

Golar LNG



# Fearnley Securities Renewables Seminar Nov 2020



**Golar's contribution to critical infrastructure**

# Forward Looking Statements

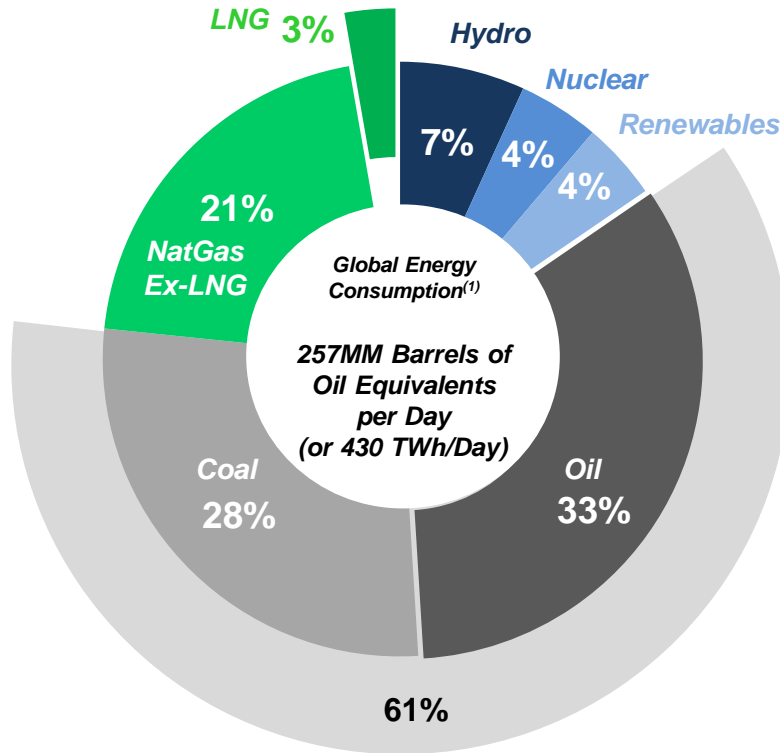
This press release contains forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended) which reflects management's current expectations, estimates and projections about its operations. All statements, other than statements of historical facts, that address activities and events that will, should, could or may occur in the future are forward-looking statements. Words such as "may," "could," "should," "would," "will," "expect," "plan," "anticipate," "intend," "forecast," "believe," "estimate," "predict," "propose," "potential," "continue," or the negative of these terms and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond our control and are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Unless legally required, Golar undertakes no obligation to update publicly any forward-looking statements whether as a result of new information, future events or otherwise.

*Among the important factors that could cause actual results to differ materially from those in the forward-looking statements are: our inability and that of our counterparty to meet our respective obligations under the Lease and Operate Agreement ("LOA") entered into in connection with the BP Greater Tortue / Ahmeyim Project ("Gimi GTA Project"); continuing uncertainty resulting from current or potential future claims from our counterparties of purported force majeure under contractual arrangements, including but not limited to our construction projects (including the Gimi GTA Project) and other contracts to which we are a party; the length and severity of outbreaks of pandemics, including the recent worldwide outbreak of the novel coronavirus ("COVID-19") and its impact on demand for liquefied natural gas ("LNG") and natural gas, the timing of completion of our conversion projects, the operations of our charterers, our global operations and our business in general; changes in our ability to obtain additional financing on acceptable terms or at all; changes in our ability to retrofit vessels as floating storage and regasification units ("FSRUs") or floating liquefaction natural gas vessels ("FLNGs") and in our ability to obtain financing for such conversions on acceptable terms or at all; Hygo Energy Transition Limited's ability to operate the Sergipe power station project and related FSRU contract and to execute its downstream LNG distribution and merchant power sales plans; changes in our relationship with Golar LNG Partners LP ("Golar Partners"), Hygo Energy Transition Limited ("Hygo") or Avenir LNG Limited ("Avenir") and the sustainability of any distributions they pay to us; failure of our contract counterparties, including our joint venture co-owners, to comply with their agreements with us or other key project stakeholders; changes in LNG carrier, FSRU, or FLNG, or small-scale LNG market trends, including charter rates, vessel values or technological advancements; our vessel values and any future impairment charges we may incur; challenges by authorities to the tax benefits we previously obtained under certain of our leasing agreements; our ability to close potential future sales of additional equity interests in our vessels, including the Hilli Episeyo and FLNG Gimi on a timely basis or at all and our ability to contract the full utilization of the Hilli Episeyo or other vessels and the benefits that may to accrue to us as the result of any such modifications; changes in the supply of or demand for LNG carriers, FSRUs, FLNGs or small-scale LNG infrastructure; a material decline or prolonged weakness in rates for LNG carriers, FSRUs, FLNGs or small-scale LNG infrastructure; changes in the performance of the pool in which certain of our vessels operate and the performance of our joint ventures; changes in trading patterns that affect the opportunities for the profitable operation of LNG carriers, FSRUs, FLNGs or small-scale LNG infrastructure; changes in the supply of or demand for LNG or LNG carried by sea; continuing volatility of commodity prices; changes in the supply of or demand for natural gas generally or in particular regions; changes in our relationships with our counterparties, including our major chartering parties; a decline or continuing weakness in the global financial markets; changes in general domestic and international political conditions, particularly where we operate; changes in the availability of vessels to purchase and in the time it takes to construct new vessels; failures of shipyards to comply with delivery schedules or performance specifications on a timely basis or at all; our ability to integrate and realize the benefits of acquisitions; changes in our ability to sell vessels to Golar Partners or Hygo; changes to rules and regulations applicable to LNG carriers, FSRUs, FLNGs or other parts of the LNG supply chain; our inability to achieve successful utilization of our expanded fleet or inability to expand beyond the carriage of LNG and provision of FSRUs, FLNGs, and small-scale LNG infrastructure particularly through our innovative FLNG strategy and our joint ventures; actions taken by regulatory authorities that may prohibit the access of LNG carriers, FSRUs, FLNGs or small-scale LNG vessels to various ports; increases in costs, including, among other things, wages, insurance, provisions, repairs and maintenance; and other factors listed from time to time in registration statements, reports or other materials that we have filed with or furnished to the Securities and Exchange Commission, or the Commission, including our most recent annual report on Form 20-F.*

