HÖEGH LNG

INTERIM RESULTS FOR THE HALF YEAR PERIOD ENDED 30 JUNE 2012

Highlights

- Net profit USD 0.6 million, up from a net loss of USD 2.7 million in the second quarter 2011
- Operating profit before depreciation USD 9.7 million, up 33 % from USD 7.3 million in the second quarter 2011
- Total income of USD 32.3 million, up 22 % from USD 26.5 million in the second quarter 2011
- Awarded a project specific engineering and cost study for a planned FLNG development in Asia
- Extended the time charter for Norman Lady at improved commercial terms

Subsequent Events

- LNG Libra delivered and commenced a six month charter for the North West Shelf project in Australia
- Commitment letters received for a USD 250 million senior secured credit facility for the debt financing of the Klaipedos Nafta FSRU

Financial review

Höegh LNG Holdings Ltd. ("Höegh LNG" or the "Company") reports USD 32.3 million in total consolidated income for the second quarter 2012, up from USD 26.5 million in the same quarter last year. The income for the quarter includes USD 5.1 million in revenues from engineering work for two planned FLNG projects, one for the Tamar field offshore Israel and one located in South-East Asia.

Operating profit before depreciation was USD 9.7 million in the quarter, up from USD 7.3 million in the second quarter 2011, mainly arising from the award of the paid engineering studies within the FPSO business area (USD 1.0 million), capitalized costs of USD 1.1 million in the quarter relating to the FSRU newbuilding program previously part of business development expenses[1] (nil in the same quarter last year) and non-recurring IPO costs of USD 0.9 million in the second quarter last year. These improvements are offset by employee bonus and stock option provisions totalling USD 0.4 million in the period (nil last year). Net profit before tax was USD 0.6 million in the period, compared to a loss of USD 2.7 million in the same quarter in 2011.

Total cash flow was USD 40.7 million in the period compared to USD 21.6 million in the same period last year. At the end of the reporting period, Höegh LNG and its subsidiaries (the "Group") held USD 78.9 million in cash and USD 143.7 million in marketable securities. The equity was USD 326.4 million while the equity adjusted for mark-to-market of interest rate swaps was USD 463.9 million at the end of the quarter.

During the first half of 2012, total income was USD 60.0 million, an increase from USD 52.5 million in the first half of 2011. Net loss before tax was USD 3.3 million in the first half of 2012, compared to a net loss before tax of USD 7.3 million in the same period in 2011. The improved result is due to reduced administration expenses, recognition of revenues within the FPSO business area, capitalisation of costs relating to the FSRU newbuilding program, and lower depreciation charges due to a change in the useful life assumption of the Company's vessels.

[1] In accordance with IAS 16 § 17 (a,f)

Key events during the first half of 2012 and the consequences for the Company's financial position

During the first half of 2012, Höegh LNG secured long-term employment for two of the three FSRUs currently on order at Hyundai Heavy Industries in South Korea. A 20 year time charter party with two five year extension options was signed with Perusahaan Gas Negara in Indonesia and a 10 year time charter party was signed with Klaipedos Nafta in Lithuania. In the same period, the Company raised USD 208 million in gross new equity and ordered a third new FSRU from Hyundai Heavy Industries in South Korea. The additional equity raised is expected to cover the equity portion of the three FSRUs on order and one additional FSRU. The long-term time charter agreements form a solid basis for securing long-term financing for each of the two first FSRUs on order.

Corporate matters

The Group is in the process of transferring the assets and liabilities relating to its FLNG business area to a wholly owned subsidiary incorporated in Bermuda, Höegh FLNG Ltd., in preparation for a capitalization of the FLNG business on a stand-alone basis.

Business review

Regasification

The Company has three floating storage and regasification units ("FSRU") under construction at Hyundai Heavy Industries in South Korea.

The first of the FSRUs has been chartered to Perusahaan Gas Negara ("PGN") on a 20 year contract with two five year extension options. The contract with PGN remains in full force and effect. After the contract was signed, HLNG was requested to change the location of the FSRU from the Medan province in North Sumatra to the Lampung province in South Sumatra, offshore Labuan Maringgai, for it to be connected to the existing gas transportation grid. As a consequence of the new location, the technical specification of the FSRU has changed, resulting in a revised delivery and start-up schedule. The vessel is now scheduled to start operations in the second quarter of 2014, originally scheduled for the first quarter of 2014. The costs associated with the new location of the FSRU are born by the client and the economic value of the charter agreement to Höegh LNG remains the same. A new mooring solution suitable for the new location is further being developed in cooperation with PGN. The change of location will impact the timing of the debt financing of the project, which now is expected to be finalised during the first half of 2013.

