HÖEGH LNG

INTERIM RESULTS FOR THE QUARTER ENDED 31 MARCH 2013

Highlights

- Total income USD 29.5 million, up 6 % from USD 27.7 million in the first quarter 2012
- Operating profit before depreciation USD 7.5 million, up from USD 5.8 million in the first quarter 2012
- Loss before tax USD 7.6 million, compared to a loss of USD 3.9 million in the first quarter 2012
- Replaced an obligation to acquire 50 % of STX Frontier with a right to acquire 100 % of the vessel within the second quarter 2013

Subsequent events

- Commitment letters received from five international banks for a USD 299 million Limited Recourse Facility for the debt financing of the FSRU and Mooring system to be located in Indonesia
- A time charter entered into with Gas Natural for LNG Libra
- GDF Suez Cape Ann to become China's first floating LNG import terminal

Financial review

Höegh LNG Holdings Ltd. ("Höegh LNG" or the "Company") reports USD 29.5 million in total consolidated income for the first quarter 2013, up from USD 27.7 million in the same quarter 2012.

Operating profit before depreciation was USD 7.5 million in the quarter, up from USD 5.8 million in the first quarter 2012. The increase is mainly due to USD 1.0 million higher contribution from Norman Lady, reversal of a USD 0.5 million accrual for off-hire expenses relating to Arctic Lady made in 2012 and USD 0.7 million lower business development expenses, offset by USD 1.1 million lower income from FLNG engineering studies and a USD 0.3 million negative contribution from LNG Libra following approximately one month's trading and two month's off-hire in the quarter (nil last year).

The loss before tax for the quarter of USD 7.9 million compares to a loss of USD 3.9 million in the same quarter last year. The reduction is mainly due to depreciation cost of LNG Libra totalling USD 3.5 million and interest cost relating to the corporate bond totalling USD 2.5 million. The overall contribution from LNG Libra to the net profit for the first quarter was negative USD 3.8 million.

Total cash flow was negative USD 70.8 million in the quarter compared to a net inflow of USD 1.6 million in the same period last year. The cash flow in the quarter includes investments in the four new floating storage and regasification units ("FSRUs") on order totalling USD 89.7 million and a USD 18.5 million drawing under the Klaipedos Nafta FSRU debt facility. The cash flow in the same period last year included USD 79 million investments in the FSRUs on order and USD 208 million in gross proceeds from the issue of shares.

At the end of the quarter, Höegh LNG held USD 61.9 million in cash and USD 114.3 million in marketable securities. The book equity was USD 348.7 million, while the book equity adjusted for mark-to-market of hedging reserves was USD 468.9 million, equivalent to an adjusted book equity ratio of 43 %.

Corporate matters

In January 2013, Höegh LNG made a USD 18.5 million drawing under the USD 250 million corporate senior secured loan facility with DNB, Nordea, SEB and Swedbank for the financing of the FSRU to be located in Lithuania.

Höegh LNG has received commitment letters from five international banks for a USD 299 million Limited Recourse Facility for the debt financing of the FSRU and Mooring system to be located in Indonesia. The facility includes USD 237 million in long-term financing for the FSRU (the “FSRU Loan”), and USD 62 million in construction financing for the Mooring System. The FSRU loan is available for pre- and post-delivery financing. Banks participating in the financing are DBS Bank Ltd, Korea Development Bank, Oversea-Chinese Banking Corporation Limited, Standard Chartered Bank and The Bank of Tokyo-Mitsubishi UFJ, Ltd.. 75 % of the FSRU loan is covered by a credit guarantee from Korea Trade Insurance Corporation (“K-Sure”), who has issued a Notice of Acceptance in relation to its guarantee. The facility is subject to final documentation, which is in the progress of being completed.

The process of raising long-term bank financing for the third FSRU intended for the Chilean project has commenced. Long-term bank financing will be sought also for the fourth FSRUs on order when a commercial agreement has been secured for this vessel.

