Golar LNG Energy

FIRST QUARTER 2010 RESULTS

Highlights

- Golar LNG Energy reports net loss of $10.9 million and operating income before depreciation and amortisation of $2.0 million
- Spot trading vessels results very weak with outlook for Q2 similar
- Golar Energy announces the establishment of a new venture to embark on managing and trading LNG cargoes
- Termination of various agreements in respect of Gladstone LNG Fisherman's Landing project
- Floating regasification project development continued high level of activity

Financial Review

Golar LNG Energy Limited ("Golar Energy" or the "Company") reports net loss of $10.9 million and operating income before depreciation and amortisation of $2.0 million for the quarter to March 31, 2010 (the "first quarter").

Revenues in the first quarter of 2010 (the "first quarter") were $14.5 million as compared to $22.6 million for the fourth quarter of 2009 (the "fourth quarter"). The decrease is due to a very weak market for vessels operating in the spot market. As a result utilisation for the first quarter was down at 50% compared to 90% for the fourth quarter and first quarter average daily time charter equivalents ("TCEs") decreased to $16,795 compared to fourth quarter TCE of $36,480.

Voyage expenses, principally fuel costs whilst the vessels are not on time charter, were $5.4 million for the first quarter and operating expenses were $5.9 million as compared to $3.0 million and $6.8 million respectively for the fourth quarter. Administrative expenses were $1.2 million in the first quarter compared to $4.7 million in the fourth quarter mainly due to lower project development costs in respect of liquefaction projects.

Net interest expense was $3.7 million for the first quarter as compared to $4.0 million in the fourth quarter. Other financial items was an expense of $0.4 million as compared to a gain of $0.7 million in the fourth quarter. This is as a result of interest rate swap valuation losses in the first quarter as compared to gains in the fourth quarter.

The net gain on sale of investee of $0.8 million represents the sale of 2.1 million LNG Limited shares for a total consideration of $1.3 million.

Financing, corporate and other matters

The Company has recently announced that it is to establish a new subsidiary, to be named Golar Commodities, which will position the Company in the market for managing and trading LNG cargoes. Activities will include structured services to outside customers (such as risk management services), arbitrage activities as well as proprietary trading. In order to manage the business, the Company has recruited a group of 5 individuals with extensive experience in LNG and commodities trading. The Company will make a significant equity investment in its new subsidiary, which will be drawn from its cash reserves. The new subsidiary will be further supported by credit lines from commercial banks. It is expected that this new business area will be fully operational from September 2010.

The Company's management company, Golar Management Ltd, and the present technical sub-manager for all of the Company's vessels, Wilhelmsen Ship Management (Norway) AS, are in the process setting up a joint venture company, Golar Wilhelmsen Management AS. ("Golarwil") that will be a specialised technical manager of LNG vessels. It is the intention that all the Company's LNG vessels will be managed by Golarwil. The new structure benefits from the economies of scale of bringing the fleet together under one manager. In addition it provides the Company with more day-to-day involvement which is important particularly with FSRU vessels and other non standard LNG carriers and at the same time provides the benefits of the resources of a large ship management organisation. The actual management transfer of the LNG vessels will take place from late July and throughout August 2010.

During the quarter the Company sold 2.1 million LNG Limited shares for approximately $1.3 million. Subsequent to the quarter end Company sold a further 2.8 million shares for approximately $1.4 million. The transactions reduce the Company's shareholding in LNG Limited to approximately 4% of LNG Limited's issued share capital.

Subsequent to the quarter end the Company issued 165,000 share options to employees at a strike price of $2.20. The options vest over a period of two years and three months. Total Company options outstanding after this issue are 4,105,000.

Operational Review

Shipping

Overall spot trade in 2010 began in similar fashion to 2008 and 2009 – struggling to absorb a large number of new buildings in a climate of weak demand and a lack of FOB spot cargoes. Winter demand 2009/2010 fell away in mid January and no consistent spot opportunities were available after that point. Very little chartering activity has reached the open market and the most visible spot/short term opportunities from supply projects this year have come from Trinidad, Abu Dhabi, N.W. Shelf and Nigeria LNG. Statoil's fixing of the Gemmata for up to 3 years and Gazprom taking a Dynacom ice-class vessel for 2 years have also occurred as well as a re-exports out of Sabine Pass and Zeebrugge.