The second of the FSRUs has been chartered to Klaipedos Nafta on a 10 year contract and will be located in the port of Klaipeda in Lithuania. Höegh LNG has received commitment letters from four banks for a USD 250 million senior secured credit facility for the financing of the FSRU. The facility is subject to credit guarantees by the Norwegian credit agency, GIEK and the Korea Trade Insurance Corporation, K-sure, which has been provided through an Offer for Guarantee from GIEK and a Letter of Intent from K-sure for their respective portions of the guarantee. Final documentation is in progress. The project is on schedule for all activities and scheduled to be in operation during the second half of 2014.

Höegh LNG is involved in two tender processes and pre-qualified for four projects where the invitation to bid is expected to be issued by year-end 2012.

Fleet and operation

The existing fleet of LNG carriers has been operated safely and without incidents in the quarter.

In May 2012, Höegh LNG signed an agreement with Gas Natural Aprovisionamientos for an extension of the time charter for the LNG carrier Norman Lady at improved commercial terms. The agreement is for a firm trading period of one year, plus a two year extension at the Charterer's option. The 12 month firm period will commence in September 2012 as a direct continuation of the present charter.

The LNG carrier "LNG Libra" was delivered on 16 July 2012 and commenced a six month charter agreement for the Australian North West Shelf project in July 2012 after which Höegh LNG is considering various options for the use of the vessel. Options include the conversion of the vessel into an FSRU, a new charter agreement or the sale of the vessel.

Höegh LNG has an option to purchase either 50 % or 100 % of the 2010 built LNG carrier "STX Frontier" with delivery in the second half of 2013. The vessel is being marketed in the medium and long-term time charter market.

Floating production

The pre-FEED work for a floating liquefaction development for the Tamar gas field offshore Israel was completed in August 2012. A potential floating liquefaction solution is intended to facilitate export of LNG from the field. The first phase of the Tamar project is a subsea system and pipeline to shore to supply the domestic Israeli gas market with a scheduled start-up during the first half of 2013.

In May 2012, Höegh LNG entered into an agreement to perform engineering and cost studies for an FLNG development for a large oil and gas company based in Asia. The client owns an offshore gas field, which is planned for development using an FLNG solution. The work was completed in August 2012.

The Company's joint venture in Papua New Guinea is continuing the work to secure feed gas and obtain project approval for its FLNG project in addition to the existing government approval. The FLNG is intended to serve onshore and potentially offshore gas fields located at Papua New Guinea.

The work associated with the above projects might be extended to comprise a project specific FEED study, and should a final investment decision be made for a floating liquefaction development, the intention is that Höegh LNG and selected partners shall build, own and operate the relevant FLNG unit.

The process to seek potential partners/investors for Höegh LNG's FLNG business is progressing.

Market

BP projects that natural gas will be the fastest growing fossil fuel globally for the next two decades, with LNG expected to make up an increased share, growing at an annual rate of 5 % through 2030. In the medium term, LNG production is expected to reach 330 million tonnes per year in 2017 as planned new liquefaction projects come on stream, an increase of 40 % from 242 million tonnes in 2011.

The global fleet of LNG carriers currently stands at about 363 vessels. In addition, 75 vessels are on order for delivery from the second half of 2013 and into 2017, representing a 21% growth in the fleet. About 50 % of the vessels on order are committed to contracts of various lengths. Short term charter rates are expected to increase going into the winter season, in line with previous seasonal changes. From 2014, new liquefaction capacity is expected to create additional demand for LNG carriers. According to Fearnley, the incremental supply of LNG could require 170 – 220 new vessels by 2017 if scheduled projects materialise on time. The long-term LNG transportation market is expected to remain strong.

The FSRU market remains active, with several new projects having been announced. The trend appears to be moving away from conversion of old LNG carriers into FSRUs, as sponsors increasingly prefer new purpose built FSRUs with larger storage and regas capacity, higher energy efficiency and improved reliability. Höegh LNG's FSRU strategy is in line with this.