*As a result, you are cautioned not to rely on any forward-looking statements. Actual results may differ materially from those expressed or implied by such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise unless required by law.*

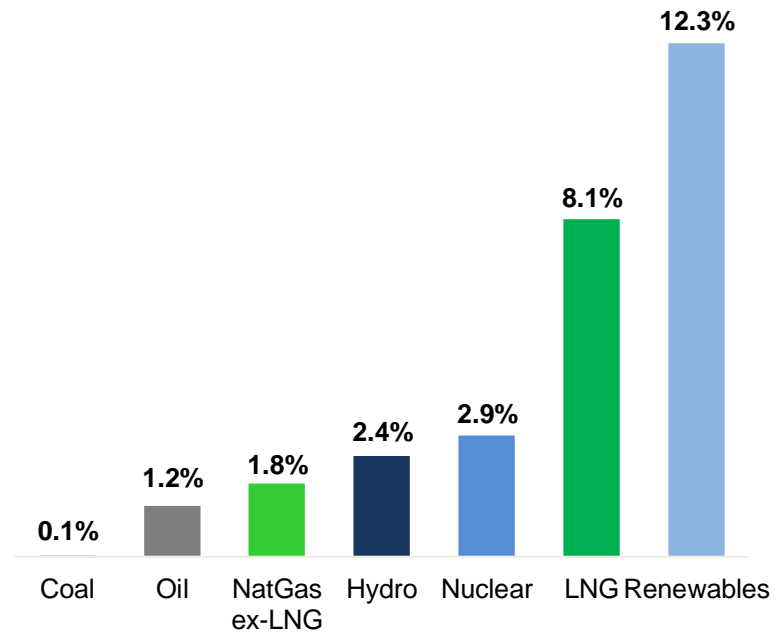
# Natural Gas To Underpin Energy Transition from Oil & Coal

Global Gas Reserves are 3x Larger Than Global Oil Reserves



*LNG Has Potential to Displace Coal and Oil, Which Currently Represent 61% of Global Energy Consumption*

CAGR Based on Mtoe (2015 – 2020)



*LNG is the fastest growing energy source after Renewables*



# The Golar Group Today: Four Business Lines in LNG

## Liquefaction

## Shipping

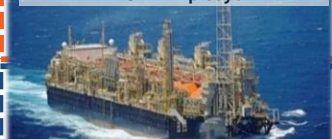
## Regasification

## Downstream



### FLNG

FLNG Hilli Episeyo<sup>(1)</sup>



FLNG Gimi (under construction)



Golar Gandria (for conversion)