There were a number of factors affecting spot market activity but the effect of a continuing excess of tonnage together with a lack of spot product and the effect of term buyers exercising downward contract quantity ("DCQ") adjustments has caused a severe drop in spot activity and charter rates. Spot charter rates have also been adversely impacted by worldwide falling spot gas prices which may further soften as we move into the summer period. Current spot charter rates are in the region of $30,000 per day, however, achieving a reasonable level of utilisation in the current weak market is extremely challenging. Additionally, high fuel oil bunker costs make it difficult to strategically position spot market ships to take advantage of occasional FOB cargo sales.

Plant outages have also had an impact although tentative demand recovery in the Far East markets coupled with (as mentioned above) Far East buyers already having exercised DCQ adjustments in long-term contracts may increase the potential for spot cargoes. The additional LNG capacity coming on stream in the second half of 2010 should also help to improve the ship market balance. Other recent indications of a possible improvement in the shipping market with Statoil taking a vessel on a 3 year hire from June of this year and Total reportedly close to fixing a spot vessel on a 2 year assignment to cover project structural requirements remain pointers to a recovery. These and a current Chinese Petroleum Corporation shipping requirement may well be early indications of an increase in spot cargo prospects but as yet it is too soon to say if this will provide any sustained improvement in market activity in the short-term.

The current fleet now stands at 348 including lay-ups and regasification vessels. New vessels on order amount to 35 including regasification and Floating LNG vessels.

Regasification

Credible progress continues in the development of new floating storage and regasification projects. Project details are becoming clearer and more certain with more credible interested parties. In addition to the very strong Asia demand and solid inquiry from the Americas, new market interest has occurred in the Middle East and Africa. In addition to new inquiries, those projects being developed on a tender basis are largely keeping to schedule. As an update to public market activity:

- **Indonesia (West Java):** Golar Energy qualified in addition to four other parties for Pertamina and PT Perusahaan Gas Negara (Persero) Tbk ("PGN") joint venture's tender. Golar Energy is preparing its bid submission with a contract award targeted for 3Q2010.
- **Indonesia (Sumatra):** The ~1-2 MTA/year floating storage and regasification terminal remains targeted for a 2012 start-up in North Sumatra. PGN is finalizing the selection of a Project Manager ("PMC"). The Pre-Qualification and Tender is expected to occur in 2H2010.
- **Jamaica:** Golar Energy submitted a proposal of interest in response to the Petroleum Corporation of Jamaica's request for proposals. PCJ's formal decision on its tender is outstanding.
- **Israel:** Golar Energy was selected along with a small field of qualifiers to participate in the tender for an offshore LNG receiving terminal, targeted for a 2H2013 start-up. The tender is reportedly expected to be launched in 4Q2010.
- **Uruguay:** Foster Wheeler Iberia, the project's appointed PMC, continues to develop the tender scope with a tender expected to be issued at the end of the 3rd quarter of 2010 for first gas in 2013.
- **Argentina**: Repsol and Enarsa have issued a tender for their Puerto Escobar project which is targeting first gas by June 2011. Enarsa are also developing a replacement project for Bahia Blanca.

In addition to the above public market activity, significant development activity continues on a direct basis. In total, Golar FSRU developers are engaged in or monitoring FSRU opportunities in over 25 countries with some countries offering multiple opportunities. In addition to the increasing number of interested parties, the types of inquiries have become more diverse: FSRUs for benign and harsh environment; site locations near shore and offshore; project specified mooring solutions and vaporisation technology; and project volume scale further broadening to consider smaller LNG import volumes and therefore, leaner solutions.

Whilst development activity will take time, the Company remains patient but pro-active in pursing the next Golar FSRU. However, the diversity of opportunities noted above is to some extent encouraging as Golar Energy's approach is based on developing fit for purpose solutions. Each of Golar's three projects to date was based on three distinctly different FSRU designs. The Company believes this approach of converting an LNGC to an FSRU based on a specific client's requirements as offering customers the best value proposition in terms of speed of project implementation and overall project cost.

Liquefaction

During the quarter Golar Energy announced the termination of the various agreements relating to the Gladstone LNG Project as a result of a conditional takeover proposal of Arrow Energy ("Arrow") (gas supplier to the Gladstone LNG Project) by Royal Dutch Shell and PetroChina. The agreements terminated were Golar Energy's shipping and marketing Heads of Agreement ("HoA") with Arrow, the HoA with Toyota Tsusho Corporation in respect of the LNG supply and the original HoA with LNG Limited for the offtake of LNG from the Gladstone LNG Project.

