



HÖEGH LNG

Höegh LNG – The floating LNG services provider



**Pareto Oil & Offshore Conference  
Company Presentation**

1 September 2011

# Høegh LNG at a glance

## Vision

To become a market leader in floating LNG services

## Strategy

To offer the complete chain of floating LNG services, from production, transportation and regasification to market access

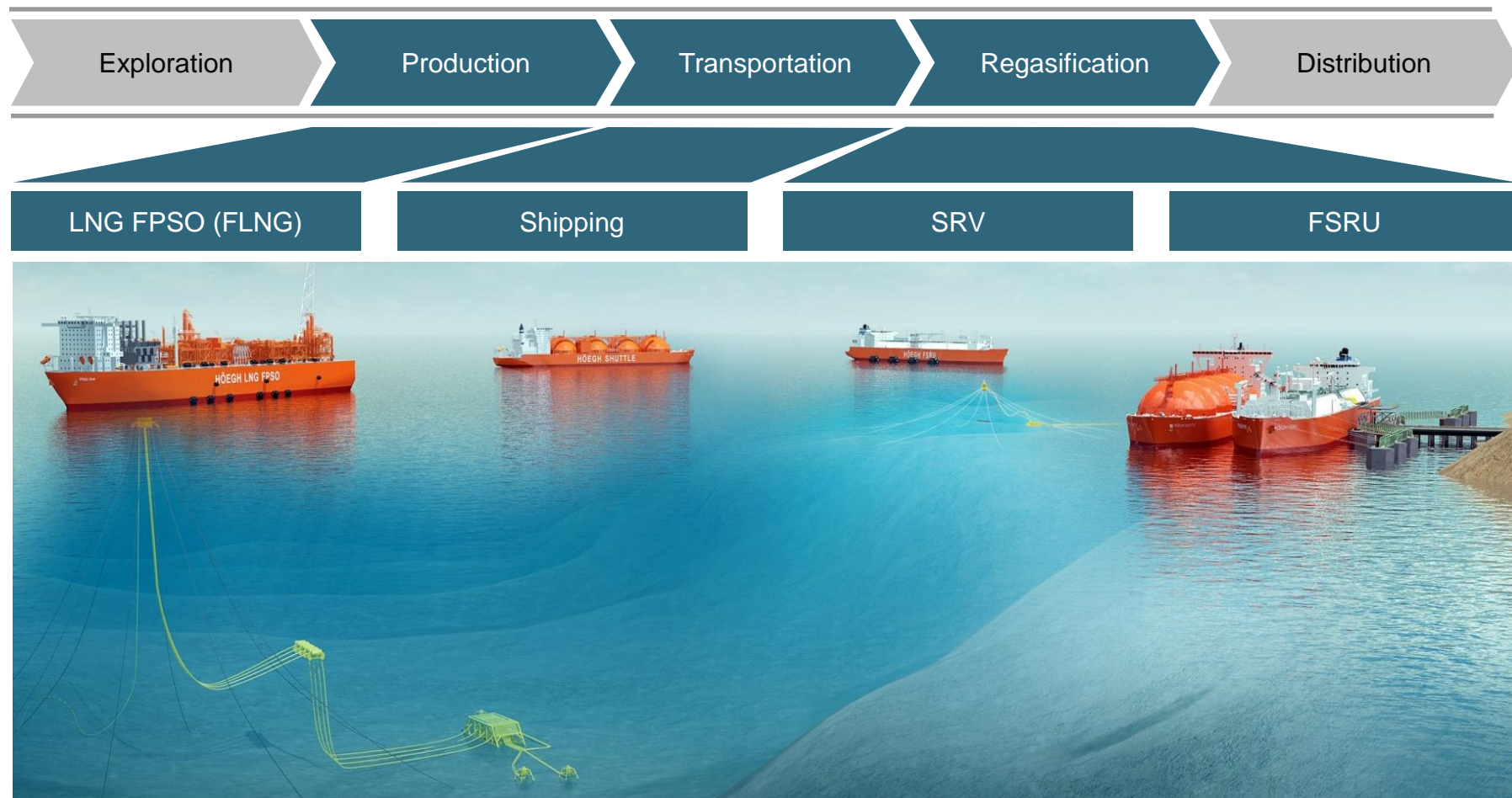
## History

- First mover in floating regasification
- Fleet expansion and project development since 2006
- Current fleet comprises eight vessels
- FSRU newbuilding orders placed in 2011