### LNG Carriers

Golar Maria



Methane Princess



Golar Bear



Golar Crystal



Golar Frost



Golar Glacier



Golar Viking\*



Golar Celsius



Golar Grand



Golar Mazo



Golar Kelvin



Golar Seal



Golar Snow



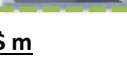
Golar Ice



Golar Arctic



Golar Penguin



### FSRU

Golar Spirit



Golar Freeze



Golar Igloo



Golar Tundra



NR Regas Satu



Golar Winter



Golar Eskimo



### Downstream Gas

Golar Nanook



### Power generation

Sergipe power plant<sup>(3)</sup>



### Small scale LNG



ASSETS

Gross Adjusted EBITDA<sup>(4)</sup>

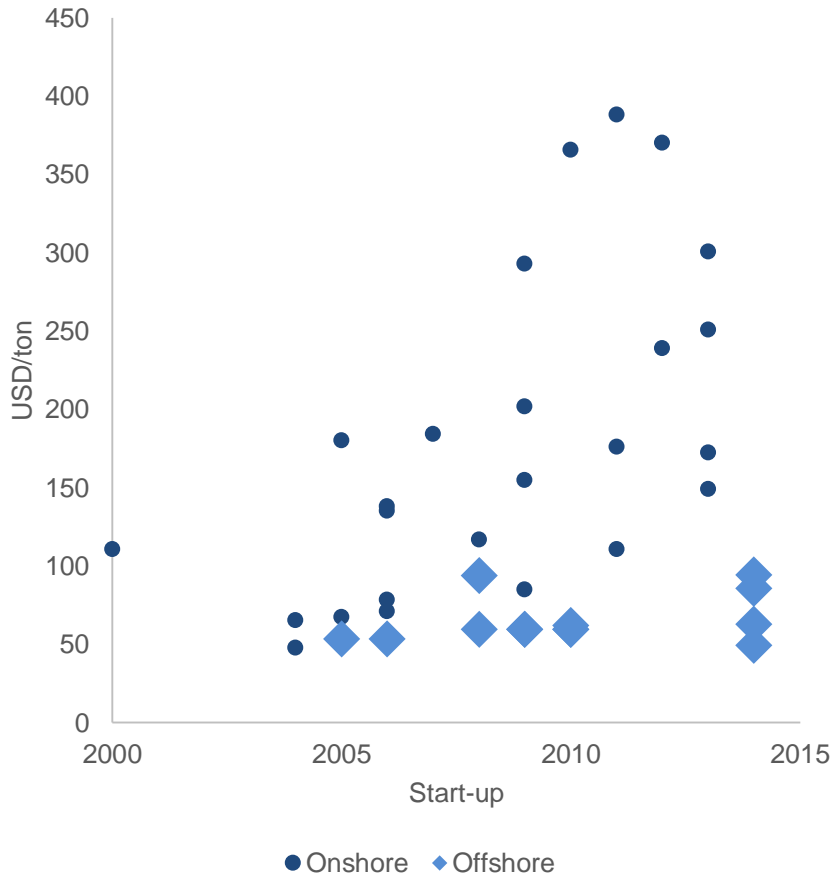
	\$ m	\$ m	\$ m	\$ m	TOTAL \$ m
Q3 2019	46.6	18.8	64.2	(4.5)	125.1
Q4 2019	37.5	69.7	62.9	(4.3)	165.8
Q1 2020	42.0	56.4	45.9	(4.6)	139.7
Q2 2020	46.2	41.3	55.4	(6.3)	136.5
<b>Last 12 months</b>	<b>172.3</b>	<b>186.2</b>	<b>228.4</b>	<b>(19.7)</b>	<b>567.1</b>
					<b>Less: others share of LTM Golar Partners' and Hygo Energy Transition's adjusted EBITDA (243.7)</b>
					<b>Less: LTM GLNG Corporate cost (27.6)</b>
					<b>Golar LNG's LTM adjusted EBITDA<sup>(4)</sup> 295.7</b>

\* Golar Viking currently being converted to a FSRU that will be sold to Croatian project developers after successful commissioning and then operated by Golar for 10-years

