HÖEGH LNG

INTERIM RESULTS FOR THE QUARTER ENDED 30 JUNE 2014

Highlights

- Total income USD 32.3 million, down from USD 42.7 million in the second quarter 2013
- Operating profit before depreciation negative USD 0.3 million, an improvement from negative USD 2.4 million in the second quarter 2013
- Loss before tax USD 8.3 million, compared to a loss of USD 6.0 million in the second quarter 2013
- PGN FSRU Lampung delivered from the yard and connected to the offshore mooring system in Indonesia
- FSRU Independence delivered from the yard and offered for short term employment prior to commencing the long term FSRU time charter with Klaipedos Nafta in Lithuania during the fourth quarter 2014
- Letter of Intent signed with Egyptian Natural Gas Holding Company for a 5 year contract for FSRU Höegh Gallant
- The Senior Secured Credit Facility for the financing of Höegh Gallant and FSRU #4 increased to USD 412 million and signed

Subsequent Events

- PGN FSRU Lampung commenced commercial operation, received its first cargo of LNG through a ship-to-ship transfer and entered the final commissioning phase
- FSRU Independence commenced operations under a short term time charter
- On 23 July 2014, Höegh FLNG entered into a revised and exclusive co-operation agreement with the owner of a North American barge based FLNG project, setting out a phased approach in developing the project
- On 12 August 2014, Höegh LNG Partners LP, a limited partnership formed by Höegh LNG Holdings Ltd., closed the initial public offering of 11,040,000 common units in the partnership raising USD 220.8 million in gross proceeds. The units began trading at the New York Stock Exchange (NYSE) on 7 August 2014 under the ticker “HMLP”

Group Financial review

On 1 January 2014, a mandatory change in the accounting regime was implemented whereby IFRS 11 replaced IAS 31 as the accounting standard for the recognition of joint venture investments. From this date, Höegh LNG Holdings Ltd. ("Höegh LNG" or the "Company") is recognising investments in joint venture companies according to the equity method, as opposed to the proportionate consolidation method under IAS 31. The annual and interim statements for 2013 have been restated as the standard became effective 1 January 2013.

For the purpose of monitoring the underlying operating performance of its business, the Company will continue to report segments based on a proportionate consolidation of joint venture companies. The table below presents selected items of the consolidated accounts according to the two methods of consolidations.

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Table: Selected financial items based on equity and proportionate consolidation

	Consolidated by the equity method		Consolidated by the proportionate method	
USD'000	2Q2014	2Q2013	2Q2014	2Q2013
Total income	32 310	42 714	39 379	51 251
Operating profit before depreciation	(339)	(2 409)	9 014	7 309
Operating profit	(4 543)	(6 665)	1 412	(339)
Profit (loss) for the period	(8 576)	(6 125)	(8 576)	(6 125)
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Total assets	1 105 422	684 080	1 519 501	1 100 998
Equity adjusted for hedging reserves	445 155	457 329	445 155	457 329
Net interest bearing debt	433 653	90 026	810 901	473 193
Equity ratio adjusted for hedging reserves	40%	67%	29%	42%

Consolidated results (joint venture investments consolidated by the equity method)

The Company reported USD 32.3 million in total income in the second quarter 2014, down from USD 42.7 million in the second quarter 2013. The decrease is mainly due to USD 16.2 million lower construction contract revenues.

The Company's consolidated operating loss before depreciation was USD 0.3 million in the quarter compared to a loss of USD 2.4 million in the same period last year. The improvement is explained by higher contribution from LNG Libra as she was off-hire in April and May 2013 (USD 6.4 million) and contribution from FLNG studies (USD 0.8 million). The improvement is offset by expenses relating to the pre-operation of PGN FSRU Lampung and Independence (USD 2.1 million), lower results from investments in joint ventures (USD 1.1 million) as Norman Lady was sold for green recycling in the fourth quarter 2013 and higher administrative cost (USD 1.2 million).

The loss after tax was USD 8.5 million in the quarter compared to a loss of USD 6.1 million in the same period last year.

