

# FSRU – the fast track LNG import solution

- supporting the pillars of the Energy Union -



GIE – An EU Strategy for LNG  
Brussels 20 October 2015

# Forward looking statements

This presentation contains forward-looking statements 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," "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 presentation. Unless legally required, Höegh LNG 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: changes in LNG transportation and regasification market trends; changes in the supply and demand for LNG; changes in trading patterns; changes in applicable maintenance and regulatory standards; political events affecting production and consumption of LNG and Höegh LNG's ability to operate and control its vessels; change in the financial stability of clients of the Company; Höegh LNG's ability to win upcoming tenders and securing employment for the FSRUs on order; changes in Höegh LNG's ability to convert LNG carriers to FSRUs including the cost and time of completing such conversions; changes in Höegh LNG's ability to complete and deliver projects awarded; increases in the Company's cost base; changes in the availability of vessels to purchase; failure by yards to comply with delivery schedules; changes to vessels' useful lives; changes in the ability of Höegh LNG to obtain additional financing, in particular, currently, in connection with the turmoil in financial markets; the success in achieving commercial success for the projects being developed by the Company; changes in applicable regulations and laws; and unpredictable or unknown factors herein also could have material adverse effects on forward-looking statements.

# Agenda

Höegh LNG in brief

The LNG market

Why FSRU?

Summary

# Höegh LNG provides floating LNG infrastructure services



- 9 LNG carriers/FSRUs in operation plus 3 FSRUs under construction
- The most modern FSRU fleet
- Long term contracts with solid counterparties
- Listed at Oslo Stock Exchange with market cap of USD 970 million<sup>1</sup>
- Subsidiary listed at NYSE with market cap of USD 400 million<sup>1</sup>

# Agenda

Höegh LNG in brief

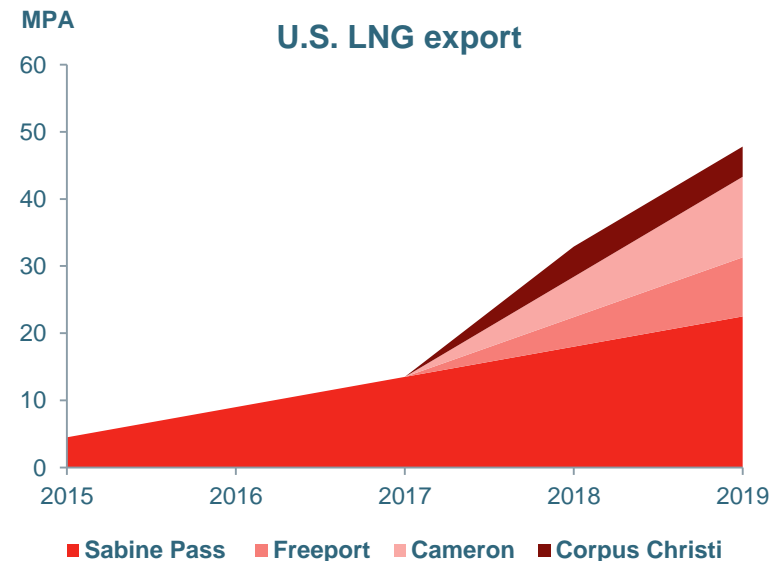
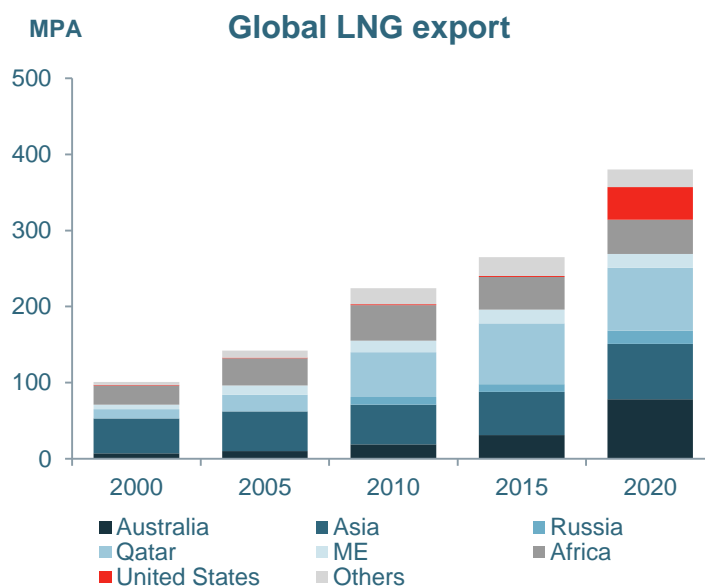
The LNG market

Why FSRU?