In June 2012, Malaysia's Petronas signed an EPCIC (Engineering, Procurement, Construction, Installation and Commissioning) agreement with Technip and Daewoo Shipbuilding & Marine Engineering to build an FLNG facility designed to produce 1.2 million tonnes of LNG per year offshore Malaysia. This follows the 2011 Shell/Samsung Prelude FLNG project in Australia, with a capacity of 3.6 million tonnes of LNG per annum. These two orders, as well as ongoing work on several other projects, are contributing to further development of the market for FLNG solutions.

Outlook

The long-term outlook for floating LNG services remains good and the Company sees continued strong demand and attractive returns in the FSRU market, where HLNG has its main focus. The LNG shipping market also remains positive, both in the short and long term. Höegh LNG is also well positioned to win potential engineering study contracts for FLNG projects and to compete for FLNG charter agreements.

Forward looking statements

This interim report contains forward looking statements. The 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 Höegh LNG. Although the Group believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies difficult or impossible to predict and are beyond its control, Höegh LNG cannot give assurance that it will achieve or accomplish these expectations, beliefs or intentions.

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 agreements for the projects being developed by the Company; changes in applicable regulation and laws. Unpredictable or unknown factors herein also could have material adverse effects on forward-looking statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Unaudited	Unaudited	Unaudited	Unaudited	Audited
USD'000	**Notes**	**2Q2012**	**2Q2011**	**1H2012**	**1H2011**	**Jan Dec 2011**
Freight revenues		26 280	25 699	51 765	50 875	105 133
Voyage expenses		(173)	(18)	(612)	(93)	(130)
Income on T/C basis		**26 107**	**25 681**	**51 153**	**50 781**	**105 003**
Management and other income		6 229	831	8 885	1 673	4 777
Total income		**32 336**	**26 512**	**60 038**	**52 454**	**109 780**
Charterhire expenses		(5 150)	(5 019)	(10 300)	(9 982)	(20 130)
Operating expenses		(7 512)	(7 260)	(15 195)	(14 594)	(32 433)
Administrative expenses		(2 857)	(3 704)	(6 555)	(7 419)	(16 982)
Project development expenses		(7 095)	(3 245)	(12 446)	(6 440)	(14 160)
Operating profit before depreciation		**9 722**	**7 284**	**15 541**	**14 019**	**26 075**
Gain/(loss) on sale of assets		-	-	24	(16)	(80)
Depreciation		(4 080)	(4 543)	(8 081)	(9 060)	(18 150)
Impairment		-		-		(1 363)
Operating profit		**5 643**	**2 741**	**7 484**	**4 943**	**6 482**
Interest income		22	180	57	551	669
Interest expenses		(6 072)	(6 089)	(12 185)	(12 409)	(25 200)
Income from other financial items		1 001	375	1 486	-	777
Expenses from other financial items		-	(237)	(114)	(405)	(611)
Net financial items		**(5 050)**	**(5 771)**	**(10 757)**	**(12 263)**	**(24 366)**
Ordinary profit or loss before tax		**593**	**(3 030)**	**(3 273)**	**(7 320)**	**(17 884)**
Tax		-	312	(2)	312	201
Profit (loss) for the period	3	**593**	**(2 718)**	**(3 275)**	**(7 009)**	**(17 683)**
Other comprehensive income						
Net gain (loss) on hedging reserves	7	(17 401)	(9 910)	(5 852)	(3 799)	(48 711)
Total comprehensive income/(loss)		**(16 808)**	**(12 628)**	**(9 127)**	**(10 808)**	**(66 393)**
Profit /(loss) of the year attributable to (from):						
Equity holders of the parent		593	(2 855)	(3 275)	(6 922)	(17 597)
Non-controlling interests		-	137	-	(86)	(86)
		593	**(2 718)**	**(3 275)**	**(7 009)**	**(17 683)**
Total comprehensive income attributable to (from):						
Equity holders of the parent		(16 808)	(12 500)	(9 127)	(10 674)	(66 259)
Non-controlling interests		-	(128)	-	(134)	(134)
		(16 808)	**(12 628)**	**(9 127)**	**(10 808)**	**(66 393)**
Earnings per share attributable to ordinary equity holders of Höegh LNG Holdings Ltd:						
> basic and diluted, profit/(loss) for the year		0,01	(0,10)	(0,05)	(0,25)	(0,48)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