## Ownership

- Stock-listed at the Oslo Stock Exchange since July 2011
- Majority owned by the Høegh family

# Höegh LNG: Serving the entire floating LNG value chain



LNG: Liquefied Natural Gas  
SRV: Shuttle and Regasification Vessel  
FSRU: Floating Storage and Regasification Unit

# Our business activities

## Existing business

### Transportation

- 5 LNG carriers in operation
- 1 LNG carrier to be delivered in 1H 2012



- Pioneer in LNG transportation with 40 years experience
- Fully integrated activities with in-house technical and commercial management
- About 70 employees and approximately 350 seafarers world wide

### Floating regasification

- 2 SRVs in operation
- 2 new FSRUs on order at Hyundai
- Options for 1+1+2 additional units
- 1 conversion candidate acquired



## Business development

### Floating regas

- Project pipeline of 30-40 projects,
- Port Meridian (UK) and Port Dolphin (US), both with Governmental planning consent



### LNG FPSO (FLNG)

- Proprietary FLNG design
- Principle agreements in place for FLNG project in Papua New Guinea
- Shell/Prelude; the game changer in FLNG



- 15 dedicated in-house business development staff and engineers
- Proven track record in developing and obtaining permissions for floating regasification projects

# Existing contract coverage provides stable cash flow

Name	Ownership	Capacity (m <sup>3</sup> )	Built	T/C (\$/d)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2025	2027	2029	2031	2033	2035	2037	2039	2041
LNG Carriers	<b>Norman Lady</b>	50 %	87 600	1973	34 500	Gas Natural	Extension																
	<b>Matthew</b>	-	126 538	1979	-	Ship management agreement with GDF Suez																	
	<b>Arctic Lady</b>	50 %	147 208	2006	70 000*	Total															Option 5+5		
	<b>Arctic Princess</b>	34 %	147 208	2006	70 000*	Statoil															Option 5+5		
	<b>STX Frontier</b>	-	153 600	2010	2 000**	Repsol	Purchase option @ USD 226m (100% basis) or USD 194m (50% basis)																
	<b>LNG Libra</b>	100 %	126 400	1979	Delivery in first half of 2012																		
	SRV	<b>GDF Suez Neptune</b>	50 %	145 130	2009	110 000*	GDF Suez															Option 5+5	
<b>GDT Suez Cape Ann</b>		50 %	145 130	2010	110 000*	GDF Suez															Option 5+5		

\* Based on full opex-pass through and 365 day basis

\*\* Spread between charter in/out



# Positioned for the growing floating regasification market

## Attractive FSRU newbuilding orders at Hyundai

- First order ever for purpose built FSRUs
- 170 000 m<sup>3</sup> membrane specification
- Back-ended payment schedule
- Delivery scheduled for 4Q13 and 1Q14
- Options for 1+1+2 additional FSRUs with delivery Q2/Q4 2014 for first two vessels



## Acquisition of LNG Libra as conversion candidate

- Ideal FSRU conversion candidate
- Enables Höegh LNG to bid on a broader set of FSRU projects while taking advantage of the strong T/C market
- Vessel currently operating on a short-term time-charter with Petrobras



# Selected the preferred bidder for the Medan FSRU project

## Project details

- Located near Medan, North Sumatra, Indonesia
- Project comprises an FSRU, a subsea/onshore pipeline, and an onshore metering station
- Höegh LNG the preferred bidder in consortium with Rekayasa Industries
- Höegh LNG to deliver the FSRU under a long-term lease agreement with PGN
- Rekayasa Industries to deliver the pipeline and onshore facilities on an EPC basis