The consolidated financial statements of Höegh LNG are prepared in accordance with IFRS as adopted by the EU. With effect from 1 January 2014, IFRS 11 replaces IAS 31 as the accounting standard for recognition of joint venture companies according to IFRS. From this date, the Company’s joint ventures will be recognised according to the equity method rather than by proportionate consolidation. This change in the accounting standard will impact the equity ratio of the Group positively, as the equity will remain unchanged while total assets and liabilities will be reduced. The net profit of the Group will remain unchanged, while income, operating profit and net financials will be reduced. A detailed pro-forma reconciliation of the impact from the change in the accounting standard will be presented before the end of the year.

Business review

Regasification

The construction of the FSRU and the mooring for the PGN project in Indonesia is progressing according to schedule and budget. Höegh LNG is in the process of setting up the legal structures for the local ownership and operation of the FSRU, as well as making preparations for the operation of the terminal. The FSRU is expected to be delivered from the shipyard in Korea at the end of April 2014, and to commence operations in Indonesia in June 2014.

The FSRU for Lithuania was launched on schedule on 4 May 2013. The client, Klaipedos Nafta, has started dredging the new port and has entered into the engineering, procurement and construction agreement for the jetty. The EPC contract for the pipeline is expected to be signed in May 2013. The terminal is scheduled to commence operations in the third quarter of 2014. The FSRU will be delivered from the shipyard in February 2014, and the Company is pursuing alternative employment for the FSRU before the Klaipedos Nafta contract starts in the second half 2014, which could also include an early start-up in Lithuania.

The exclusive negotiations with Colbún and AES Gener for an FSRU to be located in Chile are progressing. The contract term is 10 years, with an extension option of five years. The exclusive negotiations have lasted longer than initially expected, but Höegh LNG is optimistic that an agreement will be concluded soon.

Höegh LNG is bidding for the floating LNG import terminal project in Uruguay as a subcontractor of the FSRU to the selected preferred bidder. The Group is also pre-qualified to bid for regas tenders in India and Lebanon during the second quarter 2013. The worldwide activity on new terminal development remains high and Höegh LNG works with a list of 6-7 projects that are expected to reach tender stage over the next 12 months.

The planned FSRU project, Port Meridian in the UK launched an "open season" to test the market demand and refine its commercial and product offering on 15 April 2013. As part of the agreement to sell the Port Meridian project to its current owner, Höegh LNG has an exclusive right to be the supplier and operator of the FSRU for this planned floating LNG import terminal on the UK's west coast. Planned start-up is in 2016.

Fleet and operation

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

On 27 March 2013, Höegh LNG and STX Pan Ocean reached a new agreement whereby Höegh LNG foregoes the right and obligation to take delivery of 50 % of STX Frontier in exchange for a right to buy 100 % of the vessel. The acquisition must be declared before the end of the second quarter 2013. Höegh LNG will only complete the acquisition if satisfactory employment and financing are obtained.

The LNG carrier LNG Libra was redelivered to Höegh LNG on 10 January, following its six month time charter party for the North West Shelf project. On the same date the vessel commenced a voyage charter with NYK. She was subsequently redelivered on 27 January. The vessel will after dry docking in May commence a time charter agreement with Gas Natural in early June 2013. The firm period of employment for the vessel is until mid-November 2013. Gas Natural has options to extend the charter period until the end of 2014. The Company is considering different options for the vessel, including a sale.

The time charter for the LNG carrier Norman Lady with Gas Natural ends in September 2013. Höegh LNG is now considering different options for this vessel, including a new time charter agreement or a sale.

GDF Suez Cape Ann, which is on a time charter to GDF Suez, will be sub-chartered to China National Offshore Oil Corporation (CNOOC) and employed as a stationary FSRU in the port of Tianjin in Northern China from the mid second half of 2013.