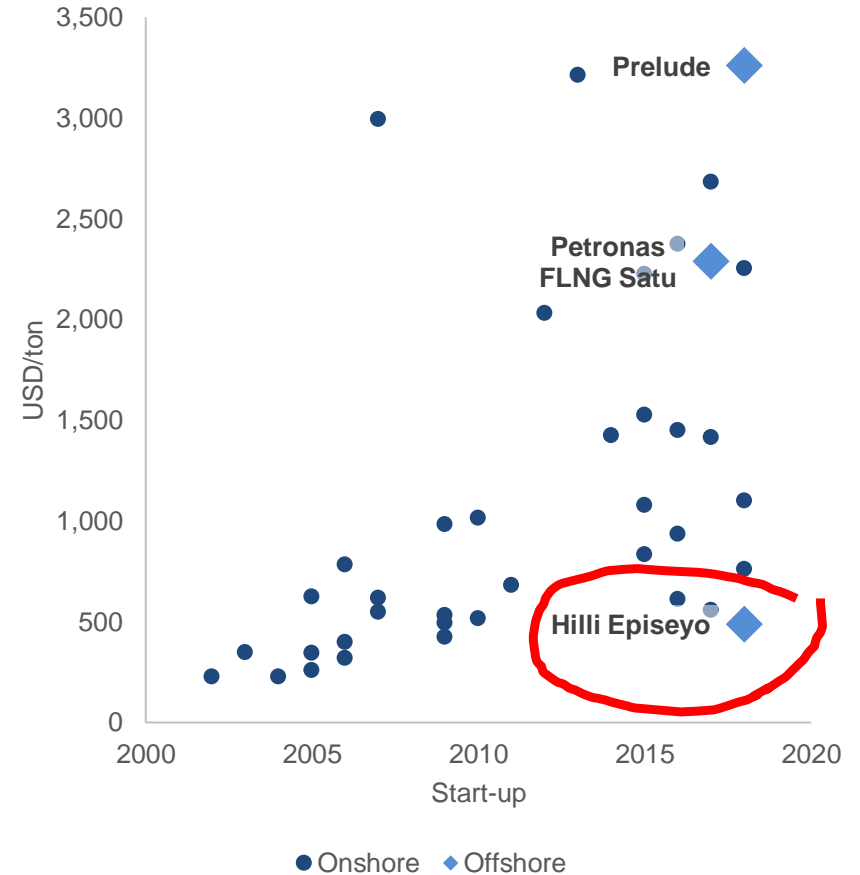
1) GMLP currently has 50% interest in Hilli T1 and T2, which represents the current contracted capacity of the Hilli Episeyo, which has a total of 4 trains  
 2) Hygo Energy Transition is a 50/50 JV between Golar LNG Limited and Stonepeak Infrastructure  
 3) Sergipe is a 50/50 JV between Hygo Energy Transition Ltd and EBRASIL Energia Ltda, one of the largest independent power producers in Brazil  
 4) Please see appendix for definition on the non-GAAP measure

# Floating Solutions are Cheaper, Golar Execution is Cheapest

## FSRUs redefined one end of the LNG value chain....



## .....and our FLNG is redefining the other end



# FLNG Hilli Episeyo – a Step Change in Liquefaction Costs

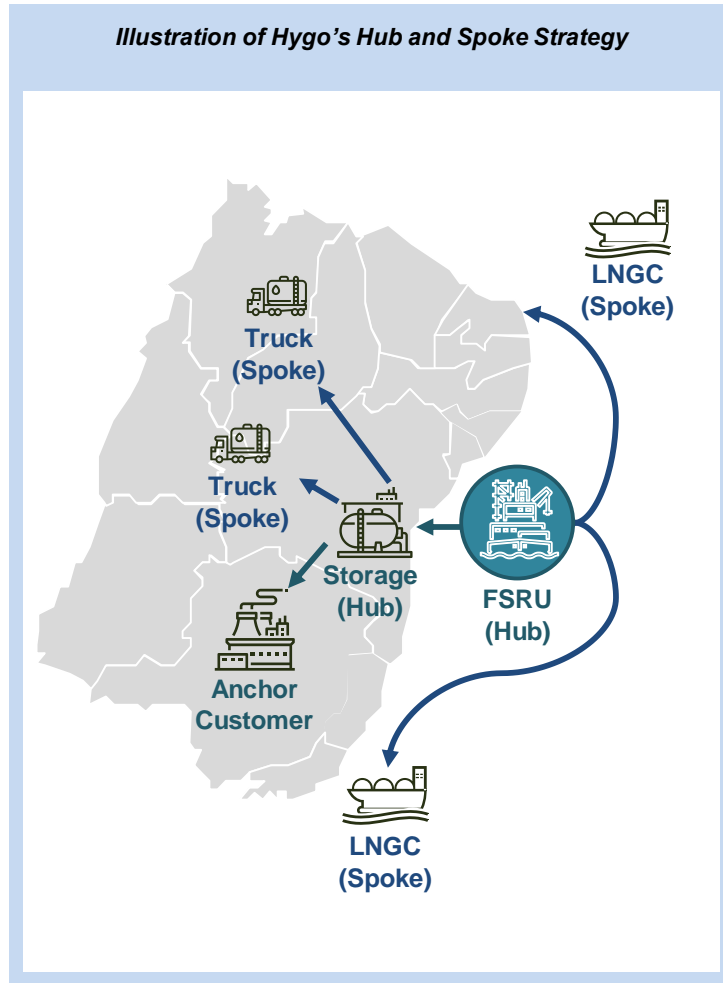
## FLNG Hilli Episeyo (Cameroon)



