



Golar LNG Limited Interim Report September 2002

- Golar LNG reports third quarter EBITDA of \$24.5 million
- Net income for the quarter amounts to \$1.9 million after the impact of a net loss of \$7.6 million as a result of the “mark to market” valuation of interest rate swaps.
- The Company’s registration statement with the US Securities and Exchange Commission has been declared effective and the Company is aiming to start trading its shares on the Nasdaq National Market in mid December.
- Firm Gas Prices world wide.

THIRD QUARTER AND NINE MONTHS RESULTS

Golar LNG reports net income of \$1.9 million for the three months ended September 30, 2002, compared with a loss of \$2.2 million for the same period last year. Earnings per share for the quarter were \$0.03. This is after a gross charge of \$12.7 million as a result of the movement of the fair value of interest rate swaps due to the reduction in long-term interest rates between June and September 2002. Earnings before interest, tax, depreciation and amortisation (EBITDA) for the quarter were \$24.5 million compared with \$21.9 million for the comparable period in 2001.

Net operating revenue for the quarter was \$32.6 million and average daily time charter equivalents (TCE’s) were \$58,400. Total vessel operating expenses were \$6.6 million.

Administration costs of \$1.5 million include costs of \$0.3 million which represent Golar’s 10 per cent share of expenses incurred by the Baja LNG joint venture in respect of project development activities undertaken.

Net interest expense for the quarter was \$5.6 million, which reflects continued benefit from lower USD LIBOR rates that have reduced the cost of floating rate loans. The main component of other financial items of \$13.0 million was \$12.7 million associated with the fair valuing of interest rate swaps. This has been caused by the significant fall in long-term swap interest rates between June 2002 and September 2002. The charge is offset by the minority interest element of 40 per cent resulting in a net book loss for Golar of \$7.6 million.

Net income for the nine months to September 30, 2002 was \$17.0 million (2001 net loss \$4.8 million) and EBITDA was \$72.7 million (2001 EBITDA \$59.8 million). The improvement in net income from the previous year is a reflection of increased hire 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 nine months was \$17.9 million and after minority interest share the impact on net income was \$10.7 million.

The weighted average number of shares outstanding as of September 30, 2002 and for the quarter then ended was 56,012,000. In view of the current newbuilding investment program, the Company will not pay a dividend for the third quarter 2002.

FINANCING

Since the end of the third quarter the Company has arranged and partially drawn down a \$60 million facility that represents an increase in the original \$325 million loan. The new facility reflects the extended charter on the "Golar Freeze" as well as the changes in the timecharter rates implemented last year. In the fourth quarter, the Company has fixed the interest for an additional US\$55 million of its long-term debt. Including margin, this deal gives a loan interest cost of approximately 5.9 per cent p.a. for the period of 12 years. The Company is in the process of covering more of its long-term debt with fixed interest arrangements.

As at September 30, 2002, the Company had outstanding loans received from its main shareholder, The Greenwich Holdings Group, of US\$48 million. These loans have since been reduced to US\$32 million. The Company is continuing the work, and has made progress, with respect to implementation of certain lease transactions. Subject to the completion of these lease transactions and, subject to an extension of the Greenwich facilities, the Board does not anticipate that any new equity will be needed in order to finance the remaining newbuilding program.

CORPORATE AND OTHER MATTERS

In view of the increased competition for experienced officers to man the fleet and, given that the size of the LNG fleet is scheduled to increase by 50 per cent over the next four years, the Company has, over the last few months, been evaluating different crewing strategy options. As part of this strategic review, the Company has signed an agreement with a Croatian crew management company. This agreement assures Golar access to a pool of officers with LNG experience and a proven track record, thus ensuring adequate resources to man both existing and new ships for the coming years. The Company is of the view that this represents an important strategic decision, which gives a clear competitive advantage.

The Board is pleased to announce that the Company's registration statement to register its shares under the Securities Exchange Act of 1934 with the US Securities and Exchange Commission has been declared effective and the Company is aiming to start trading its shares on the Nasdaq National Market in mid December.

MARKET

The last quarter saw the delivery of six new ships, two belonging to Nigeria LNG, one to Exmar, one to Shell, one to Brunei and one to MISC. The Exmar ship, Excalibur, returned to Exmar after being released from the Enron bankruptcy proceedings, was subsequently chartered to Tractebel Trading for a reported period of 18 months, but with options that could be extended for up to 20 years. According to market sources the rate for the first 18 month period is in excess of \$80,000 per day. The other ships went directly into servicing charter agreements in place prior to their delivery, with the exception of the Shell ship, which is for use within the Shell Group's portfolio of LNG activities.

Gas prices on both sides of the Atlantic remained strong, which caused a high level of spot activity, particularly into the US. However, it is clear that this activity could have been significantly higher if there had been more shipping capacity available on a short-term basis. This can be illustrated by the fact that the Company received offers to bid for spot FOB cargoes, cargoes which could not be brought to the market due to lack of shipping capacity. It is expected that in 2003 there will be more than 7 million tons of uncommitted LNG production capacity available on a world-wide basis. Such uncommitted capacity is usually referred to as excess capacity. If all of this production capacity is sold and shipped, this will create the need for approximately 10 ships. Part of this extra capacity will remain unsold, part of it will be picked up by the increased efficiencies in the existing fleet. However, it should be expected that the excess production capacity will create a healthy market for shipping going forward.

The Asian LNG market has shown strong growth particularly driven by the shut down of Nuclear Power generators in Japan, and strong Korean demand.