Total cash flow in the quarter was USD 61.3 million compared to USD 25.7 million in the second quarter 2013. The cash flow in the quarter includes proceeds from the sale of the mooring system to PT PGN LNG (USD 96.5 million), proceeds from borrowings (USD 348.7 million), investments in newbuildings and vessels (USD 368.8 million) and payment of debt issuance cost (USD 4.8 million). During the second quarter 2013, proceeds from the sale of marketable securities was USD 80.0 million, proceeds from borrowings were NIL while investments in newbuildings and mooring system costs totalled USD 37.8 million.

At the end of the second quarter 2014, Höegh LNG held USD 141.1 million in restricted and unrestricted cash and marketable securities (USD 81.5 million at 31 March 2014). The book equity after adjusting for mark-to-market of hedging reserves was USD 445.2 million, equivalent to an adjusted book equity ratio of 40% compared to an adjusted equity ratio of 61% on 31 March 2014. On 30 June 2014, net interest bearing debt was USD 433.7 million compared to USD 145.5 million at 31 March 2014.

On 30 June 2014, the Company recognized its investments in joint ventures as non-current assets and liabilities in an amount of USD 0.2 million and USD 91.9 million, respectively. The Company's joint ventures are recognized as liabilities in the statement of financial position mainly due to negative mark-to-market valuations of interest rate swap hedges in the joint ventures, totalling USD 89.1 million at the end of the second quarter 2014 and USD 93.9 million as at 30 June 2013.

During the first half of 2014, total income was USD 83.6 million compared to USD 63.4 million in the first half of 2013. The increase is manly driven by higher construction contract revenue from the mooring contract with PT PGN LNG and time charter revenue from LNG Libra. The increase is offset by higher costs relating to the listing of Höegh LNG Partners LP (USD 2.5 million) and reduced share of profit from joint ventures (USD 2.4 million) following the green recycling of Norman Lady in the fourth quarter 2013. During the first half 2014, Höegh FLNG generated a net loss before taxes of USD 1.7 million, compared to a loss of USD 3.9 million in the same period in 2013.

Net loss before tax was USD 12.8 million compared to a net loss of USD 13.5 million in the same period in 2013.

Sum of segments (proportionate consolidation of joint venture investments)

Based on the proportionate consolidation of joint venture companies, the operating profit before depreciation was USD 9.0 million in the quarter, up from USD 7.3 million in the same quarter last year (for further information please see Note 3 and appendix A and B). The improvement is explained by higher contribution from LNG Libra and FLNG studies. The improvement is offset by expenses relating to the pre-operation of PGN FSRU Lampung and FSRU Independence, no contribution from Norman Lady sold for green recycling in the fourth quarter 2013 and higher administrative cost.

Corporate matters

On 12 June 2014, the Company issued a total of 5,722 new shares to six Directors of the Company as part compensation for their services rendered from the 2013 Annual General Meeting to the 2014 Annual General Meeting. Each Director received 962 shares, representing a remuneration of USD 10,000 based on the closing price of the HLNG share of NOK 61.75 and the USD/NOK exchange rate of 5.9409 as at 22 May 2014. Following the share issue, the Company has 69,898,827 shares issued and a share capital of USD 698,988.27.

On 12 August 2014, Höegh LNG Partners LP ("HMLP" or the "Partnership"), a limited partnership formed by Höegh LNG, closed the initial public offering of 11,040,000 common units representing limited partner interests in the Partnership. The common units issued at closing included 1,440,000 common units issued pursuant to the full exercise of the underwriters' option to purchase additional common units. The common units were priced at USD 20 each representing an implied yield of 6.75%, and began trading on the New York Stock Exchange on 7 August 2014 under the symbol "HMLP". The common units offered represent a 42.0% limited partner interest in the Partnership. Höegh LNG owns the Partnership's general partner and the remaining 58% limited partner interest. The Partnership was formed to own, operate and acquire floating storage and regasification units, liquefied natural gas carriers and other LNG infrastructure assets under long-term charters. The Partnership's initial fleet consist of a 50% interest in the GDF Suez Neptune, a 50% interest in the GDF Suez Cape Ann and a 100% economic interest in the PGN FSRU Lampung. HMLP has been established to provide access to a new capital market and facilitate further growth of the Company.

