Golar LNG
Interim Report
September 2004

THIRD QUARTER AND NINE MONTHS RESULTS

Golar LNG reports net income of $5.4 million for the three months ended September 30, 2004 and operating income of $19.7 million as compared to $22.3 million and $18.0 million, respectively, for last quarter ($7.1 million and $12.0 million, respectively, for the third quarter of 2003). Net cash provided by operating activities has increased from $8.6 million for the third quarter of 2003 to $19.5 million for the third quarter of 2004.

These results include the Company's share of Korea Line Corporation's ("Korea Line") net income for the three months to September 30, 2004, of $1.1 million as compared to last quarter's $7.3 million in respect of Golar's 21% shareholding. The decline in Korea Line's contribution to net income this quarter was mainly due to volatility in the dry-bulk spot market which impacted Korea Line's profits from chartering in and chartering out dry-bulk vessels. Earnings this quarter have also been affected by a net loss (after minority interest) on interest rate swaps of $3.6 million; unrealised foreign exchange and currency swap losses of $1.0 million in respect of the Company's leases; the drydocking of the *Golar Freeze* and commercial waiting time for the *Golar Frost*.

Earnings per share for the quarter were $0.08 as compared to $0.34 last quarter ($0.12 for the third quarter of 2003).

For the nine months ended September 30, 2004 the Company reports net income of $42.6 million as compared to $25.6 million for the same period in 2003 and operating income of $55.0 million as compared to $44.5 million for the same period in 2003. Earnings per share for the nine months to September 30, 2004 were $0.65 and were $0.45 for the same period in 2003.

Operating revenues for the third quarter of 2004 were $43.5 million as compared to $38.5 million for the second quarter of 2004 ($30.4 million for the third quarter of 2003). Average daily time charter equivalents (TCEs) were $54,520 for the third quarter of 2004 against last quarter's $55,150 ($57,180 for third quarter of 2003). The average daily TCE was affected by commercial waiting time in respect of the *Golar Frost*, which traded for approximately one month out of the quarter. Revenue was lost due to the drydocking of one vessel but was impacted favourably this quarter by the *Golar Winter* being fully employed during the quarter as compared to 31 days hire last quarter.

Vessel operating expenses for the third quarter of 2004 were $9.7 million compared with $8.3 million for the previous quarter ($7.6 million for the third quarter of 2003). The increase from last year is due to the addition of the *Golar Frost, Golar Winter* and *Methane* Princess to the fleet. Likewise the increase from last quarter is due to the addition of the *Golar Frost* and *Golar Winter,* which were delivered during the second quarter, contributing to operating cost for the whole of the third quarter.

Administration costs were $1.8 million for the quarter as compared to $1.9 million last quarter and $2.1 million for the third quarter of 2003.

Net interest expense for the third quarter of 2004 was $8.7 million, which includes a full quarter's charge for the financing of the *Golar Frost* and the *Golar Winter*, and compares to $6.6 million for second quarter of 2004 and $5.2 million for the same period in 2003. Interest expense has also increased by the move from floating to long-term fixed interest rates on an additional $50 million of debt during the third quarter of 2004. Interest expense and interest income includes $9.2 million and $8.0 million respectively relating to the Company's lease finance transactions, including the *Golar Winter* funded lease.

Other financial items of $6.9 million expense includes a loss of $5.3 million associated with the decrease in fair value of interest rate swaps, which include this quarter the effect of an additional $50 million of interest rate swaps, as compared to a $9.9 million gain last quarter ($3.7 million gain for the third quarter of 2003). The loss on the swaps which relate to the 60% owned *Golar Mazo,* are reduced by the minority interest element of 40% resulting in a net book loss on all swaps of $3.6 million as compared to a $5.9 million gain last quarter ($2.2 million gain for the third quarter of 2003). Other financial items also include net foreign exchange translation and swap losses. Although the currency exposures related to the Company's lease transactions, which are denominated in British Pounds, are virtually all hedged in cash terms, an accounting retranslation and currency swap valuation exposure remains to some extent. The Company recorded a net unrealised foreign exchange and currency swap loss of $1.0 million in respect of its leases during the third quarter of 2004, as compared to a loss of $0.7 million last quarter.