## Status

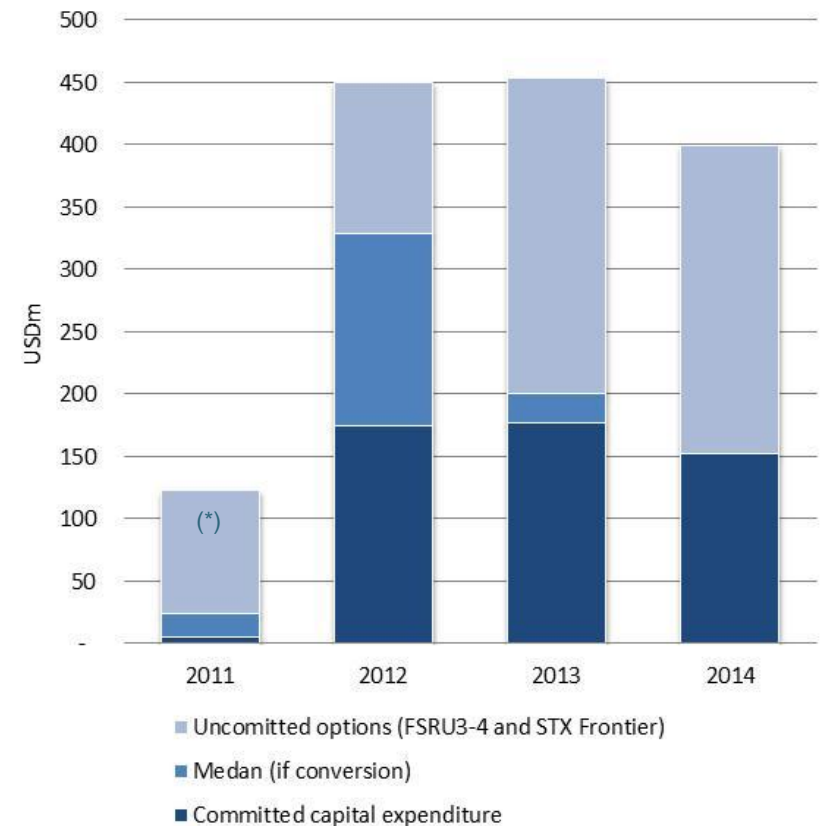
- Exclusive negotiations with PGN ongoing to conclude project agreements
- Höegh LNG has offered a newbuilt and a converted FSRU



# Capital expenditure and funding

- Capital expenditure 2011-2014 depends on exercise of FSRU options and whether Medan FSRU is newbuilt or a conversion
- Company will seek most favourable funding of capital expenditure requirement
- Firm financing offer for USD 272m bank facility covering 50% of delivered costs for FSRU 1-2
- Long term financing expected at increased leverage upon employment
- Bank consortium for Medan financing in the process of being established