After the first Annual Meeting of HMLP, expected to take place 24 September 2014, the MLP will for accounting purposes be deconsolidated from Höegh LNG.

The Company is planning a Capital Markets Day in 4Q 2014 to update the market on its future business, investment and finance strategy, including its dividend policy.

Business review

Commercial

The Company's fleet was operated safely and without incidents in the reporting period.

During the quarter, the PGN FSRU Lampung was delivered from the yard and hooked up with the mooring system in Indonesia. On 21 July 2014, the FSRU was deemed mechanically complete along with its associated mooring system and pipeline to shore and commenced commercial operation. PGN FSRU Lampung has subsequently received its first cargo of LNG through a Ship-To-Ship (STS) transfer and entered the final commissioning phase.

The Independence was delivered from the yard in May 2014 and has now been employed on a short term charter to operate as an LNG carrier before commencing the long term FSRU charter with Klaipedos Nafta in Lithuania during the fourth quarter 2014.

On 12 May 2014, the Company entered into a Letter of Intent with Egyptian Natural Gas Holding Company (Egas) for the use of FSRU Höegh Gallant at the Ain Sokhna port located on the Red Sea's Gulf of Suez in Egypt. Discussions with Egas to reach a full and final contract for the provision of FSRU services are on-going, with operations expected to commence by the end of the year.

The Company has one open FSRU, to be delivered March 2015, and is currently bidding on three FSRU projects expected to be awarded by the end of the year.

Underlying activity in the FSRU segment continues to be strong in several markets, although many of the projects have seen delays in decisions to award contracts. The Company has submitted one bid during Q2.

The Company sees a high number of FSRU projects being planned world-wide and is currently in the process of evaluating its alternatives for the next round of FSRU newbuilding investments.

Technical

Construction of the Höegh Gallant and the fourth FSRU is progressing well; they are 95% and 65% complete and scheduled to be delivered in September 2014 and March 2015, respectively.

Floating production

During the quarter, the Company made important progress in the execution of its FLNG strategy by completing the pre-FEED studies awarded during the first quarter 2014 to one major shipyard and one major EPC contractor for the initial work on Höegh FLNG's proprietary FLNG Barge design. The final result of this engineering work confirms the Company's expectations on both the competitive cost level and the schedule to first gas.

On 23 July, the Company further entered into a revised and exclusive co-operation agreement with the owner of the previously announced North American barge based FLNG project, setting out a phased approached in developing the potential project. For the initial phase the Company will perform a pre-FEED study which will serve as basis for deciding whether to enter into the next phase comprising a FEED and potential FID.

The Company has seen an increased interest for FLNG projects lately and is, in addition to the North American project, working on three other projects at various stages of the business development phase.

Due to the strong interest from the equity capital markets for floating LNG exposure, the Company is re-evaluating its capitalization strategy for Höegh FLNG and is likely to retain full ownership and continue funding the business.

Market

Demand for LNG is expected to increase in the months ahead as the northern hemisphere is approaching the winter season. Longer term, demand for LNG is expected to continue to outpace supply driven by continued strong demand from Asia, South America and the Middle East.

The world-wide LNG production capacity is currently around 260 MTPA including 6.9 MTPA of production capacity that came on stream in Papua New Guinea earlier this year. The world-wide production capacity is expected to increase by approximately 100 MTPA over the next three years as export projects under construction in the U.S. and Australia are scheduled to come on stream.

The expected increase in global LNG production volumes creates a foundation for increased demand for FSRU projects. Asia, South America and the Middle East are expected to remain important FSRU markets, while Africa and Western Europe are expected to gain importance over the next decade. Around 30 potential FSRU projects have been identified world-wide by the Company against four uncommitted FSRUs currently under construction.

The activity level in the FLNG market is high, driven by the expected long term increase in LNG demand and the acceptance by more conservative LNG buyers of the FLNG solution. Four FLNGs are currently under construction, one project in the Timor Sea and one in British Columbia are expected to reach the FEED stage soon, while several other projects are expected to enter a pre-FEED stage soon. The market for small barge based FLNG solutions is a quick, less capital intensive and flexible solution in facilitating export of pre-treated gas, and is a particular relevant solution for export of natural gas from North America and Africa.