There has also been some activity in the more standard long-term business sector with Egypt LNG (British Gas, Edison, and Egypt General Petroleum Corporation) announcing the signing of an agreement in principle with Gaz de France. This is for the sale and purchase, on an FOB basis, of the total output from one LNG train as from the end of 2005 by Gaz de France. This would amount to around 3.6 million tonnes per year of LNG, and the planned market is France. This represents half of the planned output from the plant, and the partners are currently seeking a market for the second train.

Several oil & gas companies including Statoil, TotalFinaElf, Sonatrach, Iberdrola and Gaz de France have entered or are in the process of entering the market in order to cover demand for LNG tonnage. This demand is partly due to increased trading activity in the LNG market and partly to cover specific projects.

OUTLOOK

The Company have specific discussions with several parties regarding long-term employment of the Company's three uncommitted newbuildings. The first of these ships becomes available in November 2003. The Board is satisfied with the progress in these discussions. However, due to the nature of the business, the shareholders should not expect that a final clarification regarding the uncommitted newbuildings will come before the second or third quarter of 2003. A clarification regarding the Baja and Saipem project should be expected in the first half of 2003.

The strength of the Gas market, the large volume of excess production capacity, and the limited number of open ships for the coming 1-2 year period, makes the Board comfortable with the Company's uncommitted capacity.

The Board has implemented a plan to reduce the Company's operating and administration costs. This plan should have effect from the fourth quarter of 2002.

Prior to market valuation adjustments of interest swap agreements, the Company expects a fourth quarter net income of slightly less than US\$10 million.

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.

November 30, 2002
The Board of Directors
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GOLAR LNG LIMITED THIRD QUARTER 2002 REPORT (UNAUDITED)

2001 Jul-Sept	2002 Jul-Sept	INCOME STATEMENT <i>(in thousands of \$)</i>	2002 Jan-Sept	2001 Jan-Sept	2001 Jan-Dec <i>(audited)</i>
28,603	32,622	Net operating revenues	97,143	82,382	114,223
5,641	6,641	Vessel operating expenses	20,239	17,051	24,537
1,016	1,519	Administrative expenses	4,228	3,672	8,232
-	-	Restructuring expenses	-	1,894	1,894
21,946	24,462	Operating income before depreciation and amortisation	72,676	59,765	79,560
8,008	7,936	Depreciation and amortisation	23,614	24,246	31,614
13,938	16,526	Operating income after depreciation and amortisation	49,062	35,519	47,946
652	266	Interest income	843	2,803	3,254
(7,836)	(5,878)	Interest expense	(17,924)	(25,470)	(32,508)
(13,285)	(13,019)	Other financial items	(18,925)	(20,224)	(12,363)
(6,531)	(2,105)	Income (loss) before taxes and minority interest	13,056	(7,372)	6,329
(4,363)	(4,061)	Minority interest	(4,110)	(2,811)	1,607
58	39	Taxes	131	208	356
(2,226)	1,917	Net income (loss)	17,035	(4,769)	4,366
(\$0.04)	\$0.03	Earnings (loss) per share (\$)	\$0.30	(\$0.09)	\$0.08

BALANCE SHEET <i>(in thousands of \$)</i>	2002 Sept 30	2001 Sept 30	2001 Dec 31 <i>(audited)</i>
ASSETS			
<i>Short term</i>			
Cash and cash equivalents (including short term deposits)	65,810	69,222	71,732
Other current assets	7,102	7,826	5,440
Amounts due from related parties	258	154	261
<i>Long term</i>			
Newbuildings	245,874	131,241	132,856
Vessel and equipment, net	623,984	646,664	641,371
Other long term assets	6,441	4,345	4,331
Total assets	949,469	859,452	855,991
LIABILITIES AND STOCKHOLDERS' EQUITY			
<i>Short term</i>			
Current portion of long-term debt	43,136	30,603	41,053
Current indebtedness due to related parties	-	85,278	85,278
Other current liabilities	49,011	35,324	28,566
Amounts due to related parties	652	-	1,049
<i>Long term</i>			
Long term debt	587,555	503,918	483,276
Long term debt due to related parties	48,962	-	-
Other long term liabilities	17,013	15,987	16,552
Minority interest	11,708	21,513	25,820
Stockholders' equity	191,432	166,829	174,397
Total liabilities and stockholders' equity	949,469	859,452	855,991

STATEMENT OF CASH FLOWS <i>(in thousands of \$)</i>	2002 Jul-Sept	2002 Jan-Sept
OPERATING ACTIVITIES		
Net income	1,917	17,035
Adjustments to reconcile net income to net cash Provided by operating activities:		
Depreciation and amortisation	7,936	23,614
Amortisation of deferred charges	131	681
(Loss) income attributable to minority interests	(4,061)	(4,110)
Change in market value of interest rate derivatives	12,685	17,894
Change in operating assets and liabilities	3,005	(1,375)
Net cash provided by operating activities	21,613	53,739
INVESTING ACTIVITIES		
Additions to newbuildings	(11,658)	(113,018)
Additions to vessels and equipment	(1,285)	(4,150)
Net cash used in investing activities	(12,943)	(117,168)
FINANCING ACTIVITIES		
Proceeds from long-term debt	2,372	134,274
Proceeds from long-term debt due to related parties	-	16,259
Repayments of long-term debt	(7,500)	(27,912)
Repayments of short-term debt due to related parties	-	(52,575)
Financing costs paid	(161)	(2,537)
Dividends paid to minority shareholders	(2,419)	(10,002)
Net cash provided by financing activities	(7,708)	57,507
Net increase in cash and cash equivalents	962	(5,922)
Cash and cash equivalents at beginning of period	64,848	71,732
Cash and cash equivalents at end of period	65,810	65,810