Floating production

Höegh LNG's wholly owned subsidiary, Höegh FLNG Ltd., is working on obtaining paid studies for several small-scale FLNG project opportunities in Asia, North America and Africa with a capacity of between 0.5 and 1 million tons of LNG per year. Höegh FLNG Ltd. is also in advanced discussions with an Asian client to perform paid technical work for a potential FLNG solution in developing a gas field offshore Australia.

Höegh FLNG Ltd. has operated as a stand-alone entity since 1 January 2013, and work is on-going to secure one or more external investors to become shareholders in and fund the further development of the company.

Market

According to the International Group of Liquefied Natural Gas Importers, global LNG imports net of reloads reached 236 million tonnes in 2012, a 1.9 % decrease compared to the previous year. Maintenance and unscheduled interruptions on existing liquefaction facilities, as well as lower than expected capacity additions, with only one new train – Pluto in Australia – coming into service, are the main reasons for the small decrease in supply availability. Increased demand for LNG, mainly in Japan, China, India and South America, has contributed to a tight market. At the end of 2012, Asia accounted for 71 % of global LNG demand, up from 64 % in 2011.

According to the same source, there were 89 liquefaction trains in operation in 18 exporting countries at the end of 2012. The aggregate nominal production capacity of these sources was 282 million tonnes p.a.. Four final investment decisions were taken during 2012, for a total output of 23 million tonnes p.a.; Ichtys, Malaysia FLNG, Australia Pacific LNG train 2 and Sabine Pass trains 1 and 2.

Again, according to the same source, 93 LNG regasification terminals, including 11 floating facilities, in 26 countries were in operation at the end of 2012. The combined nominal send-out capacity of these facilities was 668 million tonnes per year. Half the world's regasification capacity is located in Asia.

The FSRU market remains active, with new project opportunities emerging mainly in South America, South-East Asia and the Middle East. While no FSRU projects were awarded in the quarter, several projects are expected to be awarded during 2013. There are currently eight FSRUs on order for delivery by 2015, of which four are uncommitted. Höegh LNG holds an attractive delivery position with one open FSRU scheduled in the first quarter of 2015. One new FSRU project started operations in the quarter offshore Israel.

While spot rates for conventional LNG carriers have declined since the peak in 2012 and the medium term looks challenging, the long-term prospects for conventional LNG carriers remain good due to planned increases in liquefaction capacity as well as growing demand for LNG. The order book now stands at 100 units, which represents 27 % of the current world LNG carrier fleet. Of these newbuildings, about 40 % are uncommitted, down from about 50 % at the end of 2012.

The activity in the FLNG market has increased, both within the small capacity inshore segment and for medium to large-scale offshore solutions. The increased interest has partly been driven by escalating construction costs for land based liquefaction plants in Australia, which has caused a major project owner to terminate a land based solution and consider developing the gas fields using an FLNG solution.

Outlook

The long-term demand for LNG is expected to remain strong. Höegh LNG sees continued growth in the FSRU market, which is the Company's main focus, and remains optimistic about winning new FSRU contracts. The long-term LNG transportation market also looks promising with significant new LNG production capacity scheduled to come on stream within the next few years. Höegh FLNG Ltd. sees an increased interest for FLNG solutions, where the small capacity segment is the main focus.