Golar Energy remains of the view that the Gladstone LNG Project site at Fisherman's Landing, the mid-scale nature of the LNG plant and all the work undertaken to date, renders the Gladstone LNG Project with the potential to be developed and commercialised, in a much shorter time frame and at a lower cost per produced tonne of LNG than other, much larger, LNG projects proposed by others in the Port of Gladstone. LNG Limited is in a position to attract interest from other parties in the region with respect to gas supply and the development of the Gladstone LNG Project as an alternative to Arrow.

Under the terms of the June 2006 Collaboration Agreement, between the LNG Limited and Golar Energy, which remains in place, Golar Energy will continue to take an interest in the alternative development options for the Gladstone LNG Project in order to try to achieve a positive outcome for shareholders.

Golar Energy will continue to actively pursue floating liquefaction (“FLNG”) projects and other floating LNG solutions which fit with its financial objectives and best capture its technical capabilities. Golar Energy's FLNG strategy will be expanded to include the development of low capital cost, rapid deployment floating production facilities utilising the conversion of high quality existing LNG carriers, floating technologies for the liquefaction of pipeline quality gas or associated gas (requiring minimal processing) and seeking other innovative LNG solutions. This strategy complements Golar Energy's industry leadership position in floating LNG regasification facilities development.

Market

Spot market shipping demand fell away quicker than would normally be the case given the length and severity of the winter, resulting in reduced opportunities for Golar Energy ships trading on the spot market. Current indications are that this lack of short term activity will continue well into the year with only occasional cargoes becoming available in both Atlantic and Pacific basins. The market is therefore typified by a number of vessels competing for the same cargoes over short hire periods at depressed charter rates.

By the end of January we saw the first hints of a slowdown in flows to N.W. Europe with a re-export cargo from Zeebrugge to ease LNG storage constraints making its way to Mexico. Supply, meanwhile, continues to build. In Qatar, Rasgas Train 7 was commissioned, Yemen continued its ramp-up and Tangguh continued to send cargoes to Sempra’s Costa Azul terminal. Qatargas-3 Train 6 is slated to begin operations mid-year and Qatargas-4 Train 7 is scheduled for completion in September 2010.

Once viewed as a lucrative market for imported LNG, the US Northeast and Mid-Atlantic regions now have emerging sources of domestic gas supply in the form of shale gas, which has exerted pressure on imported LNG volumes.

The large increase in LNG production combined with the extensive construction of import terminals around the world provides the basis for a more logistical approach to the LNG market. This trend is further enhanced by low shipping rates, the seasonality of the market and the global price differentials between the Asian, European and American gas markets.

The changing developments in the trading pattern for LNG provides an interesting opportunity for LNG shipping as well as Golar Energy’s LNG new trading venture. The continuing separation of oil and gas prices further enhances this as it provides the opportunity to reduce the energy costs to end users by substituting oil products with flexible delivery of LNG.

Outlook

An over-supply of LNG has developed as the LNG industry has suffered from the global recession and the successful development of shale gas in the US. However, given its environmental benefits over other hydro-carbon fuels and its cost competiveness, particularly against oil, it is highly likely that LNG demand will continue to grow. The strong gas demand coming out of China and other new emerging markets further supports this case. On the supply side the development of unconventional gas supplies such coal bed methane in Queensland Australia provides increased LNG supply growth potential.

Nevertheless, the short-term weakness in the LNG commodity market has negatively impacted shipping. By end of 2010 there is a significant decline in the rate of growth of the fleet. The Company believes that the shipping market will begin to tighten over the next twelve to eighteen months although in the near term the market will likely remain weak.

There are clear similarities between the more flexible structure of the LNG market which is now emerging and the opening of the crude oil market in the 1970's. There is increased activity by traders and spot cargoes are still at a limited level. The Board therefore believes that this is a good time to be building a position in this market area and as such is extremely pleased with the setting up of Golar Energy's new LNG trading venture.

The floating regasification market outlook continues to be positive and the Company believes that there will be a few new FSRU contracts awarded during 2010. The Company believes that it is in a good position to secure contracts based on its previous experience in this market.

The Company will selectively continue to pursue small scale opportunities within the FLNG market. The Company also believes that further worldwide opportunities exist in solutions which integrate power production and regasification projects.