The short term market for LNG carriers is expected to remain oversupplied until 2016-2017. The current order book for LNG carriers is 120 vessels, representing 33% of the world LNG carrier fleet.

Approximately 35% of the LNG carriers in order are without a firm contract. Approximately 22 LNG carriers on order are on schedule for delivery by the end of 2014.

Outlook

The high number of planned FSRU projects is underpinned by the expected significant increase in LNG supply over the next three years. There are currently only four uncommitted FSRUs on order, whereas the number of FSRU projects in the pipeline is more than 30. With a strong position in the growing FSRU market, Höegh LNG is well positioned to continue its growth strategy within this segment. On FLNG, the Company continues its focus on further developing the North American project. Over the next two years the LNG transportation market looks challenging, but in the longer term, incremental LNG supply is expected to require LNG carriers beyond the current order book.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Unaudited	Unaudited	Unaudited[1]	Unaudited[1]	Restated[1]
USD'000	**Note**	**2Q2014**	**2Q2013**	**1H2014**	**1H2013**	**2013**
Freight revenues		17 175	15 069	34 409	31 822	66 878
Voyage expenses		-	(3 792)	(8)	(4 987)	(5 040)
Income on T/C basis		**17 175**	**11 277**	**34 400**	**26 836**	**61 837**
Construction contract revenue		10 010	26 263	38 258	26 263	52 672
Management and other income		2 653	1 597	6 242	3 267	16 051
Share of results from investments in joint ventures		2 472	3 577	4 689	7 083	15 061
Total income		**32 310**	**42 714**	**83 590**	**63 449**	**145 621**
Charterhire expenses		(8 821)	(8 828)	(17 546)	(17 559)	(35 409)
Construction contract expenses		(6 761)	(22 455)	(30 727)	(22 455)	(45 645)
Operating expenses		(5 533)	(5 887)	(11 893)	(11 726)	(23 637)
Administrative expenses		(4 694)	(3 892)	(10 898)	(7 798)	(17 182)
Business development expenses		(6 839)	(4 063)	(13 871)	(8 568)	(25 628)
Operating profit before depreciation		**(339)**	**(2 409)**	**(1 345)**	**(4 657)**	**(1 880)**
Depreciation		(4 204)	(4 256)	(7 068)	(8 187)	(17 169)
Operating profit		**(4 543)**	**(6 665)**	**(8 413)**	**(12 844)**	**(19 049)**
Interest income		445	553	920	1 217	2 287
Interest expenses		(3 630)	(107)	(3 993)	(2 628)	(3 315)
Income from other financial items		55	298	74	918	1 084
Expenses from other financial items		(617)	(59)	(1 366)	(195)	(1 323)
Net financial items		**(3 747)**	**685**	**(4 365)**	**(689)**	**(1 267)**
Ordinary profit or loss before tax		**(8 290)**	**(5 980)**	**(12 778)**	**(13 533)**	**(20 316)**
Tax		(286)	(145)	(301)	(530)	(486)
Profit (loss) for the period		**(8 576)**	**(6 125)**	**(13 078)**	**(14 063)**	**(20 802)**
Other comprehensive income						
Items that will not be reclassified to profit or (loss)						
Net gain (loss) on other capital reserves		-	14	-	(321)	(103)
Items that may be subsequently reclassified to profit or (loss)						
Net gain (loss) on hedging reserves	6	(13 908)	12 580	(20 251)	14 110	14 274
Share of OCI from joint ventures	6	(5 272)	25 028	(9 475)	36 271	50 461
Other comprehensive income/(loss) for the period net of tax		**(19 180)**	**37 622**	**(29 726)**	**50 060**	**64 632**
Total comprehensive income/(loss)		**(27 756)**	**31 497**	**(42 804)**	**35 997**	**43 830**
Profit /(loss) of the period attributable to (from):						
Equity holders of the parent		(8 576)	(6 125)	(13 078)	(14 063)	(20 802)
Non-controlling interests		-	-	-	-	-
		(8 576)	**(6 125)**	**(13 078)**	**(14 063)**	**(20 802)**
Total comprehensive income attributable to (from):						
Equity holders of the parent		(27 756)	31 497	(42 804)	35 997	43 830
Non-controlling interests		-	-	-	-	-
		(27 756)	**31 497**	**(42 804)**	**35 997**	**43 830**
Earnings per share attributable to owners of the parent during the period:						
Basic and diluted earnings per share (loss)		(0,13)	(0,09)	(0,19)	(0,20)	(0,30)