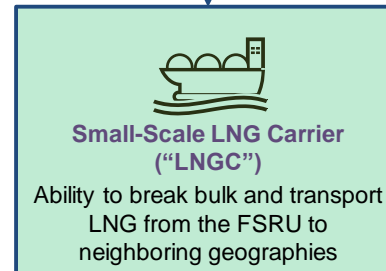
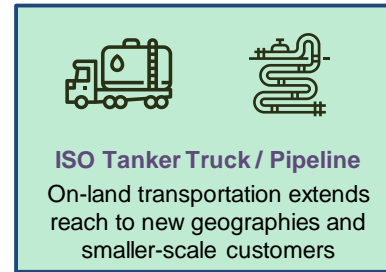
- Continues to operate with 100% commercial availability
- 47 cargos offloaded since commercial acceptance
- HRSGs provide carbon efficient cogeneration solution
- Marinization challenges successfully overcome to deliver a low cost, highly efficient, repeatable solution:
  - Space
  - Utilities
  - Storage
  - Power management
  - LNG offloading

# Strategically Placed FSRUs Significantly Increase Our Market Reach

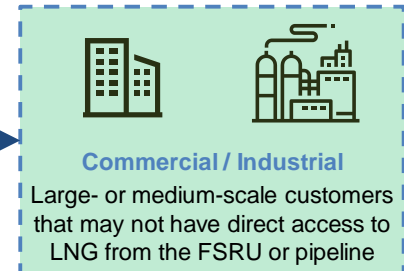
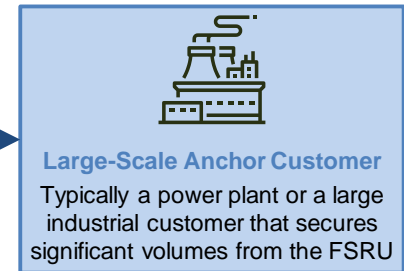
Illustration of Hygo's Hub and Spoke Strategy



## Supply Chain

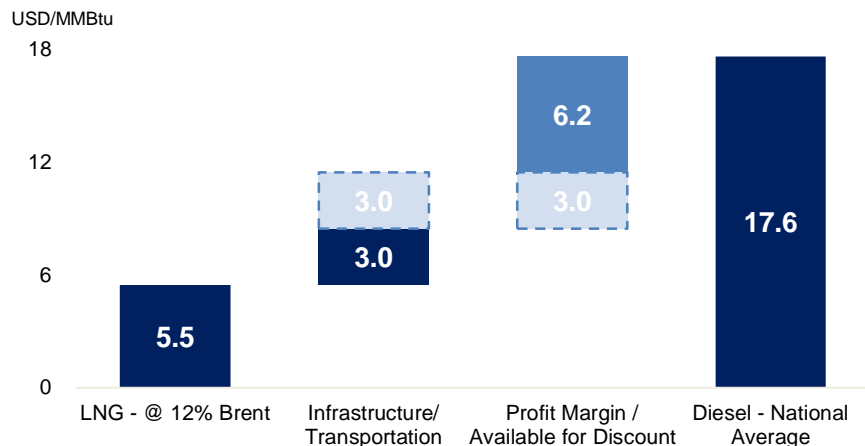


## Customer Universe



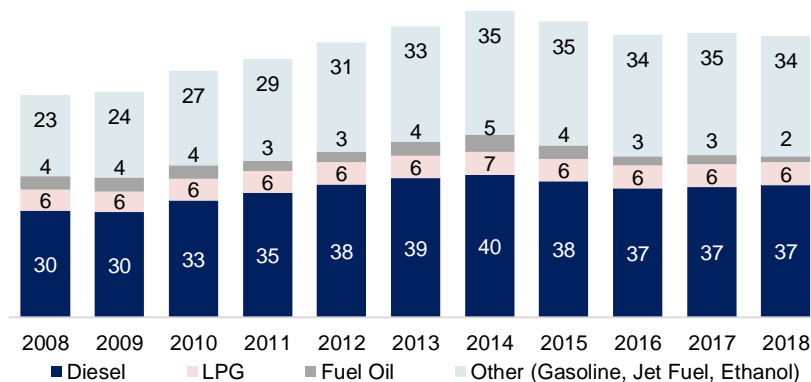
# Significant Downstream Market Decarbonisation Opportunity for LNG in Brazil...