USD'000	Notes	Unaudited 2012 30 June	Unaudited 2012 31 March	Unaudited 2011 30 June	Audited 2011 31 December
ASSETS					
Non-current assets					
Intangible assets					
Deferred tax assets		741	779	557	740
Licenses, design and other intangibles	3	82 329	82 093	83 024	81 955
Tangible assets					
Vessels		442 484	446 115	457 570	449 754
Newbuildings	6	135 840	132 036	25 647	52 133
Deposit for vessel acquisition		10 600	10 600	-	5 300
Equipment		2 861	2 426	1 823	2 304
Non-current financial assets		55	55	122	107
Other non-current assets		7 638	9 651	1 181	8 116
Restricted cash		23 112	23 112	11 888	12 552
Total non-current assets		**705 660**	**706 868**	**581 813**	**612 961**
Current assets					
Bunkers and other inventories		132	128	174	131
Trade and other receivables		8 324	5 980	120 079	4 850
Marketable securities	4	143 710	185 583	-	90 098
Cash and cash equivalents		78 909	38 195	41 610	36 614
Total current assets		**231 074**	**229 887**	**161 863**	**131 694**
TOTAL ASSETS		**936 735**	**936 756**	**743 675**	**744 655**
EQUITY AND LIABILITES					
Equity					
Issued capital		699	699	453	470
Share premium reserve		344 110	344 186	130 891	142 487
Treasury shares		(12)	(12)	(12)	(12)
Other reserves		(137 500)	(120 100)	(86 737)	(131 649)
Other paid in capital		(8 431)	(8 707)	-	(8 849)
Retained earnings		127 565	126 974	132 665	130 840
Equity attributable to equity holders of the parent		**326 431**	**343 039**	**177 260**	**133 287**
Total equity		**326 431**	**343 039**	**177 260**	**133 287**
Non-current liabilities					
Pension liabilities		8 395	8 296	8 838	7 986
Long-term interest bearing debt		419 709	423 070	432 669	426 269
Other non-current financial liabilities	7	118 658	101 375	63 901	113 606
Other long-term debt		9 426	9 546	9 040	9 666
Total non-current liabilities		**556 187**	**542 286**	**514 448**	**557 527**
Current liabilities					
Short-term interest bearing debt		13 231	13 007	12 443	12 872
Trade and other payables		8 776	8 489	5 519	6 646
Income tax payable		453	465	739	498
Other current financial liabilities	7	23 798	23 527	28 756	24 484
Provisions and accruals		7 859	5 942	4 510	9 340
Total current liabilities		**54 117**	**51 431**	**51 967**	**53 841**
TOTAL EQUITY AND LIABILITIES		**936 735**	**936 756**	**743 675**	**744 655**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

