's position.

The net results for the second half of the year, excluding 'mark to market' effects of the interest swaps, is expected to show a stable to positive development. The results are likely to reflect a somewhat higher utilization of the fleet, and a reduced cost base.

The Board remains optimistic about Golar's strategic position and its financial future.

FORWARD LOOKING STATEMENTS

This press release 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.

August, 2002
The Board of Directors
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Hamilton, Bermuda

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GOLAR LNG LIMITED SECOND QUARTER 2002 REPORT (UNAUDITED)

INCOME STATEMENT *(in thousands of $)*	**2002** **Apr – Jun**	**2002** **Jan – Jun**	**2001** **Jan – Jun**	**2001** **Jan – Dec**
Net operating revenues	**32,132**	**64,520**	**53,779**	**114,223**
Vessel operating expenses	7,052	13,594	11,410	24,537
Administrative expenses	1,460	2,708	2,656	8,232
Restructuring expenses	-	-	1,894	1,894
Operating income before depreciation and amortisation	**23,620**	**48,218**	**37,819**	**79,560**
Depreciation and amortization	7,659	15,682	16,238	31,614
Operating income after depreciation and amortization	**15,961**	**32,536**	**21,581**	**47,946**
Interest income	281	578	2,151	3,254
Interest expense	(5,996)	(12,045)	(17,634)	(32,508)
Other financial items	(4,981)	(5,908)	(6,939)	(12,363)
Income (loss) before taxes and minority interest	**5,265**	**15,161**	**(841)**	**6,329**
Minority interest	(855)	(50)	1,552	1,607
Taxes	47	92	150	356
Net income (loss)	**6,073**	**15,119**	**(2,543)**	**4,366**
Earnings per share ($)	$0.11	$0.27	($0.05)	$0.08

BALANCE SHEET *(in thousands of $)*	**2002** **Jun 30**	**2001** **Jun 30**	**2001** **Dec 31**
ASSETS			
Short term			
Cash and cash equivalents	64,848	69,981	71,732
Other current assets	5,579	7,063	5,440
Amounts due from related parties	231	27	261
Long term			
Newbuildings	234,216	32,612	132,856
Vessel and equipment, net	630,313	648,737	641,371
Other long term assets	6,157	4,647	4,331
Total assets	**941,344**	**763,067**	**855,991**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Short term			
Current portion of long-term debt	42,341	25,603	41,053
Short term interest bearing debt due to related parties	16,259	-	85,278
Other current liabilities	31,102	23,849	28,566
Amounts due to related parties	870	50	1,049
Long term			
Long term interest bearing debt	593,478	508,918	483,276
Long term interest bearing debt due to related parties	32,703	-	-
Other long term liabilities	16,888	15,330	16,552
Minority interest	18,188	25,765	25,820
Stockholders' equity	189,515	163,552	174,397
Total liabilities and stockholders' equity	**941,344**	**763,067**	**855,991**