1) Restated due to implementation of IFRS 11. See Note 2 for further description.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

USD'000	Notes	Unaudited[1] 2014 30 June	Unaudited[1] 2013 30 June	*Restated*[1] 2013 31 December	*Restated*[1] 2013 1 January
ASSETS					
Non-current assets					
Intangible assets					
Deferred tax assets		636	774	772	789
Licenses, design and other intangibles	3	73 331	73 455	73 321	73 237
Tangible assets					
Investments in vessels	3	624 371	44 751	36 794	49 279
Investments in new buildings under construction	3	189 873	341 645	384 272	225 716
Investment in joint ventures		176	7 615	223	4 365
Other non-current financial assets	6	35 861	12 976	17 970	1 649
Other non-current assets		7 153	11 582	10 933	11 628
Shareholder loans		14 841	20 172	17 848	22 446
Restricted cash		-	1 094	-	10 701
Total non-current assets		**946 242**	**514 064**	**542 133**	**399 810**
Current assets					
Inventories		4 737	75	73	64
Unbilled construction contract receivable		-	26 263	52 672	-
Trade and other receivables		5 531	6 975	7 549	5 358
Shareholder loans		6 265	6 670	7 113	6 675
Deferred IPO costs		1 531	-	-	-
Marketable securities		13 866	34 634	13 794	113 877
Restricted cash		2 894	12 501	13 595	1 800
Cash and cash equivalents		124 356	61 123	47 151	117 127
Total current assets		**159 180**	**148 241**	**141 946**	**244 901**
TOTAL ASSETS		**1 105 422**	**662 305**	**684 080**	**644 711**
EQUITY AND LIABILITES					
Equity					
Share capital		699	699	699	699
Other paid-in capital		338 702	337 055	337 797	336 371
Capital reserves		(100 392)	(85 238)	(70 666)	(135 297)
Retained earnings		108 198	128 016	121 276	142 079
Total equity attributable to owners of the parent		**347 206**	**380 531**	**389 106**	**343 851**
Non-current liabilities					
Non-current interest-bearing debt		518 846	148 194	143 722	132 788
Investment in joint ventures	6	91 916	103 336	86 208	141 996
Other non-current financial liabilities	6	39 699	8 406	10 409	857
Deferred revenue		934	-	-	-
Total non-current liabilities		**651 395**	**259 936**	**240 339**	**275 641**
Current liabilities					
Current interest bearing debt		55 923	-	20 844	6 997
Trade and other payables		10 288	10 464	11 098	10 070
Other current financial liabilities	6	23 459	3 842	11 424	2 473
Provisions and accruals		17 150	7 532	11 269	5 679
Total current liabilities		**106 821**	**21 838**	**54 635**	**25 219**
TOTAL EQUITY AND LIABILITIES		**1 105 422**	**662 305**	**684 080**	**644 711**

1) *Restated due to implementation of IFRS 11. See Note 2 for further description.*