The Board of Directors expects that the reported EBITDA for the full year 2013 will be lower than the reported EBIDTA for 2012 for the following reasons; (i) off-hire for LNG Libra during the first half of 2013 followed by employment at a comparatively lower time charter rate, (ii) the one-off reduction in personnel costs in 2012 following the shift in the pension regime for Norwegian employees and (iii) higher administrative expenses related to the Company's plans to consider establishing a US-listed MLP.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Unaudited	Unaudited	Restated[1]
USD'000	**Notes**	**1Q 2013**	**1Q 2012**	**2012**
Freight revenues		29 183	25 484	119 873
Voyage expenses		(1 223)	(438)	(940)
Income on T/C basis		**27 960**	**25 046**	**118 933**
Management and other income		1 521	2 655	16 672
Total income		**29 481**	**27 701**	**135 605**
Charterhire expenses		(5 072)	(5 150)	(20 713)
Operating expenses		(8 397)	(7 684)	(33 106)
Administrative expenses[1]	2	(3 945)	(3 698)	(5 987)
Business development expenses		(4 602)	(5 351)	(26 472)
Operating profit before depreciation		**7 465**	**5 818**	**49 328**
Gain/(loss) on sale of assets		-	24	10 405
Depreciation		(7 322)	(4 001)	(22 733)
Operating profit		**143**	**1 841**	**36 999**
Interest expenses		(8 270)	(6 113)	(26 770)
Interest income		109	35	93
Income from other financial items		620	485	2 255
Expenses from other financial items		(154)	(114)	(1 157)
Net financial items		**(7 696)**	**(5 708)**	**(25 579)**
Ordinary profit or loss before tax		**(7 553)**	**(3 866)**	**11 420**
Tax		(385)	-	(181)
Profit (loss) for the period	3	**(7 939)**	**(3 866)**	**11 239**
Other comprehensive income				
Net gain (loss) on hedging reserves	6	12 772	11 549	(1 309)
Net gain (loss) on other capital reserves[1]	2	(335)	-	(1 630)
Total comprehensive income/(loss)		**4 499**	**7 683**	**8 300**
Profit /(loss) of the year attributable to (from):				
Equity holders of the parent		(7 939)	(3 866)	11 239
Non-controlling interests		-	-	-
		(7 939)	**(3 866)**	**11 239**
Total comprehensive income attributable to (from):				
Equity holders of the parent		4 499	7 683	8 300
Non-controlling interests		-	-	-
		4 499	**7 683**	**8 300**

1) Restated due to implementation of IAS19R. See Note 2 for further description.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

USD'000	Notes	Unaudited 2013 31 March	Unaudited 2012 31 March	Restated[1] 2012 31 December
ASSETS				
Non-current assets				
Intangible assets				
Deferred tax assets		754	779	789
Licenses, design and other intangibles	3	73 297	82 093	73 237
Tangible assets				
Vessels		477 229	446 115	483 683
Newbuildings and mooring under construction and contract cost	3	319 379	132 036	229 731
Deposit for vessel acquisition		-	10 600	-
Other non-current financial assets	6	2 852	55	1 627
Other non-current assets		12 406	12 077	7 635
Restricted cash		12 552	23 112	23 253
Total non-current assets		**898 469**	**706 868**	**819 956**
Current assets				
Inventories		2 068	128	84
Trade and other receivables		4 928	5 980	5 527
Marketable securities	4	114 336	185 583	113 877
Cash and cash equivalents		61 869	38 195	132 683
Total current assets		**183 201**	**229 887**	**252 170**
TOTAL ASSETS		**1 081 670**	**936 756**	**1 072 126**
EQUITY AND LIABILITES				
Equity				
Paid-in capital		344 885	344 873	344 885
Capital reserves		(130 368)	(129 517)	(143 114)
Retained earnings		134 141	126 974	142 079
Equity attributable to equity holders of the parent		**348 658**	**342 329**	**343 850**
Total equity		**348 658**	**342 329**	**343 850**
Non-current liabilities				
Long-term interest bearing debt		547 787	423 070	538 680
Other non-current financial liabilities	6	104 504	101 375	110 648
Other long-term debt		11 584	18 552	11 656
Total non-current liabilities		**663 874**	**542 996**	**660 984**
Current liabilities				
Short-term interest bearing debt		20 882	13 007	20 653
Trade and other payables		8 214	8 489	11 940
Income tax payable		265	465	112
Other current financial liabilities	6	27 013	23 527	26 606
Provisions and accruals		12 764	5 942	7 981
Total current liabilities		**69 138**	**51 431**	**67 292**
TOTAL EQUITY AND LIABILITIES		**1 081 670**	**936 756**	**1 072 126**

1) Restated due to implementation of IAS19R. See Note 2 for further description.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