		Unaudited	Unaudited	Unaudited	Unaudited	Audited
USD'000	**Notes**	**2Q2012**	**2Q2011**	**1H2012**	**1H2011**	**2011**
Operating activities:						
Profit /(loss) before tax for the period		593	(3 030)	(3 273)	(7 320)	(17 884)
Non-cash adjustment to reconcile profit before tax to net operational cash flow						
Loss/ (gain) sale of assets		-	-	(24)	16	80
Depreciation vessels, drydocking and equipment		4 080	4 543	8 081	9 060	18 150
Impairment (reversal impairment)		-	-	-	-	1 363
Fair value adjustments on marketable securities		-	-	(485)	-	98
Interest income		(22)	(180)	(57)	(551)	(669)
Interest cost		6 072	6 089	12 185	12 409	25 200
Working capital adjustments						
Change in inventories, receivables and payables		697	(1 455)	(11 861)	(5 133)	(1 303)
Interest received		38	7	38	7	69
Payment of income tax		-	-	-		(597)
i) Net cash flow operating activities		**11 458**	**5 975**	**4 604**	**8 489**	**24 507**
Investing activites:						
Proceeds from sale of marketable securities	4	42 400	-	102 400	-	-
Investments in marketable securities	4	-	-	(155 000)	-	(90 000)
Proceeds from settlement of interest bearing receivables		-	51 946	-	51 946	51 295
Interest received on interest bearing receivables		-	-	-	-	651
Investments in vessels and newbuildings		(2 475)	(25 647)	(81 916)	(25 647)	(52 063)
Vessel acquisition deposit		-	-	(5 300)		(5 300)
Investments in intangibles		(182)	(1 102)	(342)	(2 982)	(3 412)
Proceeds from sale of equipment		-	-	103	67	83
Investment in equipment		(475)	(442)	(1 439)	(647)	(1 616)
Investment in pre-contract costs		-	-	(805)	-	(1 804)
ii) Net cash flow investing activities		**39 268**	**24 755**	**(142 299)**	**22 737**	**(102 166)**
Financing activites:						
Repayment of borrowings		(3 207)	(3 071)	(6 340)	(6 027)	(12 131)
Interest paid		(5 845)	(6 031)	(12 016)	(12 560)	(25 201)
Issue of share capital	5	-	-	208 667	-	131 813
Transaction costs of issue of shares	5	(76)	-	(6 816)	-	(5 385)
Acquisition of non-controlling interest		-	(13)	-	(47)	(47)
Sale of non-controlling interest		-	-	-	239	239
Payment of finance cost [loan facility, newbuildings]		(883)	-	(3 504)	-	(3 794)
iii) Net cash flow financing activities		**(10 011)**	**(9 115)**	**179 991**	**(18 395)**	**85 494**
Net increase/(decrease) in cash and cash equivalents (i+ii+iii)		**40 715**	**21 615**	**42 296**	**12 831**	**7 835**
Current cash, cash equivalents at the beginning of the period		38 195	19 995	36 614	28 779	28 779
Current cash and cash equivalents at the end of the period		**78 909**	**41 610**	**78 909**	**41 610**	**36 614**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2012

		Attributable to the owners of the parent								
USD'000	**Notes**	Issued capital	Share premium	Treasury shares	Hedging reserves	Other paid in capital	Retained earnings	**Total**	Non-controlling interest	**Total equity**
At 31 December 2011 (audited)		**470**	**142 487**	**(12)**	**(131 649)**	**(8 849)**	**130 840**	**133 287**	**-**	**133 287**
Profit (loss) for the period		-	-	-	-	-	(3 275)	(3 275)	-	(3 275)
Other comprehensive income / (loss)	7		-	-	(5 852)	-	-	(5 852)	-	(5 852)
Total comperehensive income		-	-	-	*(5 852)*	-	*(3 275)*	*(9 127)*	-	*(9 127)*
Issue of share capital (3 February 2012)	5	226	206 367	-	-	-	-	206 594	-	206 594
Issue of share capital (22 March 2012)	5	2	2 071	-	-	-	-	2 074	-	2 074
Stock option cost		-	-	-	-	419		419		419
Transaction costs	5	-	(6 816)	-	-	-	-	(6 816)	-	(6 816)
At 30 June 2012 (unaudited)		**699**	**344 110**	**(12)**	**(137 500)**	**(8 431)**	**127 565**	**326 430**	**-**	**326 430**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2011

	Attributable to the owners of the parent								
USD'000	Issued capital	Share premium	Treasury shares	Hedging reserves	Other paid in capital	Retained earnings	**Total**	Non-controlling interest	**Total equity**
At 31 December 2010 (audited)	**271**	**3 561**	**(1)**	**(81 120)**	**-**	**150 800**	**73 510**	**(475)**	**73 035**
Profit (loss) for the period	-	-	-	-	-	(6 922)	(6 922)	(86)	(7 009)
Other comprehensive income / (loss)	-	-	-	(3 751)	-	-	(3 751)	(48)	(3 799)
Total comperehensive income	-	-	-	*(3 751)*	-	*(6 922)*	*(10 674)*	*(134)*	*(10 808)*
Cancellation of shares held in treasury	(1)	-	1	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	(58)	(58)	11	(47)
Sale of non-controlling interest	-	-	-	-	-	290	290	(51)	239
Issue of share capital (17 June 2011)	12	12 687	-	-	-	-	12 699	-	12 699
Shares' swap (17 June 2011)	-	-	(12)	(1 866)		(11 444)	(13 322)	650	(12 673)
Issue of share capital (30 June 2011)	171	119 829	-	-	-	-	120 000	-	120 000
Transaction costs	-	(5 185)	-	-	-	-	(5 185)	-	(5 185)
At 30 June 2011 (unaudited)	**453**	**130 892**	**(12)**	**(86 737)**	**-**	**132 665**	**177 260**	**-**	**177 260**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Höegh LNG Holdings Ltd. ("Höegh LNG" or the "Company") is a limited company domiciled and incorporated under the laws of Bermuda. The principal activities of the Company and its subsidiaries (the "Group") are described in Note 3.