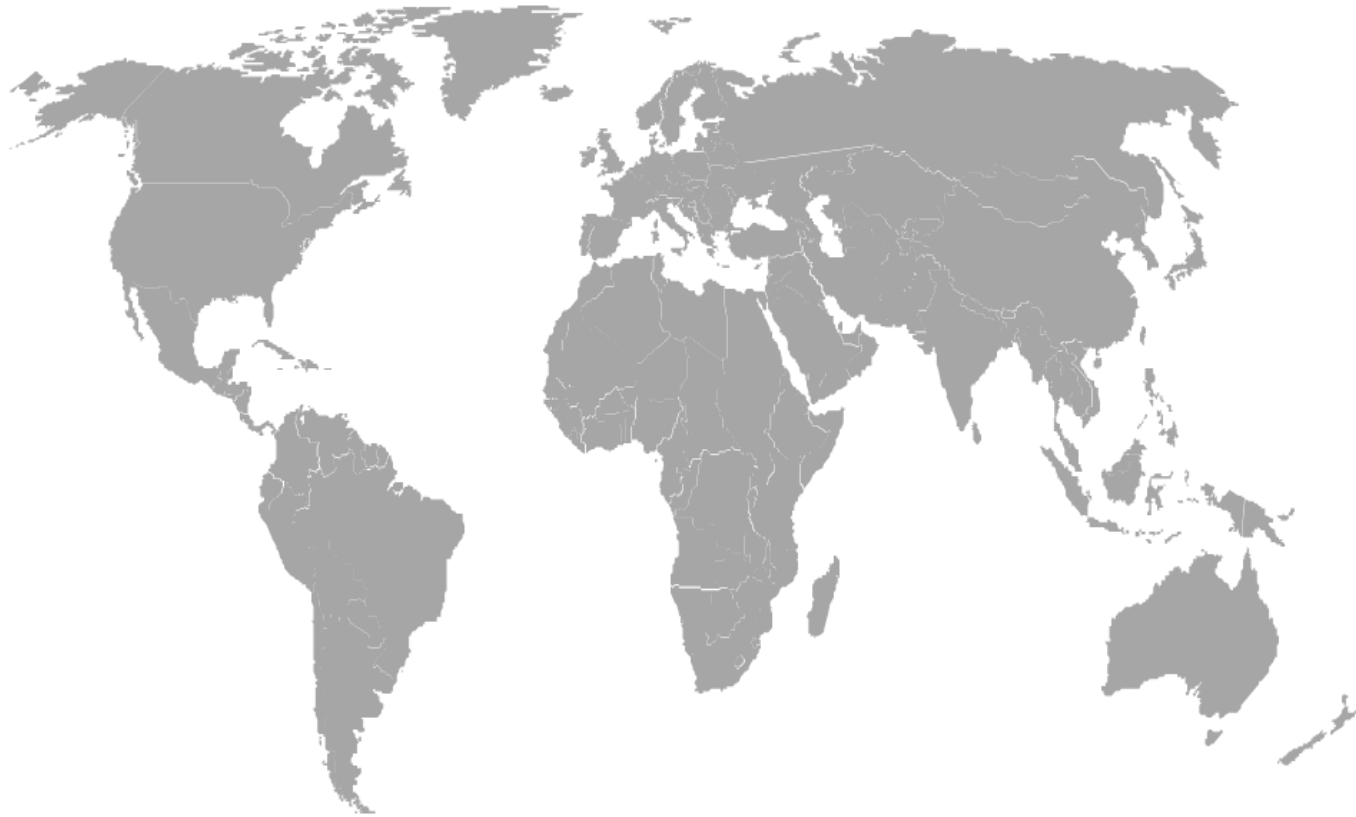
Summary

# Waves of new LNG supply creates opportunities for cheap LNG for Europe

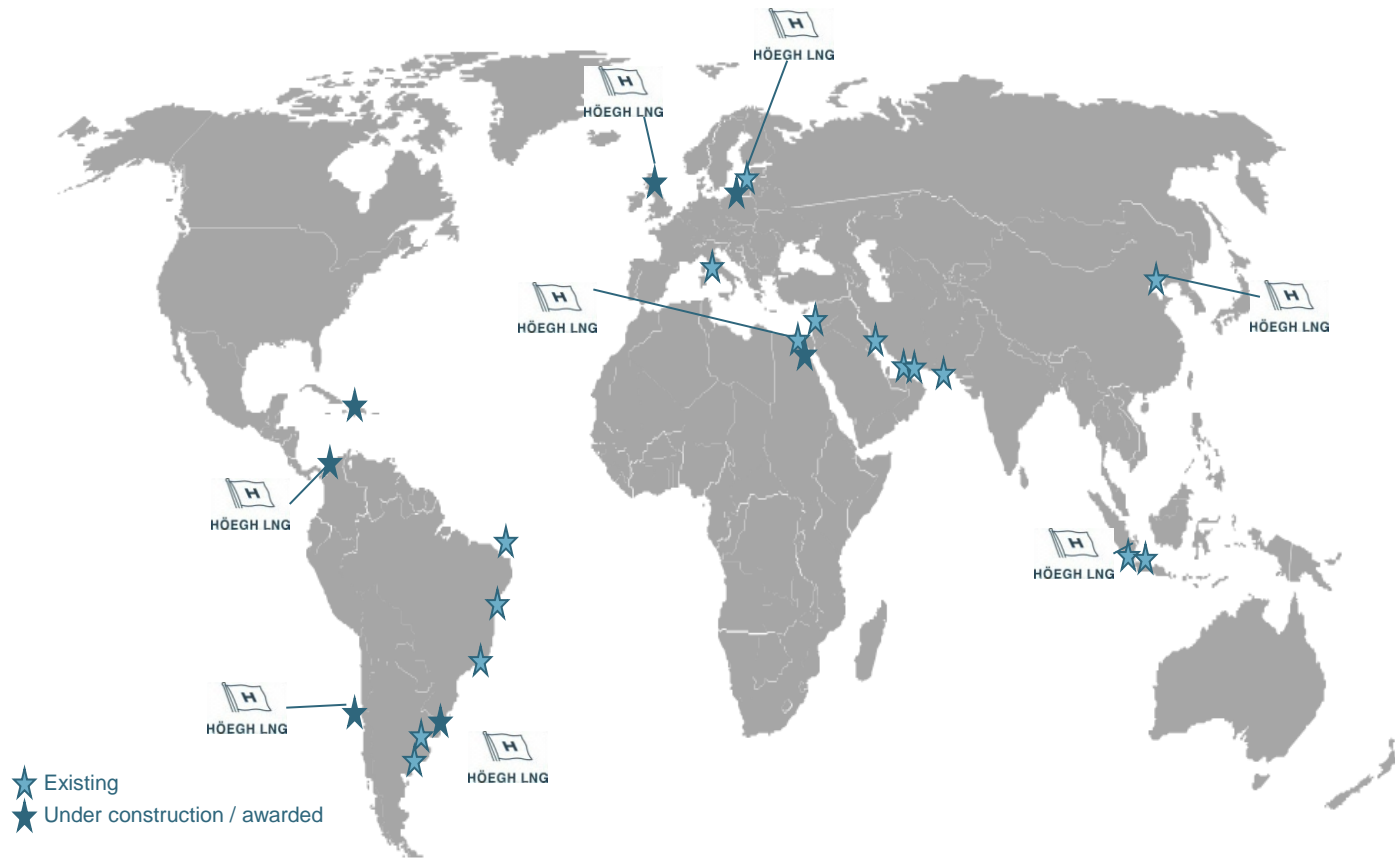
- 2015 - 2018: 50% increase in LNG export capacity
- US LNG volumes will create a more liquid market
- LNG availability and liquidity is key for countries using LNG for energy security



# The FSRU market in 2009



# The FSRU market in 2015







# Agenda

Höegh LNG in brief

The LNG market

Why FSRU?

Summary

# FSRUs have become the preferred solution for LNG import...

**Time to  
imports**

Höegh LNG world record; five months from signature to operations

# FSRUs have become the preferred solution for LNG import...

**Time to imports**

Höegh LNG world record; five months from signature to operations

**Cost**

Half the cost compared to landbased LNG import terminal

# FSRUs have become the preferred solution for LNG import...

## Time to imports

Höegh LNG world record; five months from signature to operations

## Cost

Half the cost compared to landbased LNG import terminal

## Flexibility

Flexibility to relocate to new port or use as an LNG carrier

.. and supporting several pillars of the Energy Union strategy

**Energy security**, solidarity and trust

**Decarbonising** the economy

Research, **Innovation** and **Competitiveness**

.. and supporting several pillars of the Energy Union strategy

**Energy security**, solidarity and trust

**Decarbonising** the economy

Research, **Innovation** and **Competitiveness**

But unfortunately, current EU incentives do not favor the low cost, fast track and flexible solution FSRUs offer

# Agenda

Höegh LNG in brief

The LNG market

Why FSRU?

Summary



# Summary

FSRU - half the cost, at least half the time and flexible

Market conditions favourable for LNG import

EU incentives do not favour FSRUs

Thank you!

**Birgitte Hjertum, Vice President Strategy, Communications and IR**

**[birgitte.hjertum@hoeghln.com](mailto:birgitte.hjertum@hoeghln.com)**