The number of shares outstanding as of September 30, 2004 was 65,612,000 (December 31, 2003: 65,612,000). The weighted average number of shares outstanding for the third quarter of 2004 and the twelve months ended December 31, 2003 was 65,612,000 and 58,532,548 respectively.

FINANCING

As reported last quarter, during July and August 2004 the Company entered into interest rate swaps on a further $50 million of debt for varying periods between three and ten years. As at September 30, 2004 approximately $350 million of debt accrues interest at a fixed rate, which represents approximately 42% of total bank debt and net (after deduction of restricted cash deposits) capital lease obligations.

The Company is close to finalising financing for its latest newbuilding (hull 1460, *Golar Viking*), which is expected to be delivered in January 2005.

Good progress has also been made with regard to the refinancing plans, reported last quarter, for Golar's existing fleet. Several offers have been received and are currently under evaluation. It is expected that a refinancing will be completed in Q1 2005. The refinancing is likely to free up liquidity and lower interest rate margins.

CORPORATE AND OTHER MATTERS

As at September 30, 2004 Golar has a 21% shareholding in Korea Line, which is unchanged from June 30, 2004. The total cost of this investment was $34.1 million. As at November 26, 2004, the market value of this investment was approximately $70.2 million.

Work on the floating terminal project in Livorno continues. The second and final Service Conference has yet to take place, but progress is being made. The commercial aspects of the project are also developing.

The Company is continuing to evaluate several other potential terminal projects. Some of these projects would involve additional onboard equipment for power generation.

In October 2004, the Company and Exmar Marine NV ("Exmar") established a new joint venture. As part of this arrangement Golar and Exmar will time charter selected vessels to the venture for trade on the spot and short term LNG market. It is expected that the *Golar Frost* and *Golar Viking* will be employed in the venture.

As reported last quarter, the Company exercised its newbuilding option with Daewoo during the third quarter of 2004. The vessel, which is the sister ship of Golar's two most recent newbuilds, is due for delivery in mid 2007.

MARKET

The short-term market has been disappointing during the third quarter of 2004. Although LNG quantities shipped increased, almost all the cargoes were from Far Eastern producers for Japanese and Korean buyers, and the reported tonne mile reduction was very marked, due to the shorter distances for these trades relative to the distances to Europe or the USA.

The strong increase in US gas prices has been followed by high prices in the Asian markets and has thereby had limited positive effect in bringing LNG volumes to US importers.

No new production came online during the period; however apart for some downtime at Ras Laffan, all production was at planned levels. The problematical area was Indonesia where upstream gas delivery problems are still limiting output.

During the quarter ExxonMobil/Qatargas awarded 8 further LNG long-term shipping contracts to newcomers to the LNG market. The overall financial return on these contracts has been single digits and has become increasingly unattractive as building prices and interest level increases.

The strong demand for LNG newbuildings, increasing cost for raw materials and strong shipping markets in general has put pressure on newbuilding births and newbuilding prices. It is estimated that prices have increased approximately 20% since Golar declared the first of its second series of newbuildings approximately one year ago.

High gas and oil prices are continuing to encourage the development of new projects, with Yemen and Venezuela amongst others back on the LNG radar, albeit for a late start up.

OUTLOOK

The Company's joint venture with Exmar for 'spot' vessels, structured on a revenue sharing basis, has the initial effect of reducing markedly the effect of down-time spent waiting for cargo. In the future a larger joint fleet to be marketed will mean that the two companies can offer more sophisticated transportation structures which offer more flexibility to customers and therefore allow the Company to secure a proportion of earnings and, ultimately, improve margins.