2. BASIS FOR PREPARATION AND ACCOUNTING POLICIES

The interim consolidated financial statements for the period ended 30 June 2012 have been prepared in accordance with IAS 34. The statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2011.

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011, except for the adoption of new standards, amendments and interpretations effective and adopted as of 1 January 2012. None of these had any material impact on the Group's financial statements.

3. SEGMENT INFORMATION

The Group's reporting structure has been changed from 1 January 2012 to reflect the Group's organisation and management responsibilities. The new structure is in accordance with the Group's internal financial reporting, and is now divided into the following four segments:

The *fleet and operation segment* is responsible for the employment and operation of all the Group's vessels. The fleet and operation segment shows the income on T/C (time charter) basis, management income, charter hire expenses and operating expenses. The capitalised costs relate to investments in the development of a containment system for compressed natural gas.

The *regasification segment* is responsible for the marketing, sales and construction of floating regasification terminals. Terminals will be handed over to the fleet and operation segment upon commencement of operations. The floating regasification segment contains income, expenses and capitalised costs relating to the Group's development of floating regasification terminals for LNG. The capitalised costs relate to investments in licences and permits obtained for the Group's deep water ports in England and in the USA.

The *floating production segment* is responsible for marketing, building and operating FLNGs. The floating production segment contains income, expenses and capitalised costs relating to the Group's development of a design for floating production of LNG. The capitalised costs relate to investments in front-end engineering design of an FLNG.

The *general segment* consists of Group management, finance and corporate services, and project services. The figures contain administrative expenses, which are managed on a group basis and have not been allocated to other segments.

The following tables present revenue and profit information regarding the Group's operating segments for the six months ended 30 June 2012 and 30 June 2011, respectively.

1 January – 30 June 2012

Statement of income	Total Consolidated	Fleet & Operation	Regas	FPSO	General
Freight revenue	51 765	51 765	0	0	0
Voyage expenses	(612)	(612)	0	0	0
Income on T/C basis	**51 153**	**51 153**	**0**	**0**	**0**
Management income	2 302	2 308	0	(10)	4
Other income	6 583	0	0	6 583	0
TOTAL INCOME	**60 038**	**53 461**	**0**	**6 572**	**4**
Charter hire expenses	(10 300)	(10 300)	0	0	0
Operating expenses	(15 195)	(15 195)	0	0	0
Administrative expenses	(6 555)	(3 054)	0	0	(3 501)
Business development expenses	(12 446)	(324)	(3 886)	(8 524)	287
EBITDA	**15 541**	**24 588**	**(3 886)**	**(1 951)**	**(3 210)**
Gain/(loss) on sale on vessels	0	0	0	0	0
Gain/(loss) on sale on assets	24	24	0	0	0
Depreciation vessel/shipyard	(7 399)	(7 399)	0	0	0
Depreciation other assets	(681)	(149)	0	(3)	(529)
Impairment	0	0	0	0	0
EBIT	**7 485**	**17 064**	**(3 886)**	**(1 955)**	**(3 739)**
Interest expenses	(12 185)	(12 122)	0	0	(64)
Interest income	57	9	0	0	48
Other financial items	1 371	(11)	(20)	(4)	1 405
Profit before tax	**(3 273)**	**4 934**	**(3 905)**	**(1 958)**	**(2 344)**
Tax	(2)	0	0	0	(2)
Profit after tax	**(3 275)**	**4 934**	**(3 905)**	**(1 958)**	**(2 346)**
Capitalized intangibles	**82 329**	**1 146**	**44 181**	**37 002**	