USD'000	Notes	Unaudited 1Q 2013	Unaudited 1Q 2012	Restated[1] 2012
Operating activities:				
Profit /(loss) before tax for the period		(7 553)	(3 866)	11 420
Non-cash adjustment to reconcile profit before tax to net operational cash flow				
Loss/ (gain) sale of assets		-	(24)	(10 405)
Depreciation vessels, drydocking and equipment		7 322	4 001	22 733
Fair value adjustments on marketable securities		(459)	(485)	(2 178)
Interest income		(109)	(35)	(93)
Interest cost		8 270	6 113	26 770
Discrepancy between paid and expensed pension cost		-	-	(7 130)
Share-base payments and BoD remuneration not paid-out		308	-	1 094
Working capital adjustments				
Change in inventories, receivables and payables		11 583	(12 558)	(9 714)
Interest received		99	-	64
Payment of income tax		-	-	(553)
i) Net cash flow operating activities		**19 461**	**(6 854)**	**32 009**
Investing activites:				
Proceeds from sale of marketable securities	4	-	60 000	183 400
Investments in marketable securities	4	-	(155 000)	(205 000)
Investments in vessels and newbuildings		(89 721)	(79 441)	(215 520)
Vessel acquisition deposit		-	(5 300)	(5 300)
Investments in intangibles		(82)	(160)	(620)
Proceeds from sale of equipment		-	103	20 090
Investment in equipment		(2 715)	(964)	(2 190)
Investment in pre-contract costs		(179)	(805)	-
ii) Net cash flow investing activities		**(92 697)**	**(181 567)**	**(225 140)**
Financing activites:				
Proceeds from borrowings		18 500	-	130 265
Repayment of borrowings		(3 300)	(3 133)	(12 872)
Interest paid		(8 373)	(6 171)	(24 181)
Issue of share capital		-	208 667	208 667
Transaction costs of issue of shares		-	(6 740)	(6 728)
Payment of finance cost		(4 404)	(2 621)	(5 951)
iii) Net cash flow financing activities		**2 423**	**190 002**	**289 200**
Net increase/(decrease) in cash and cash equivalents (i+ii+iii)		**(70 813)**	**1 581**	**96 069**
Current cash, cash equivalents at the beginning of the period		132 683	36 614	36 614
Current cash and cash equivalents at the end of the period		**61 870**	**38 195**	**132 683**

1) Restated due to implementation of IAS19R. See Note 2 for further description.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2013

	Attributable to the owners of the parent							
			Paid-in capital		Capital reserves			
USD'000	Issued capital	Share premium	Treasury shares	Other paid-in capital	Cash-flow hedge reserves (Note 6)	Other capital reserves	Retained earnings	**Total**
At 31 December 2012 (restated)[1]	**699**	**344 198**	**(12)**	**(7 815)**	**(132 957)**	**(2 341)**	**142 079**	**343 850**
Profit (loss) for the period	-	-	-	-	-	-	(7 939)	(7 939)
Other comprehensive income / (loss)		-	-	-	12 772	(335)	-	12 437
Total comperehensive income	-	-	-	-	*12 772*	*(335)*	*(7 939)*	*4 499*
Share-based payment costs	-	-	-	308	-	-	-	308
At 31 March 2013 (unaudited)	**699**	**344 198**	**(12)**	**(7 507)**	**(120 185)**	**(2 676)**	**134 141**	**348 658**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2012

	Attributable to the owners of the parent							
			Paid-in capital		Capital reserves			
USD'000	Issued capital	Share premium	Treasury shares	Other paid-in capital	Cash-flow hedge reserves	Other capital reserves	Retained earnings	**Total**
At 31 December 2011 (restated)[1]	**470**	**142 487**	**(12)**	**(8 849)**	**(131 649)**	**(710)**	**130 840**	**132 577**
Profit (loss) for the period	-	-	-	-	-	-	(3 866)	(3 866)
Other comprehensive income / (loss)		-	-	-	11 549	-	-	11 549
Total comperehensive income	-	-	-	-	*11 549*	-	*(3 866)*	*7 683*
Issue of share capital (3 February 2012)	226	206 367	-	-	-	-	-	206 594
Issue of share capital (22 March 2012)	2	2 071	-	-	-	-	-	2 074
Share-based payment cost	-	-	-	142	-	-		142
Transaction costs	-	(6 740)	-	-	-	-	-	(6 740)
At 31 March 2012 (unaudited)	**699**	**344 186**	**(12)**	**(8 707)**	**(120 100)**	**(710)**	**126 974**	**342 329**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