The long term outlook for the Company looks attractive. High gas prices, further development of production and terminal facilities, and increasing newbuilding prices are likely to put pressure on long-term rates as well create more demand in the spot market. Shareholders should however be prepared for a situation where the spot market may remain weak until 2006 – 2007 when substantially more production capacity will come on stream. Golar's 8 ships on charter continue to maintain a stable and sound financial basis for the Company going forward. The five uncommitted (on a long-term basis) newbuildings have been ordered at attractive prices.

A final approval of the Livorno project will be a major break through in the Company's integration strategy and is also likely to reduce the number of vessels not committed to a long-term contract to three ships with delivery dates in 2006 and 2007. The fact that this terminal is also likely to be the first floating terminal to be approved worldwide heightens the importance of this project further.

It is the Company's target to reduce the spot exposure in 2005 from approximately 28% down to approximately 15%. Such a reduction should take place through securing some medium term coverage through the Golar / Exmar Joint Venture.

Net income for the fourth quarter is expected to show an improvement from the third quarter. The lack of any vessel drydockings, a likely positive development in Korea Line's results and interest rate swap valuations will be material factors. However, the trading results for *Golar Frost* in the spot market will still suffer from substantial commercial waiting time between cargo movements.

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.

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 newbuilding 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; actions taken by regulatory authorities that may prohibit the access of LNG carriers 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; changes in applicable maintenance or regulatory standards that could affect our anticipated dry-docking or maintenance and repair costs; failure of shipyards to comply with delivery schedules on a timely bases and other factors listed from time to time in registration statements and reports that we have filed with or furnished to the Securities and Exchange Commission, including our Registration Statement on Form 20-F and subsequent announcements and reports.

November 29, 2004
The Board of Directors
Golar LNG Limited
Hamilton, Bermuda

Questions should be directed to:

Tor Olav Trøim: Director and Chief Executive Officer +44 7734 976 575
Graham Robjohns: Chief Accounting Officer & Group Financial Controller
+44 207 517 8600
Charlie Peile: Executive Vice President, Head of Commercial +44 207 517 8600

GOLAR LNG LIMITED THIRD QUARTER 2004 REPORT (UNAUDITED)

INCOME STATEMENT *(in thousands of $)*	**2004** **Jul - Sep** *unaudited*	**2003** **Jul - Sep** *unaudited*	**2004** **Jan – Sep** *unaudited*	**2003** **Jan – Sep** *unaudited*	**2003** **Jan – Dec** *unaudited* *(restated)*
Operating revenues	**43,524**	**30,437**	**118,032**	**94,580**	**132,765**
Vessel operating expenses	9,673	7,589	26,172	21,619	30,156
Voyage expenses	988	994	1,893	1,198	2,187
Administrative expenses	1,812	2,114	5,420	4,848	7,138
Depreciation and amortisation	11,356	7,773	29,592	22,391	31,147
Total operating expenses	**23,829**	**18,470**	**63,077**	**50,056**	**70,628**
Operating income	**19,695**	**11,967**	**54,955**	**44,524**	**62,137**
Interest income	8,466	4,513	22,983	8,410	14,800
Interest expense	(17,151)	(9,742)	(44,320)	(24,359)	(37,157)
Other financial items	(6,860)	2,976	(849)	1,187	7,217
Income before taxes and minority interest	**4,150**	**9,714**	**32,769**	**29,762**	**46,997**
Minority interest	355	(2,569)	(4,824)	(3,996)	(7,052)
Taxes	(132)	(46)	(348)	(128)	(375)
Equity in net earnings of investee	1,073	-	15,037	-	-
Net income	**5,446**	**7,099**	**42,634**	**25,638**	**39,570**
Earnings per share ($)	$0.08	$0.12	$0.65	$0.45	$0.68