1 January – 30 June 2011

Statement of income	Total Consolidated	Fleet & Operation	Regas	Floating Production	General
Freight revenue	50 875	50 875	0	0	0
Voyage expenses	(93)	(93)	0	0	0
Income on T/C basis	**50 782**	**50 782**	**0**	**0**	**0**
Management income	1 673	1 673	0	0	0
Other income	0	0	0	0	0
TOTAL INCOME	**52 455**	**52 455**	**0**	**0**	**0**
Charter hire expenses	(9 983)	(9 982)	0	0	0
Operating expenses	(14 594)	(14 594)	0	0	0
Administrative expenses	(7 419)	(2 600)	0	0	(4 819)
Business development expenses	(6 440)	(241)	(3 144)	(3 055)	0
EBITDA	**14 019**	**25 037**	**(3 144)**	**(3 055)**	**(4 819)**
Gain/(loss) on sale on assets	(16)	(16)	0	0	0
Depreciation vessel/shipyard	(8 617)	(8 617)	0	0	0
Depreciation other assets	(443)	(232)	0	0	(211)
Impairment	0	0	0	0	0
EBIT	**4 943**	**16 172**	**(3 144)**	**(3 055)**	**(5 030)**
Interest expenses	(12 409)	(12 409)	0	0	0
Interest income	551	0	0	0	551
Other financial items	(405)	0	0	0	(405)
Profit before tax	**(7 321)**	**3 733**	**(3 144)**	**(3 055)**	**(4 855)**
Tax	312	0	0	0	312
Profit after tax	**(7 009)**	**3 733**	**(3 144)**	**(3 055)**	**(4 543)**
Capitalized intangibles	**83 024**	**2 615**	**43 378**	**37 031**	

The Company is domiciled in Bermuda. The Group's revenue from external customers in Bermuda is zero. The breakdown of the major components of the total revenue from external customers from other countries is disclosed below. In the six month periods ended 30 June 2012 and 2011 respectively, each of the three customers shown in the table below represented income that amounted to 10 % or more of total income:

Income on T/C basis (USD'000)		
Six months ended	**30 June 2012**	**30 June 2011**
Statoil ASA	13 203	13 216
Total E&P Norge AS	11 910	11 379
GDF Suez Global LNG Supply SA	20 026	20 181
Other customers	6 013	6 006
Total	**51 152**	**50 781**

All income on T/C basis is shown in the fleet and operation segment.

4. RELATED PARTY TRANSACTIONS

Transactions with joint ventures

Höegh LNG provides various management services to the Group's joint venture companies and receives management income from external ship owners related to technical, commercial and administrative services. The total revenue in Höegh LNG amounted USD 1.0 million and USD 0.7 million for the first six months of 2012 and 2011, respectively.

Transactions with other related parties

Höegh LNG has entered into agreements with Höegh Autoliners Management AS ("HAM") relating to the purchase of some administrative services and leasing of office space. At the end of the reporting period, HAM was indirectly majority controlled by Leif O. Høegh and a family trust under which Morten W. Høegh is the primary beneficiary. Total transactions that have been entered into with HAM for the six months ending 30 June 2012 and 30 June 2011 amounted to USD 1.3 million and USD and USD 1.6 million, respectively.

On 7 November 2011 Höegh LNG entered into an agreement with the related party Höegh Capital Partners AS ("HCP") for the management of excess liquidity in the form of marketable securities. At the end of the reporting period, HCP was indirectly controlled by Leif O. Høegh and a family trust under which Morten W. Høegh is the primary beneficiary. After redeeming marketable securities of USD 42.4 million during second quarter of 2012, the portfolio's market value was USD 143.7 million as at 30 June 2012. The changes in fair value net of portfolio management fee paid HCP, was recognized as financial income by USD 0.5 million and USD 1.0 million in the second quarter and first half of 2012, respectively (nil last year).

Höegh LNG has at the Annual General Meeting on 23 May 2012 decided to issue 8 304 new shares as remuneration to Eligible Directors. The shares will likely be issued during the third quarter 2012.

For more detailed description of related parties' transactions, see information disclosed in the 2011 Annual Report, Note 36.

5. EQUITY

On 3 February 2012 Höegh LNG Holdings Ltd. completed a private placement raising USD 206 million in gross proceeds through the issuance of 22 641 509 new shares, each at a subscription price of NOK 53 per share (USD 9.125). A subsequent repair offering followed on 22 March 2012 where Höegh LNG issued 226 536 new shares at NOK 53.00 per share, raising USD 2.1 million in gross proceeds. Transaction costs of USD 6.8 million, relating to these two issuances have been recorded against share premium. On 17 June 2011 Höegh LNG issued 1 211 738 new shares as consideration in a shares swap within the Group, and in connection with the IPO (Initial Public Offering) last year the Company issued 17 087 684 new shares at a consideration of NOK 38 (USD 7.02) on 30 June 2011. Equity raised net of transaction cost amounted to USD 114.8 million during second quarter and first half of 2011.