	Attributable to the owners of the parent							
			Paid-in capital		Capital reserves			
USD'000	Issued capital	Share premium	Treasury shares	Other paid-in capital	Cash-flow hedge reserves	Other capital reserves	Retained earnings	**Total**
At 31 December 2011 (restated)[1]	**470**	**142 487**	**(12)**	**(8 849)**	**(131 649)**	**(710)**	**130 840**	**132 577**
Profit (loss) for the period	-	-	-	-	-	-	11 239	11 239
Other comprehensive income / (loss)		-	-	-	(1 309)	(1 630)	-	(2 939)
Total comperehensive income	-	-	-	-	*(1 309)*	*(1 630)*	*11 239*	*8 300*
Issue of share capital (3 February 2012)	226	206 367	-	-	-	-	-	206 594
Issue of share capital (22 March 2012)	2	2 071	-	-	-	-	-	2 074
Share-based payment costs	-	-	-	1 034	-	-		1 034
Transaction costs	-	(6 788)	-	-	-	-	-	(6 788)
Issue of share capital (30 August 2012)	0	60		-	-	-	-	60
At 31 December 2012 (restated)[1]	**699**	**344 198**	**(12)**	**(7 815)**	**(132 957)**	**(2 341)**	**142 079**	**343 850**

1) Restated due to implementation of IAS19R. See Note 2 for further description.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Höegh LNG Holdings Ltd. ("Höegh LNG" or the "Company") is a limited liability 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 31 March 2013 have been prepared in accordance with IAS34. 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 2012.

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 2012, except for the adoption of new standards, amendments and interpretations effective and adopted as of 1 January 2013. The revised IAS19 (employee benefits) became effective on 1 January 2013 and due to retrospective implementation, the 2012 financials have been restated. The impact on the income statement for the full year 2012 is a reduction in administrative expenses by USD 2.3 million and a loss on other capital reserves as part of other comprehensive income of USD 1.6 million. The opening balance at 1 January 2012 is restated by increasing pension liabilities and reducing equity with USD 0.7 million. The implementation of IAS19R has no impact on the income statement for the first quarter of 2012.

3. SEGMENT INFORMATION

The Group's reporting structure is in accordance with the Group's internal financial reporting, and is 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 storage and regasification units (FSRUs) to be used as floating LNG import terminals. The FSRUs 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 FSRUs. The capitalised costs relate to investments in licences and permits obtained for the Group's deep water port 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 three months ended 31 March 2013 and 2012, respectively.

1 January - 31 March 2013

Statement of income	Total consolidated	Fleet & operation	Regas	FLNG	General
Freight revenue	29 183	29 183	-	-	-
Voyage expenses	(1 223)	(1 223)	-	-	-
Income on T/C basis	**27 960**	**27 960**	**-**	**-**	**-**
Management income	1 129	1 129	-	-	-
Other income	393	-	49	344	-
TOTAL INCOME	**29 481**	**29 089**	**49**	**344**	**-**
Charter hire expenses	(5 072)	(5 072)	-	-	-
Operating expenses	(8 397)	(8 397)	-	-	-
Administrative expenses	(3 945)	(1 942)	-	-	(2 004)
Business development expenses	(4 602)	(123)	(2 038)	(2 418)	(23)
EBITDA	**7 465**	**13 556**	**(1 990)**	**(2 075)**	**(2 027)**
Gain/(loss) on sale on assets	-	-	-	-	-
Depreciation vessel/shipyard	(7 007)	(7 007)	-	-	-
Depreciation other assets	(315)	(74)	-	-	(241)
EBIT	**143**	**6 475**	**(1 990)**	**(2 075)**	**(2 268)**
Interest expenses	(8 270)	(12 090)	(148)	2	3 966
Interest income	109	2	-	1	107
Other financial items	465	65	(4)	76	328
Profit before tax	**(7 553)**	**(5 548)**	**(2 141)**	**(1 996)**	**2 132**
Tax	(385)	(354)	-	-	(31)
Profit after tax	**(7 939)**	**(5 903)**	**(2 141)**	**(1 996)**	**2 101**