## LNG Offers Substantial Savings for Customers...



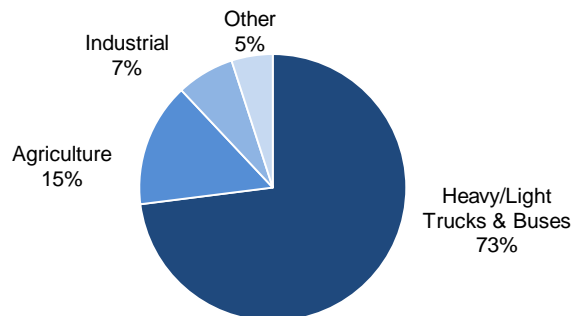
## ...With A Domestic Diesel Market Equivalent to 37MTPA

LNG Equivalents (Million tons per year)



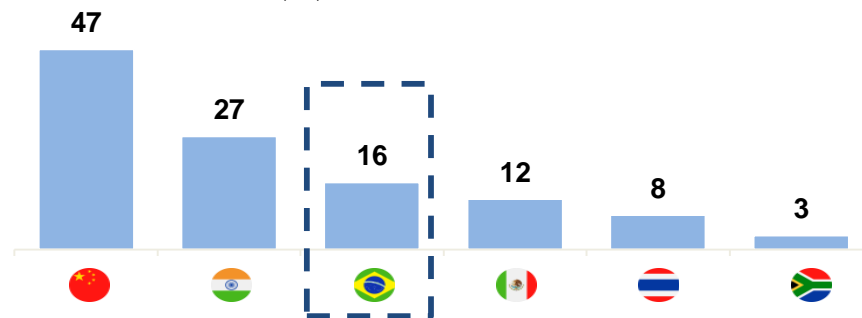
## Diesel-to-LNG Replacement Opportunity is Most Tangible in the Conversion of Trucks and Buses

### Brazilian Diesel Demand by Source



### Commercial Fleet in Select Countries

Commercial Vehicle & Bus Fleet (MM)



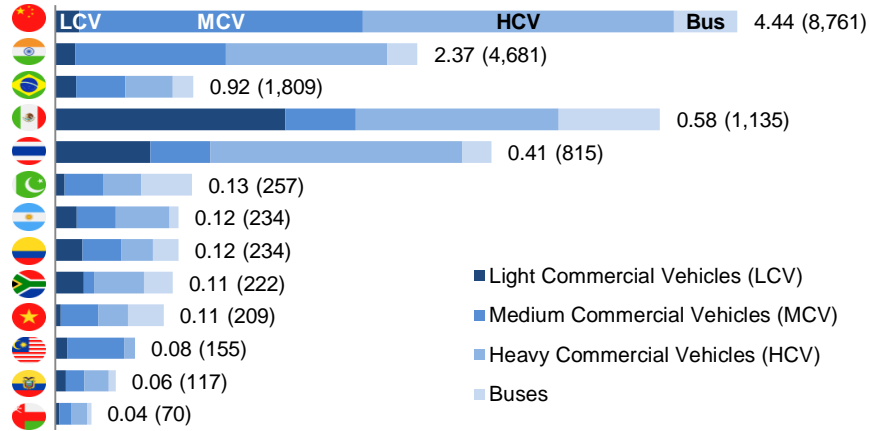
Sources: Bloomberg, Rystad Energy, ANP



# ...With Massive Growth Potential Globally

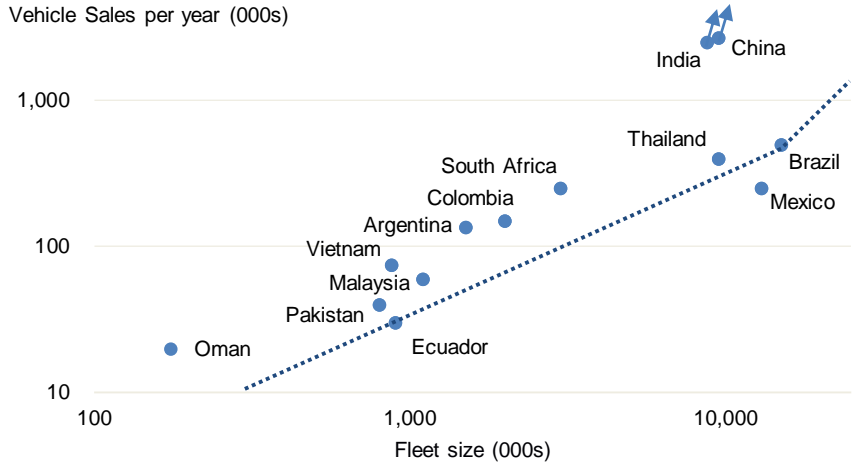
## Robust Demand from Commercial Vehicles in Emerging Markets...