BALANCE SHEET *(in thousands of $)*	**2004** **Sep 30** *unaudited*	**2003** **Sep 30** *unaudited*	**2003** **Dec 31** *unaudited* *(restated)*
ASSETS			
Short term			
Cash and cash equivalents	101,503	96,804	117,883
Restricted cash and short-term investments	46,499	34,684	32,095
Other current assets	18,255	14,085	20,598
Amounts due from related parties	254	83	180
Long term			
Restricted cash	668,023	584,985	623,179
Equity in net assets of non-consolidated associate	49,904	-	12,031
Newbuildings	95,660	188,019	207,797
Vessels and equipment, net	1,086,706	772,789	764,483
Other long term assets	6,961	6,426	5,577
Total assets	**2,073,765**	**1,697,875**	**1,783,823**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Short term			
Current portion of long-term debt	65,298	61,172	61,331
Current portion of capital lease obligations	2,451	-	-
Other current liabilities	63,195	62,506	60,190
Amounts due to related parties	575	795	600
Long term			
Long term debt	657,694	612,943	593,904
Long term capital lease obligations	786,119	575,861	616,210
Other long term liabilities	92,558	91,981	94,226
Minority interest	23,530	15,650	18,706
Stockholders' equity	382,345	276,967	338,656
Total liabilities and stockholders' equity	**2,073,765**	**1,697,875**	**1,783,823**

STATEMENT OF CASH FLOWS *(in thousands of $)*	**2004 Jul - Sep** *unaudited*	**2003 Jul -Sep** *unaudited*	**2004 Jan – Sep** *unaudited*	**2003 Jan – Sep** *unaudited*	**2003 Jan-Dec** *unaudited (restated)*
OPERATING ACTIVITIES					
Net income	5,446	7,099	42,634	25,638	39,570
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortisation	11,356	7,773	29,592	22,391	31,147
Amortisation of deferred charges	365	919	897	1,320	1,574
(Loss) / income attributable to minority interests	(355)	2,569	4,824	3,996	7,052
Equity in profit of non-consolidated associates	(1,073)	-	(15,037)	-	-
Drydocking expenditure	(1,886)	(5,988)	(11,127)	(11,002)	(12,737)
Change in market value of interest rate and currency derivatives	7,050	(3,710)	3,618	(1,721)	(6,401)
Unrealised foreign exchange gain	(780)	(318)	(3,940)	(1,328)	(2,993)
Change in operating assets and liabilities	(625)	253	5,054	3,921	205
Net cash provided by operating activities	**19,498**	**8,597**	**56,515**	**43,215**	**57,417**
INVESTING ACTIVITIES					
Additions to newbuildings	(415)	(41,205)	(230,187)	(58,005)	(77,783)
Additions to vessels and equipment	(534)	(1,547)	(3,449)	(6,597)	(6,308)
Long-term restricted cash	(845)	(142,726)	(37,342)	(545,958)	(543,643)
Short-term restricted cash and investments	(8,013)	(9,838)	(36,179)	(21,212)	(30,781)
Net cash used in investing activities	**(9,807)**	**(195,316)**	**(307,157)**	**(631,772)**	**(658,515)**
FINANCING ACTIVITIES					
Proceeds from long-term debt	-	177,364	110,000	506,128	506,128
Proceeds from long-term capital lease obligation	-	163,718	163,715	616,298	616,298
Repayments of long-term debt	(12,071)	(146,241)	(42,243)	(509,623)	(528,505)
Repayments of long-term debt due to related parties	-	(16,703)	-	(32,703)	(32,703)
Additions to long-term lease obligation	1,209	1,153	5,083	1,153	2,660
Financing costs paid	(13)	(1,039)	(2,286)	(2,131)	(2,140)
Dividends paid to minority shareholders	-	-	-	(1,695)	(1,695)
Proceeds from issuance of equity net of issuance costs	-	55,193	(7)	55,193	106,197
Net cash (used in) / provided by financing activities	**(10,875)**	**233,445**	**234,262**	**632,620**	**666,240**
Net (decrease)/increase in cash and cash equivalents	**(1,184)**	**46,726**	**(16,380)**	**44,063**	**65,142**
Cash and cash equivalents at beginning of period	**102,687**	**50,078**	**117,883**	**52,741**	**52,741**
Cash and cash equivalents at end of period	**101,503**	**96,804**	**101,503**	**96,804**	**117,883**