1 January - 31 March 2012

Statement of income	Total consolidated	Fleet & operation	Regas	FLNG	General
Freight revenue	25 484	25 484	-	-	-
Voyage expenses	(438)	(438)	-	-	-
Income on T/C basis	**25 046**	**25 046**	**-**	**-**	**-**
Management income	1 130	1 118	(55)	(13)	80
Other income	1 525	-	-	1 525	-
TOTAL INCOME	**27 701**	**26 164**	**(55)**	**1 512**	**80**
Charter hire expenses	(5 150)	(5 150)	-	-	-
Operating expenses	(7 684)	(7 684)	-	-	-
Administrative expenses	(3 698)	(1 691)	-	-	(2 008)
Business development expenses	(5 351)	(144)	(2 249)	(2 841)	(118)
EBITDA	**5 818**	**11 496**	**(2 303)**	**(1 329)**	**(2 045)**
Gain/(loss) on sale on assets	24	24	-	-	-
Depreciation vessel/shipyard	(3 700)	(3 700)	-	-	-
Depreciation other assets	(301)	(74)	-	(2)	(226)
EBIT	**1 842**	**7 747**	**(2 303)**	**(1 331)**	**(2 271)**
Interest expenses	(6 113)	(6 085)	-	-	(28)
Interest income	35	0	-	0	35
Other financial items	371	43	(9)	(3)	339
Profit before tax	**(3 866)**	**1 705**	**(2 312)**	**(1 333)**	**(1 925)**
Tax	-	-	-	-	-
Profit after tax	**(3 866)**	**1 705**	**(2 312)**	**(1 333)**	**(1 925)**

The tables below set out selected non-current assets by segments in the Financial Position as at 31 March 2013 and 2012, respectively:

31 March 2013

Financial position	Total consolidated	Fleet & operation	Regas	FLNG	General
Intangible assets					
Licenses, design and other intangibles	**73 297**	**1 085**	**35 210**	**37 002**	
Additions (disposals) in the period:	81	-	81		-
Tangible assets					
Vessels and newbuildings	**796 608**	**477 229**	**319 379**		**-**
Additions (disposals) in the period:	90 133	485	89 648		-

The additional USD 90.1 million during the first three months of 2013 relate to investments in four newbuildings on order (USD 89.6 million) and accrued dry docking costs on LNG Libra (USD 0.5 million).

31 March 2012

Financial position	Total consolidated	Fleet & operation	Regas	FLNG	General
Intangible assets					
Licenses, design and other intangibles	**82 106**	**1 179**	**43 925**	**37 002**	
Additions (disposals) in the period:	159	-	159	-	
Tangible assets					
Vessels and newbuildings	**713 414**	**446 114**	**132 172**	**-**	
Additions (disposals) in the period:	80 039	-	80 039	-	

The additional USD 80.0 million during the first three months of 2012 relate to investments in the three FSRU newbuildings on order.

The Group's revenue from external customers in Bermuda is zero. In the first quarter of 2013 and 2012 the Group had three customers with revenue exceeding 10 % of total income representing in total USD 22.9 and USD 22.0 million, respectively. These were Statoil ASA, Total E&P Norge AS and GDF Suez Global LNG Supply SA.