Estimated fuel consumption by vehicle type, 2019  
Mmbbl/d (Million MMBtu/year)



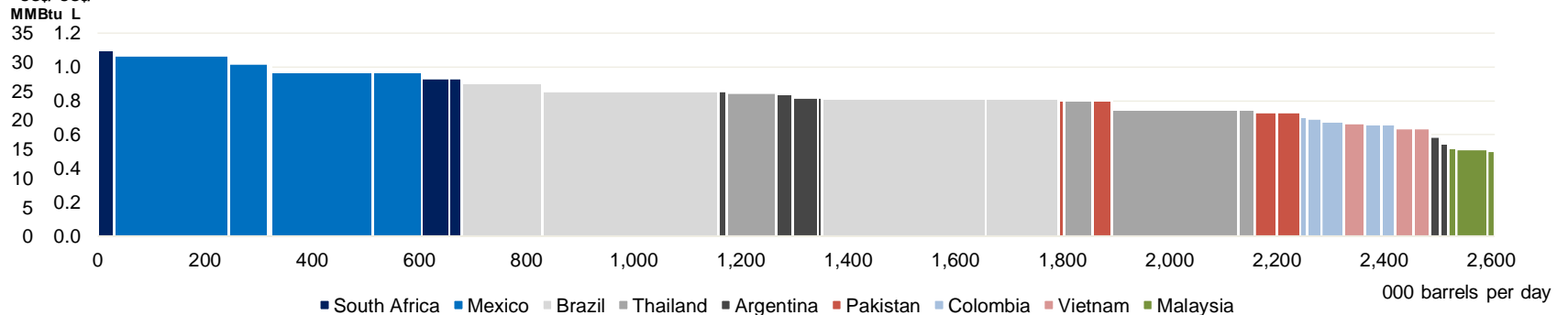
## ...Many of Which Also Boast High Vehicle Turnover

Vehicle Sales per year (000s)



## Diesel-to-LNG Replacement Opportunity is Most Tangible in the Conversion of Trucks and Buses

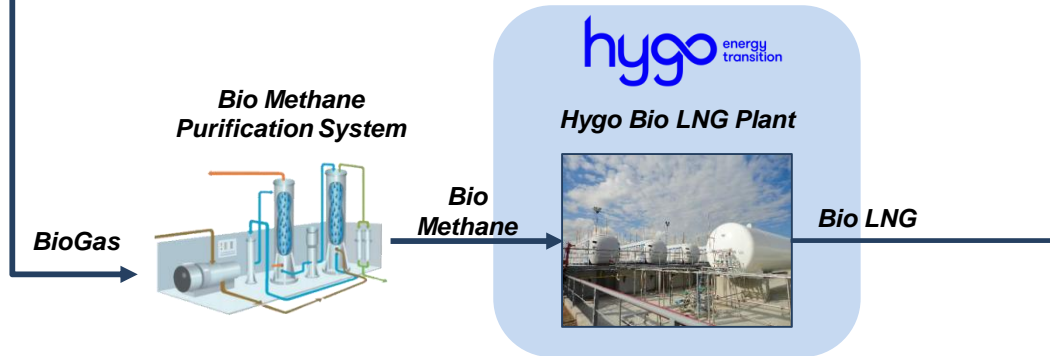
Realized Diesel Price  
US\$/ MMBtu L



Sources: Rystad Energy, March 2020

# Hygo is Committed to Developing Cleaner Energy Solutions Such As BioLNG

## Brazil Has Vast BioGas Capacity Across Multiple Sources



## End-Market Opportunities

- **Trucks (Diesel displacement): ~40mtpa market**
- **Power generated in isolated areas**
- **Displacement of LPG: ~6mtpa**
- **CNG: ~1.7mtpa**

**Demand for BioLNG from Truck Industry for Transportation is Driven by End-User Requirement for Reduced Environmental Footprint / Target of Carbon Neutrality**

# Collaborating to develop Floating Blue Ammonia solutions

Golar and Black & Veatch: Working together to establish Floating Blue Ammonia solutions



300 m



Comparison of footprint: Hilli Episeyo and land based Ammonia Production Facility of similar production volume

## Step 1

Natural gas reforming to hydrogen

## Step 2

The Haber process for ammonia production

## Step 3

Carbon capture and storage

- ✓ Experts in marinization of traditionally land based processes
- ✓ Offshore benefits analogous to FSRU and FLNG
- ✓ Commercial applications possible in each step

# Sustainability and ESG are integral to our business

1

## LNG: A transition fuel

We believe that Natural Gas has a critical role to play in the energy transition - **providing cleaner energy** in line with Paris Agreement goals whilst **ensuring energy is affordable for all**.