Operating results for the second quarter of 2010 are highly likely to be significantly negatively impacted by continued very weak results from the Company's vessels operating in the spot market. There are however good reasons for expecting a much needed improvement in shipping rates in the medium to long-term. The Company is also optimistic about the potential for its new LNG logistic venture, Golar Commodities. The Board is not pleased with the development in the Company's share price after the IPO last August but is hopeful that the recent corporate actions and a better supply demand balance in the LNG shipping market can strengthen the investment case.

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 Energy. Although Golar LNG Energy 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 Energy cannot give assurance that it will achieve or accomplish these expectations, beliefs or intentions.

Included among the factors that, in the Company's view, could cause actual results to differ materially from the forward looking statements contained in this press release are the following: inability of the Company to obtain financing for the new building vessels at all or on favourable terms; changes in demand; a material decline or prolonged weakness in rates for LNG carriers; political events affecting production in areas in which natural gas is produced and demand for natural gas in areas to which our vessels deliver; changes in demand for natural gas generally or in particular regions; changes in the financial stability of our major customers; adoption of new rules and regulations applicable to LNG carriers and FSRU's; actions taken by regulatory authorities that may prohibit the access of LNG carriers or FSRU's to various ports; our inability to achieve successful utilisation of our expanded fleet and inability to expand beyond the carriage of LNG; increases in costs including: crew wages, insurance, provisions, repairs and maintenance; changes in general domestic and international political conditions; the current turmoil in the global financial markets and deterioration thereof; changes in applicable maintenance or regulatory standards that could affect our anticipated dry-docking or maintenance and repair costs; our ability to timely complete our FSRU conversions; failure of shipyards to comply with delivery schedules on a timely basis and other factors listed from time to time in subsequent announcements and reports. Nothing contained in this press release shall constitute an offer of any securities for sale.

May 26, 2010
The Board of Directors
Golar LNG Energy Limited
Hamilton, Bermuda

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Golar LNG Energy Limited

FIRST QUARTER CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONDENSED INCOME STATEMENT (in thousands of $, except per share data)	**2010** **Jan – Mar** *unaudited*	**2009** **Oct - Dec** *unaudited*	**2009** **Jul – Dec (1)** *audited*
Operating revenues	**14,541**	**22,600**	**33,867**
Operating expenses			
Vessel operating expenses	5,885	6,804	10,569
Voyage expenses	5,472	3,007	3,809
Administrative expenses	1,191	4,678	6,380
Depreciation and amortization	9,133	9,486	14,174
Total operating expenses	**21,681**	**23,975**	**34,932**
Operating (loss)	**(7,140)**	**(1,375)**	**(1,065)**
Gain on sale of available for sale securities	**762**	**-**	**-**
Financial income (expenses)			
Interest income	1,111	1,172	2,229
Interest expense	(4,795)	(5,198)	(9,011)
Other financial items, net	(409)	695	504
Net financial expenses	**(4,093)**	**(3,331)**	**(6,278)**
Loss before equity in net earnings of investees and income taxes	**(10,471)**	**(4,706)**	**(7,343)**
Income taxes	(45)	(120)	(120)
Equity in net earnings of investees	(402)	(2,549)	(3,140)
Gain on sale of investees	-	8,355	8,355
Net (Loss)/Gain	**(10,918)**	**980**	**(2,248)**
Basic loss per share	**($0.05)**	**$0.00**	**($0.01)**

Footnotes

1. Golar Energy was incorporated on June 22, 2009. The company was dormant until August 12, 2009, being the completion date of the corporate restructuring whereby it acquired the interests in wholly owned subsidiaries and certain other assets of Golar LNG. Accordingly, the period from inception June 22, 2009 to September 30, 2009 has not been separately disclosed in the consolidated Interim Financial Statements above as they are identical to the results for the third quarter.