6. COMMITMENTS AND FINANCING

The Group has shipbuilding contracts with Hyundai Heavy Industries Co. Limited for the delivery of three FSRUs The estimated delivered cost for each of the first two FSRUs is USD 320 – 330 million, including mooring for the first FSRU, while the estimated delivered cost of the third FSRU based on its current technical specification is USD 280 – 330 million. These figures include the vessels and supervision, project and financing costs and will fall due before mid 2014. Commitments also include the purchase of LNG Libra for USD 53 million, delivered July 2012. Yard instalments of USD 129 million and instalments for the purchase of LNG Libra of USD 11 million had been paid by the end of the reporting period. Remaining commitments are therefore USD 833 – 903 million at the end of the second quarter 2012.

Höegh LNG has a USD 288 million debt facility agreement in place, which may be used for the three FSRUs currently on order, but not for more than two vessels at a time. The facility is intended as a back-up financing should financing or employment of the vessels, as applicable, not be secured before delivery. There are certain covenants related to the financing. With the share issue completed in February 2012, the equity requirement for drawing on the facilities is fulfilled.

Long-term project financing will be raised for the respective vessels on order after project award. The Bank of Tokyo-Mitsubishi UFJ and Standard Chartered Bank have been mandated to assist the Company with the debt financing for the Indonesian FSRU. DNB Bank has been mandated to assist the Company with the debt financing of the Lithuanian FSRU. It is expected that 70-80 % of delivered cost of the respective projects will be funded by long-term debt financing. The remaining amount will be funded by cash in hand.

Höegh LNG has received commitment letters from four banks for a USD 250 million senior secured credit facility for the financing of the FSRU. The facility is subject to credit guarantees by the Norwegian credit agency, GIEK and the Korea Trade Insurance Corporation, K-sure, which has been provided through an Offer for Guarantee from GIEK and a Letter of Intent from K-sure for their respective portions of the guarantee. The facility is further subject to final documentation, which is in progress.

7. HEDGING RESERVES

Hedging reserves relate to the interest rate swaps in place for the Group's two Arctic vessels and the two Neptune vessels. The mark-to-market of the interest rate swaps has resulted in a loss in other comprehensive loss of USD 17.4 million in the second quarter of 2012 compared to a loss of USD 9.9 million in the second quarter of 2011. The accumulated mark-to-market valuation of the interest rate swaps was negative by USD 137.5 million as at 30 June 2012 (USD 86.7) million at the end of the second quarter 2011. The maturity profile of this liability at 30 June 2012 is non-current (greater than one year) by USD 118.7 million and current (within one year) by USD 18.8 million, respectively.

8. SUBSEQUENT EVENTS

- The LNG carrier "LNG Libra" was delivered to Höegh LNG on 16 July 2012 and subsequently commenced a six month charter for the North West Shelf project.
- Höegh LNG has received commitment letters from four banks for a USD 250 million senior secured credit facility for the financing of the FSRU. The facility is subject to credit guarantees by the Norwegian credit agency, GIEK and the Korea Trade Insurance Corporation, K-sure, which has been provided through an Offer for Guarantee from GIEK and a Letter of Intent from K-sure for their respective portions of the guarantee. The facility is further subject to final documentation, which is in progress.

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge that the condensed set of financial statements for the period 1 January to 30 June 2012 has been prepared in accordance with IAS 34 – Interim Financial Reporting as adopted by EU, and additional requirements found in the Norwegian Securities Trading Act, and gives a true and fair view of the Höegh LNG Holding Ltd.'s consolidated assets, liabilities, financial position and result for the period. We also confirm to the best of our knowledge that the financial review includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the financial statements, any major related parties transactions, and a description of the principal risks and uncertainties.

Hamilton, Bermuda, 30 August 2012

The Board of Directors of Höegh LNG Holdings Ltd.

Morten W. Høegh Chairman	Leif O. Høegh Deputy Chairman
Ditlev Wedell-Wedellsborg	Andrew Jamieson
Jon Erik Reinhardsen	Cameron E. Adderley
Guy D. Lafferty	Timothy J. Counsell