- Natural gas is a complementary companion fuel to renewables
- Provides significant emission savings compared to other fossil fuels
- Most relevant in remote communities that currently have little choice on how they create energy
- Our business provides people with cleaner energy at less cost

2

## Reducing our footprint



**Health, safety and security**



**Environmental impact**



**Energy efficiency & innovation**



**People & community**



**Governance & Business Ethics**

We have launched projects to make key improvements across each of our focus areas, including:

- Achieving ISO45001 certification (OHS) across the business
- Energy management initiatives have delivered Golar's best ever fuel efficiency performance – driving down emissions
- Fugitive emissions technology implemented on Hilli
- Seawater turbine developed, with 7% total efficiency saving
- Supply chain human rights audits instigated

3

## Low carbon solutions

- Golar and Hygo Energy Transition are positioned to drive the replacement of dirtier fossil fuels with LNG and emerging use of BIO LNG.
- The next step is to plan for a net zero carbon energy mix – Golar is developing floating solutions that work in the ammonia/hydrogen economy and floating carbon capture and storage initiatives



# Contact Us



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# Appendix

## Non-GAAP Measures

Non-GAAP measure	Closest equivalent US GAAP measure	Rationale for adjustments	Quantitative reconciliation									
			<i>(in \$M)</i>	Apr-Jun		Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
				2020			2019			2018		
<b>Adjusted EBITDA and LTM (last twelve months) adjusted EBITDA</b>	Net (loss)/income attributable to Golar LNG Limited	Increases the comparability of total business performance from period to period and against the performance of other companies by excluding the results of our equity investments, removing the impact of unrealized movements on embedded derivatives and removing the impact of depreciation, financing and tax items.  The 12 month trailing metric removes the impact of seasonality on our results.	<b>Net (loss)/income attributable to Golar LNG Limited</b>	<b>(155.6)</b>	<b>(104.2)</b>	<b>24.8</b>	<b>(82.3)</b>	<b>(112.7)</b>	<b>(41.7)</b>	<b>(313.0)</b>	<b>66.2</b>	
			Net financial expense	12.2	74.3	25.9	39.3	37.8	33.2	52.7	37.8	
			Income taxes	0.2	0.2	0.4	0.3	0.2	0.2	0.6	0.2	
			Equity in net losses/(gains) of affiliates	139.4	37.9	(1.8)	7.8	27.0	12.9	154.1	(2.7)	
			Net income attributable to non-controlling interests	32.2	13.0	19.7	21.3	24.3	24.3	2.8	31.0	
			<b>Operating income/(loss)</b>	<b>28.4</b>	<b>21.2</b>	<b>68.9</b>	<b>(13.7)</b>	<b>(23.4)</b>	<b>28.9</b>	<b>(102.8)</b>	<b>132.5</b>	
			Adjusted for:									
			Unrealized (gain)/loss on oil derivative instrument	11.8	27.8	(4.3)	44.2	27.6	(28.4)	195.7	(77.5)	
			Depreciation and amortization	27.0	27.2	28.3	28.4	28.1	28.2	28.3	28.5	
			Impairment of long-term assets	-	-	0.5	-	7.3	34.3	-	-	
			<b>Adjusted EBITDA</b>	<b>67.2</b>	<b>76.2</b>	<b>93.4</b>	<b>58.9</b>	<b>39.7</b>	<b>62.9</b>	<b>121.2</b>	<b>83.5</b>	
			Last Twelve Months adjusted EBITDA	295.7	-	-	-	307.3	-	-	-	
<b>Gross Adjusted EBITDA</b>		Gross Adjusted EBITDA represents 100% of adjusted EBITDA for each of the asset groups across Golar LNG and our equity investments Hygo Energy Transition (50% ownership) and Golar LNG Partners (32% ownership). Management believe that this 100% asset presentation is useful to investors and other users of our financial information to assess the performance of our integrated asset portfolio without taking into account ownership interests. This method is also consistent with how management review the business. Under US GAAP we account for our investment in Golar LNG Partners and Hygo Energy Transition (which has 50% ownership of CELSE) under the equity method of accounting. Our proportionate share of the EBITDA of their assets is reflected in one line in our Income Statement "Equity in net earnings/(losses) of affiliates". In addition as these numbers reflect 100% of asset performance, we have not removed the EBITDA relating to third party equity investors. For Hilli, Keppel and B&V have a 5% and 0.4% respective ownership interest of the income stream. Their share is reflected as noncontrolling interest in our financial statements prepared in accordance with US GAAP. Gross Adjusted EBITDA is a non GAAP measure and should not be considered as an alternative to net (loss)/income or any other indicator of Golar's performance in accordance with US GAAP.										