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Golar LNG Energy Limited

FIRST QUARTER CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

STATEMENTS OF COMPREHENSIVE INCOME *(in thousands of $)*	**2010** **Jan – Mar** *unaudited*	**2009** **Oct - Dec** *unaudited*	**2009** **Jul – Dec (1)** *audited*
Net loss	**(10,918)**	**980**	**(2,248)**
Other comprehensive loss, net of tax:			
Unrealized net /(loss)/gain on qualifying cash flow hedging instruments	(1,664)	1,936	1,237
Unrealised (loss)/gain on marketable securities	(7,518)	9,942	9,942
Other comprehensive gain/ (loss)	**(9,182)**	**11,878**	**8,705**
Comprehensive (loss)/gain	**(20,100)**	**12,858**	**6,457**

Footnotes

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Golar LNG Energy Limited

FIRST QUARTER CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONDENSED BALANCE SHEET *(in thousands of $)*	**2010** **Mar-31** *unaudited*	**2009** **Dec-31** *audited*
ASSETS		
Current Assets		
Cash and cash equivalents	34,819	70,761
Restricted cash	12,875	16,726
Other current assets	9,078	16,952
Amounts due from related parties, holding company and affiliates	79,425	53,625
Long-term assets		
Restricted cash	311,064	342,868
Equity in net assets of non-consolidated investees	20,923	21,244
Vessels and equipment, net	900,182	904,024
Other long-term assets	29,099	31,157
Total assets	**1,397,465**	**1,457,357**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current portion of long-term debt	42,436	42,990
Current portion of obligations under capital leases	16,743	4,751
Other current liabilities	38,967	45,917
Amounts due to related parties, holding company and affiliates	120,003	94,742
Long-term liabilities		
Long-term debt	357,439	367,909
Long-term portion of obligations under capital leases	394,918	452,695
Other long-term liabilities	14,207	15,758
Equity		
Stockholders' equity	412,752	432,585
Total liabilities and equity	**1,397,465**	**1,457,347**

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Golar LNG Energy Limited

FIRST QUARTER CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONDENSED STATEMENT OF CASH FLOWS *(in thousands of $)*	**2010** **Jan - Mar** *unaudited*	**2009** **Oct - Dec** *unaudited*	**2009** **Jul – Dec (1)** *audited*
OPERATING ACTIVITIES			
Net loss	**(10,918)**	**980**	**(2,248)**
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	9,134	9,513	14,201
Amortization of deferred charges	193	178	286
Undistributed net earnings of non-consolidated investee	321	2,206	592
Drydocking expenditure	(306)	(3,098)	(3,197)
Gain/loss on sale of investee	(762)	(8,355)	(8,355)
Change in market value of interest rate derivatives	(22)	1,935	1,935
Unrealized foreign exchange (gain) / loss	16	-	(6)
Stock based compensation	323	218	226
Change in operating assets and liabilities	(1,700)	2,908	6,306
Amount due to/(from) holding company and affiliates	15,242	34,682	42,238
Net cash provided by (used in) operating activities	**10,049**	**41,167**	**54,184**
INVESTING ACTIVITIES			
Additions to vessels and equipment	(17,758)	(47,028)	(56,611)
Cash assumed in purchase of subsidiaries	-	-	14,158
Net proceeds from sale of non controlling investee	1,315	11,010	11,010
Investments in associated companies	-	-	-
Long-term restricted cash	268	196	196
Net cash provided by (used in) investing activities	**(16,175)**	**(35,822)**	**(31,247)**
FINANCING ACTIVITIES			
Proceeds from long-term debt	-	-	-
Repayments of long-term capital lease obligation	(1,001)	(978)	(978)
Loan to parent company	(20,000)	(35,000)	(55,000)
Receipts from repayment by parent company of loan	-	-	1,375
Repayments of long-term debt	(11,025)	(11,024)	(13,928)
Financing and debt settlement costs paid	2,265	-	-
Proceeds from the issuance of equity, net of issue costs paid	(56)	(151)	116,355
Owner’s funding			
Net cash provided by (used in) financing activities	**(29,816)**	**(47,153)**	**47,824**
Net increase (decrease) in cash and cash equivalents	**(35,942)**	**(41,808)**	**70,761**
Cash and cash equivalents at beginning of period	**70,761**	**112,569**	**-**
Cash and cash equivalents at end of period	**34,819**	**70,761**	**70,761**

Footnotes:

1. Golar Energy was incorporated on June 22, 2009. The company was dormant until August 12, 2009, being the completion date of the corporate restructuring whereby it acquired the interests in wholly owned subsidiaries and certain other assets of Golar LNG. Accordingly, the period from inception June 22, 2009 to September 30, 2009 has not been separately disclosed in the consolidated Interim Financial Statements above as they are identical to the results for the third quarter.