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

USD'000	Unaudited 2Q2014	Unaudited 2Q2013	Unaudited 1H2014	Unaudited[1] 1H2013	Restated[1] 2013
Operating activities:					
Profit /(loss) before tax for the period	(8 290)	(5 980)	(12 778)	(13 533)	(20 317)
Non-cash adjustment to reconcile profit before tax to net operational cash flow					
Depreciation vessels, drydocking and equipment	4 204	4 256	7 068	8 187	17 169
Fair value adjustments on marketable securities	(74)	(299)	(91)	(758)	(917)
Interest income	(445)	(553)	(920)	(1 215)	(2 287)
Interest cost	3 630	106	3 993	2 627	3 315
Deviation betw een paid and expensed pension cost	153	-	369	-	189
Share-base payment cost and BoD remuneration not paid-out	784	376	1 207	684	1 426
Share of profits from investments in joint ventures	(2 472)	(3 577)	(4 689)	(7 083)	(15 061)
Construction contract revenue not received	(3 248)	(3 808)	(7 531)	(3 808)	(7 027)
Working capital adjustments					
Change in inventories, receivables and payables	(4 837)	(5 910)	720	(3 765)	(224)
Procceds from sale of mooring	96 518	-	96 518	-	-
Dividend received from joint ventures	814	722	1 628	1 444	13 878
Interest received		2	-	101	103
Payment of income tax	-	(364)	-	(364)	(531)
i) Net cash generated from operating activities	**86 737**	**(15 029)**	**85 493**	**(17 484)**	**(10 284)**
Investing activites:					
Proceeds from sale of marketable securities	-	80 000	-	80 000	101 000
Investments in vessels, drydocking, new buildings and mooring	(368 616)	(37 823)	(420 536)	(127 544)	(185 999)
Investment in intangibles, equipment and other	(583)	(536)	(802)	(3 430)	(4 144)
Repayment of shareholder loans	2 273	1 670	4 306	3 370	6 283
ii) Net cash used in investing activities	**(366 926)**	**43 311**	**(417 032)**	**(47 604)**	**(82 861)**
Financing activites:					
Proceeds from borrow ings	348 693	-	456 693	18 500	44 500
Repayment of borrow ings	-	-	(30 000)	-	-
Interest paid	(2 416)	(2 388)	(4 857)	(4 829)	(9 684)
Payment of debt issuance cost	(4 776)	(183)	(13 091)	(4 587)	(11 648)
iii) Net cash flows from financing activities	**341 501**	**(2 571)**	**408 745**	**9 084**	**23 168**
Net increase/(decrease) in cash and cash equivalents (i+ii+iii)	**61 312**	**25 711**	**77 206**	**(56 004)**	**(69 976)**
Current cash, cash equivalents at the beginning of the period	63 044	35 412	47 151	117 127	117 127
Current cash and cash equivalents at the end of the period	**124 356**	**61 123**	**124 356**	**61 123**	**47 151**

1) *Restated due to implementation of IFRS 11. See Note 2 for further description.*

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2014

			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**	**Total equity**
At 31 December 2013 [1]	**699**	**344 258**	**(12)**	**(6 449)**	**(68 223)**	**(2 443)**	**121 276**	**389 106**	**389 106**
Profit (loss) for the period	-	-	-	-	-	-	(13 078)	(13 078)	(13 078)
Other comprehensive income / (loss)		-	-	-	(29 726)	-	-	(29 726)	(29 726)
Total comperehensive income	-	-	-	-	*(29 726)*	-	*(13 078)*	*(42 804)*	*(42 804)*
Other changes in other paid-in capital				(302)	-	-	-	(302)	(302)
Issue of share capital (12June 2014)	0	60	-	-	-	-	-	60	60
Share-based payment costs	-	-	-	1 147	-	-	-	1 147	1 147
At 30 June 2014 (unaudited)	**699**	**344 318**	**(12)**	**(5 604)**	**(97 949)**	**(2 443)**	**108 198**	**347 206**	**347 206**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 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**	**Total equity**
At 1 January 2013 [1]	**699**	**344 198**	**(12)**	**(7 815)**	**(132 957)**	**(2 341)**	**142 079**	**343 850**	**343 850**
Profit (loss) for the period	-	-	-	-	-	-	(14 063)	(14 063)	(14 063)
Other comprehensive income / (loss)		-	-	-	50 381	(321)	-	50 060	50 060
Total comperehensive income	-	-	-	-	*50 381*	*(321)*	*(14 063)*	*35 997*	*35 997*
Issue of share capital (7 June 2013)	0	60		-	-	-	-	60	60
Share-based payment costs	-	-	-	624	-	-	-	624	624
At 30 June 2013 (unaudited)[1]	**699**	**344 258**	**(12)**	**(7 191)**	**(82 576)**	**(2 662)**	**128 016**	**380 531**	**380 531**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 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	Other capital reserves	Retained earnings	**Total**	**Total equity**
At 1 January 2013 [1]	**699**	**344 198**	**(12)**	**(7 815)**	**(132 957)**	**(2 340)**	**142 079**	**343 851**	**343 851**
Profit (loss) for the period	-	-	-	-	-	-	(20 803)	(20 803)	(20 803)
Other comprehensive income / (loss)		-	-	-	64 734	(103)	-	64 632	64 632
Total comperehensive income	-	-	-	-	*64 734*	*(103)*	*(20 803)*	*43 829*	*43 829*
Issue of share capital (7 June 2013)	0	60		-	-	-	-	60	60
Share-based payment costs	-	-	-	1 366	-	-	-	1 366	1 366
At 31 December 2013 [1]	**699**	**344 258**	**(12)**	**(6 449)**	**(68 223)**	**(2 443)**	**121 276**	**389 106**	**389 106**