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

4. RELATED PARTY TRANSACTIONS

Höegh LNG provides various management services to the Group's joint venture companies and receives management income from external joint venture partners related to technical, commercial and administrative services. The total management income from related parties in Höegh LNG amounted to USD 0.4 million in both first quarters.

For more detailed description of related parties' transactions, see information disclosed in the 2012 Annual Report, Note 36.

5. COMMITMENTS AND FINANCING

The Group has shipbuilding contracts with Hyundai Heavy Industries Co. Ltd. for delivery of four new FSRUs, and a contractual obligation to pay for the construction and installation of a mooring relating to the PGN FSRU. Total remaining capital expenditures relating to these commitments is approximately USD 1.03 billion as of 31 March 2013, including yard payments, project expenses and finance costs. Remaining capital expenditure will be payable through April 2015.

On 31 March 2013, Höegh LNG had USD 176 million in cash and marketable securities.

The Company has a USD 250 million senior secured corporate credit facility for the financing of the FSRU for Klaipedos Nafta in Lithuania. The first drawing under the facility was made in January 2013, and as at 31 March 2013, USD 231.5 million remained undrawn.

Höegh LNG has received commitment letters from five international banks for a USD 299 million Limited Recourse Facility for the debt financing of the FSRU and Mooring system to be located in Indonesia. The facility includes USD 237 million in long-term financing for the FSRU (the "FSRU Loan"), and USD 62 million in construction financing for the Mooring System. The FSRU loan is available for pre- and post-delivery financing. Banks participating in the financing are DBS Bank Ltd, Korea Development Bank, Oversea-Chinese Banking Corporation Limited, Standard Chartered Bank and The Bank of Tokyo-Mitsubishi UFJ, Ltd.. 75% of the FSRU loan is covered by a credit guarantee from Korea Trade Insurance Corporation ("K-Sure"), who has issued a Notice of Acceptance in relation to its guarantee. The facility is subject to final documentation, which is in the progress of being completed.

Long-term project financing will be raised for the remaining vessels on order after employment has been secured. It is expected that about 75 % of the delivered cost of the respective projects will be funded by long-term debt financing.

Höegh LNG has a USD 288 million debt facility agreement in place, which may be used for two of the four FSRUs currently on order. The facility is intended as a back-up financing should long-term financing of the vessels not be secured before delivery. The facility is currently undrawn.

6. HEDGING RESERVES

Hedging reserves relate to the interest rate swaps in place for the two Arctic vessels, the two Neptune vessels and the Klaipedos Nafta facility. In addition, the Company has entered into a Cross Currency Interest Rate Swap (CCIRS) relating to the bond issue on 3 October 2012.

At 31 March 2013, the accumulated negative mark-to-market valuation of the cash flow hedges was recognised in the financial position by USD 124.5 million as financial liabilities and USD 2.8 million as non-current financial assets. The maturity profile of the liabilities is non-current (greater than one year) by USD 104.5 million and current (within one year) by USD 20.0 million, respectively. The NOK 750 million bond issue was re-measured by USD 1.5 million during the first quarter of 2013 due to the strengthening of the USD exchange rate against NOK. This foreign exchange gain was offset by loss on the related currency swap. The net hedging reserve relating to financial derivatives as of 31 March 2013 was USD 120.2 million.

Other comprehensive income for the first three months of 2013 was USD 12.8 million from the changes in the Group’s cash flow hedges, up from USD 11.5 million in the same period last year.

7. SUBSEQUENT EVENTS

Höegh LNG has received commitment letters from five international banks for a USD 299 million Limited Recourse Facility for the debt financing of the FSRU and Mooring system to be located in Indonesia. The facility includes USD 237 million in long-term financing for the FSRU and USD 62 million in construction financing for the Mooring System.

On 23 April 2013, the Company entered into a time charter agreement for LNG Libra with Gas Natural. The vessel will after dry docking in May commence the time charter in early June 2013. The firm period of employment for the vessel is until mid-November 2013. Gas Natural has options to extend the charter period until the end of 2014.

8. 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, regasification and floating production 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 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.