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Golar LNG Energy Limited

FIRST QUARTER CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONDENSED STATEMENT OF CHANGES IN EQUITY *unaudited* *(in thousands of $)*	Share Capital	Warrant Reserve	Additional Paid in Capital	Accumulated Other Comprehensive Loss	Accumulated Retained Earnings	Total Stockholders' Equity
Balance at September 30, 2009	**228,343**	**9,000**	**188,643**	**(3,173)**	**(3,228)**	**419,585**
Issue of ordinary shares, net of issuance costs	-	-	(151)	-	-	(151)
Grant of share options	-	-	218	-	-	218
Net (loss) income	-	-	-	-	980	980
Other comprehensive income	-	-	-	11,878	-	11,878
Gain on issuance of shares by investees	-	-	75	-	-	75
Balance at December 31, 2009	**228,343**	**9,000**	**188,785**	**8,705**	**(2,248)**	**432,585**
Issue of ordinary shares, net of issuance costs	-	-	(56)	-	-	(56)
Grant of share options	-	-	323	-	-	323
Net (loss) income	-	-	-	-	(10,918)	(10,918)
Other comprehensive loss	-	-	-	(9,182)	-	(9,182)
Gain on issuance of shares by investees	-	-	-	-	-	-
Balance at March 31, 2010	**228,343**	**9,000**	**189,052**	**(477)**	**(13,166)**	**412,752**

The accompanying notes are an integral part of these condensed consolidated and predecessor combined interim financial statements.

1. BACKGROUND AND FORMATION

Golar LNG Energy Limited (the "Company" or "Golar Energy") was formed as a wholly owned subsidiary of Golar LNG Limited ("Golar" or "Golar LNG") on June 22, 2009, under the laws of Bermuda. On August 12, 2009, the Company completed its corporate restructuring and private placement offering, whereby it acquired the interests in wholly owned subsidiaries of Golar, which collectively owned interests in eight liquefied natural gas ("LNG") vessels, a 50% equity interest in another LNG carrier and certain other investments. Golar is a publicly listed Bermudan company, specializing in the acquisition, ownership, operation and chartering of LNG carriers and floating storage regasification units ("FSRUs") and the development of liquefaction projects.

Further detail of the corporate restructuring and private placement offering are provided below:

Golar LNG transferred to the Company capital stock in its wholly owned subsidiaries and other equity interests in investments, in exchange for 168.5 million new common shares in the Company at a subscription price of $2 per share, giving rise to gross proceeds of $337 million and deferred consideration ("seller's credit").

Immediately subsequent to the corporate restructuring described above the Company issued 59.9 million new common shares to private institutional investors at a subscription price of $2 per share as part of the private placement resulting in aggregate gross proceeds to the Company of $119.7 million. This includes $9.7 million of proceeds relating to the 4.8 million additional shares issued under the "greenshoe" option which were exercised in September 2009 in connection with the private placement.
In connection with the private placement 12 million warrants were also issued to private investors. Each warrant gives the holder the right to subscribe for one new share in the Company at a subscription price of $2 per share. The warrants can only be exercised on December 15, 2010.

The Company's ordinary shares are listed on the Oslo Stock Exchange.

2. ACCOUNTING POLICIES

Basis of accounting

The condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. The condensed consolidated financial statements do not include all of the disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company's annual financial statements as at December 31, 2009.

Significant accounting policies

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2009.

3. DEBT AND CAPITAL LEASE OBLIGATIONS, NET

As of March 31, 2010 and December 31, 2009, the Company had total long-term debt outstanding of $411.7 million and $410.9 million, respectively. The movement is as a result of debt repayments in the quarter.

The Company's long term capital lease obligations as at March 31, 2010 and December 31, 2009, were $423.3 million and $457.4 million, respectively.

In March 2010, the Company terminated three of the leases within the Five Ships Leases and immediately entered into three new long funding finance leases ("LFFL's") in respect of the same ships. The LFFL's have an initial term of approximately 12 years from inception. The lease obligations under the LFFL's are secured by cash deposits of the same value. The cash deposits will be used to service the entirety of the lease obligations. By virtue of the fact here has been no change in the Lessor and Lessee for the same ships the restructuring of these leases was accounted for as a modification.