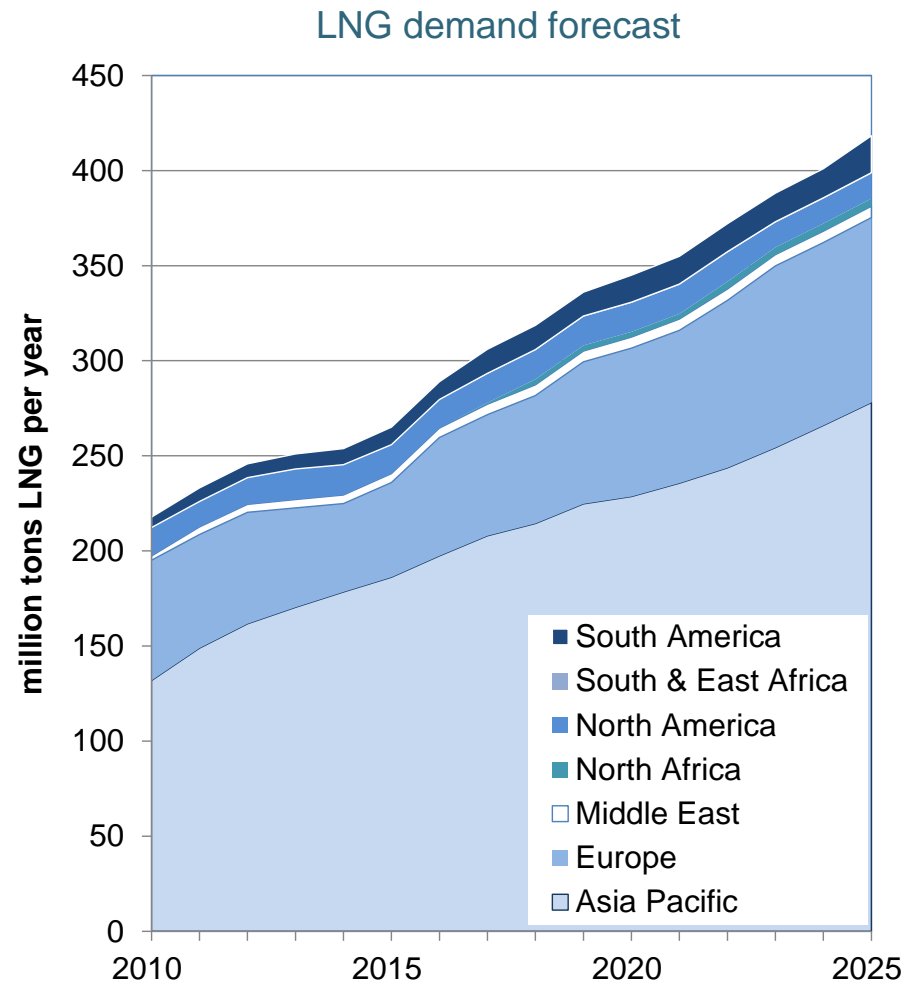
Committed and optional capital expenditure  
2011-2014



(\*) Based on current payment terms

# LNG demand forecast

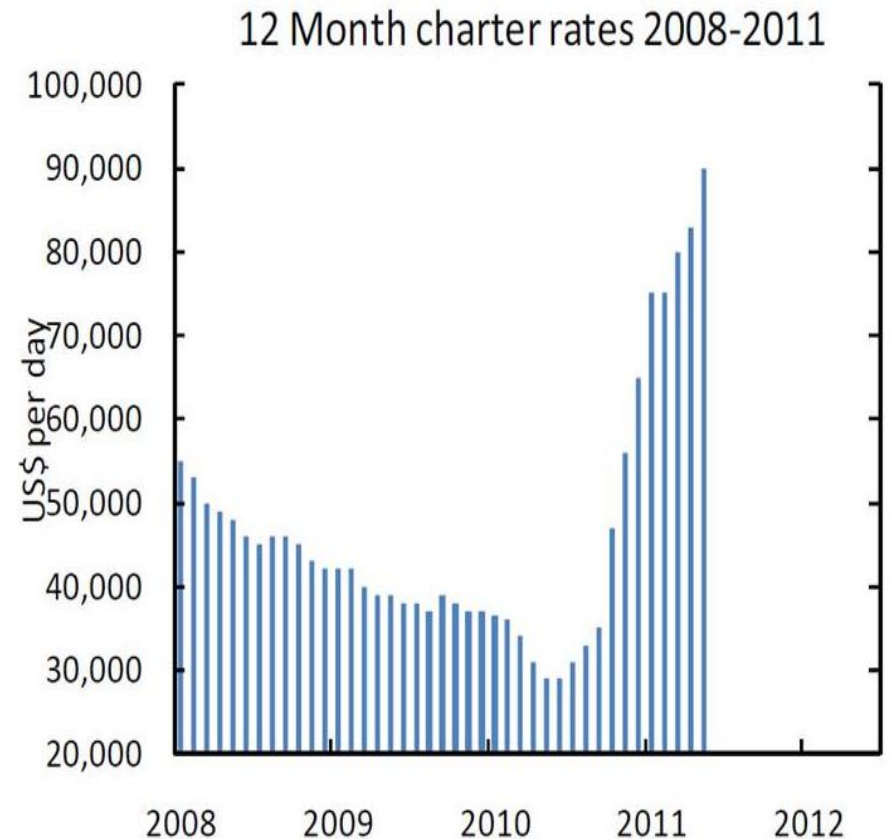
- Global demand for LNG expected to increase 25% next 5 years
- Asia-Pacific region is driving demand with more than 7% compounded annual growth forecast from 2010 to 2015
- Additional infrastructure needed within shipping, regasification and liquefaction to meet increasing LNG demand
- Demand for regasification capacity will be met by a combination of land based and floating solutions



Source: Wood Mackenzie

# Strong LNG transportation market

- Short term charter rates have exceeded USD 100 000 per day
- Own tonnage available 2012-2013
- Evaluating investment opportunities



The charter rates illustrated above are based on monthly assessments of average charter rates for periods less than 12 months, regarding modern steam turbine vessels. The assessment is mainly based on confirmed fixtures, but also non-reported transactions. The assessment does not take into account any positioning or ballast bonus factors.

Source: Platou

# 30+ potential regasification projects world-wide



● Potential projects

 Höegh owned

## 30+ projects world-wide in pipeline

- 15 projects in Asia/Middle East
- 6 projects in North/South America
- 11 projects in Europe/Africa

## Current and near-term prospects

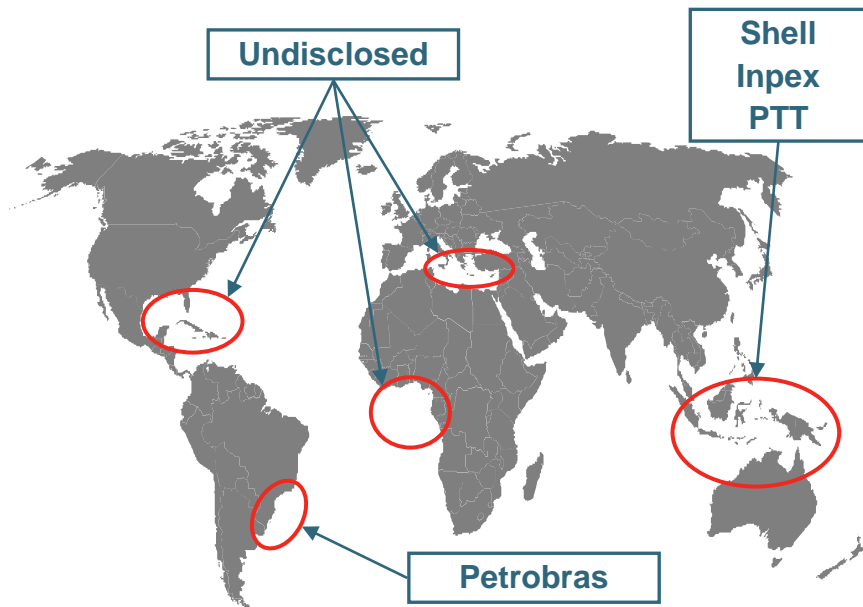
- Bid in for FSRU project in Chile
- Pre-qualified for Central Java FSRU
- Upcoming projects in Chile, Indonesia, Europe, Caribbean, India +

Source: Höegh LNG

# Floating LNG – the next growth segment

## Substantial market opportunities

- Shell has made a final investment decision for the Prelude field
- A number of upstream operators are considering LNG FPSO solutions



## Status Höegh LNG FPSO projects

- Höegh LNG consortium only project with government approval for LNG FPSO project in Papua New Guinea
- Höegh LNG working with partners to develop LNG FPSO solutions on proven gas fields in other geographical areas
- Höegh LNG is evaluating alternatives for optimising the structure of its LNG FPSO business activities both commercially and financially

# Summary

- Existing business performing well
- Strong market outlook
- Company firmly positioned in attractive market segments
- Stock listing facilitates further growth

Thank You!