4. FINANCIAL INSTRUMENTS

Fair values

The carrying value and estimated fair value of the Company's financial instruments are as follows:

(in thousands of $)	Consolidated		Consolidated	
	At Mar 31, 2010 Carrying Value	At Mar 31, 2010 Fair Value	At Dec 31, 2009 Carrying Value	At Dec 31, 2009 Fair Value
Non-Derivatives:				
Cash and cash equivalents	34,819	34,819	70,761	70,761
Short-term restricted cash	12,875	12,875	16,726	16,726
Long-term restricted cash	311,064	311,064	342,868	342,868
Long-term unlisted investments	10,347	N/a	10,347	N/a
Marketable Securities	5,386	5,386	13,458	13,458
Short-term debt – floating	42,436	42,436	42,990	42,990
Long-term debt – floating	357,439	357,439	367,909	367,909
Short-term obligations under capital leases	16,743	16,743	4,751	4,751
Long-term obligations under capital leases	394,918	394,918	452,695	452,695
Derivatives:				
Interest rate swaps liability	17,884	17,884	16,242	16,242

The carrying value of cash and cash equivalents, which are highly liquid, is a reasonable estimate of fair value.

The estimated fair value for restricted cash is considered to be equal to the carrying value since they are placed for periods of less than six months. The estimated fair value for long-term restricted cash is considered to be equal to the carrying value since it bears variable interest rates, which are reset on a quarterly basis.

As at March 31, 2010, the Company did not identify any events or changes in circumstances that would indicate the carrying value of its unlisted investments in both TORP Technology and OLT–O were not recoverable. Accordingly, the Company did not estimate the fair value of these investments as at March 31, 2010.

The estimated fair value for floating long-term debt is considered to be equal to the carrying value since it bears variable interest rates, which are reset on a quarterly or six monthly basis.

The estimated fair values of long-term lease obligations under capital leases are considered to be equal to the carrying value since they bear interest at rates, which are reset on a quarterly basis.

The fair value of the Company's derivative instruments is the estimated amount that the Company would receive or pay to terminate the agreements at the reporting date, taking into account current interest rates and the creditworthiness of the Company and its swap counterparties.

The following table summarizes the valuation of the Company's financial instruments by the guidance on fair value measurement pricing levels as of March 31, 2010:

(in thousands of $)	Quoted market prices in active markets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
Interest rate swaps – liability position	-	16,242	16,242
Marketable Securities	5,386	-	5,386

The guidance on further states that the fair value measurement of a liability must reflect the non-performance risk of the entity. Therefore, the impact of the Company's creditworthiness has also been factored into the fair value measurement of the derivative instruments in a liability position.

6. RELATED PARTY, HOLDING COMPANY AND AFFILIATES TRANSACTIONS

Receivables (payables) from related parties:

(in thousands of $)	Consolidated At Mar 31, 2010	Consolidated At Dec 31, 2009
Frontline	21	58
Seatankers	(1)	-

Receivables and payables with related parties arise when the Company pays an invoice on behalf of a related party and vice versa. Receivables and payables are generally settled quarterly in arrears.

Receivables (payables) from holding company and affiliates:

(in thousands of $)	Consolidated At Mar 31, 2010	Consolidated At Dec 31, 2009
Short-term loan receivable	79,425	53,624
Trading operations	(79,676)	(57,395)
Seller's credit	(40,327)	(37,347)
	120,003	(94,742)

The short-term loan receivable due from Golar is unsecured and bears interest at LIBOR plus 3%.

Amounts due to holding company and affiliates under trading operations are unsecured, interest-free and intended to be settled in the ordinary course of business.

The seller's credit balance of $40.3 million arose in connection with the August 12, 2009 corporate restructuring and the purchase of the vessel, the *Golar Freeze*. The *Golar Freeze* was financed by way of a seller's credit (deferred consideration) owed by the Company to Golar.

7. OTHER COMMITMENTS AND CONTINGENCIES

Assets Pledged

(in thousands of $)	Consolidated At Mar 31, 2010	Consolidated At Dec 31, 2009
Book value of vessels secured against long-term loans and capital leases	900,182	904,024

Option to sell the Freeze
In connection with the corporate restructuring and private placement offering completed in August 2009, the Company acquired the vessel the *Golar Freeze*, Golar LNG was granted an option to reacquire the *Golar Freeze* from the Company following its conversion to a FSRU, which is expected to be in 2010. The Company also has an identical option to sell the *Golar Freeze* to Golar LNG. In the event this option is exercised the consideration to be paid by Golar LNG shall equal the aggregate of the original deferred consideration ("seller's credit) and the incremental conversion cost of the vessel.