1. Restated due to implementation of IFRS 11. See Note 2 for further description

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

2. BASIS FOR PREPARATION AND ACCOUNTING POLICIES

The interim consolidated financial statements for the period ended 30 June 2014 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 Company's annual financial statements as at 31 December 2013.

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2013, except for the adoption of new standards, amendments and interpretations effective and adopted as of 1 January 2014.

On 1 January 2014, the Company implemented IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, and the amended IAS 28 Investments in Associates and Joint Ventures with retrospective application to 1 January 2013. A third balance sheet setting out the opening balance at 1 January 2013 is therefore presented in the statement of financial position.

IFRS 11 eliminates the choice of accounting treatments for interests in joint ventures. As a result, the Company's accounting for its investments in the joint ventures changed from the proportionate consolidation method to the equity method. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Under the equity method, the investment in joint venture companies is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the joint venture companies as of the acquisition date in one line called "Investments in joint ventures" in the consolidated statement of financial position. The consolidated statement of comprehensive income reflects the Company's share of the results of operations of the joint venture on a single line called "Share of results from investments in joint ventures" after the line item "Income on T/C basis". This differs from the proportional consolidation method where the Company's share of each line included in the assets, liabilities, revenue, income and expenses from these investments was proportionately consolidated in the consolidated financial statements.

Any change in other comprehensive income ("OCI") of those investees is presented as part of the Company's OCI under both methods.

The application of IFRS 11 impacted the Company's accounting of its interest in joint venture for its 50% interests in Methane Carriers Ltd., Joint Gas Two Ltd., SRV Joint Gas Ltd., SRV Joint Gas Two Ltd., its 34% interest in Joint Gas Ltd. and 33% interest in PNG Floating LNG Holdings Ltd. The effect of converting from proportionate consolidation to consolidating by the equity method in the statement of comprehensive income and statement of financial position is set out in Appendix A and B.

3. SEGMENT INFORMATION

Management monitors the operating results of Höegh LNG's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. No segment assets or segment liabilities other than vessels, newbuildings and intangible assets are part of the information.

The performance of the Company's joint ventures is evaluated using the proportionate consolidation method rather than the equity method used in the consolidated statement of comprehensive income.

Commercial segment

The Commercial segment is responsible for the commercial management of Höegh LNG's fleet of regasification and transportation vessels and tender activities for new regasification and transportation business.

In the segment report income is recorded on a time charter (T/C) basis from the regasification vessels (FSRU) GDF Suez Neptune (on a 50% basis) and GDF Suez Cape Ann (50%), the transportation vessels Arctic Princess (100%), Arctic Lady (100%), LNG Libra (100%), and the RoRo vessel Höegh Treasure. It records management income for commercial management services paid by the external owners of the Company’s jointly controlled vessels. The segment also contains bare boat hire paid to external owners for Arctic Princess (66%) and Arctic Lady (50%), and operating expenses for GDF Suez Neptune (50%), GDF Suez Cape Ann (50%), Arctic Princess (100%), Arctic Lady (100%), LNG Libra (100%), Norman Lady (50%) and Höegh Treasure.

For the GDF Suez Neptune, GDF Suez Cape Ann, Arctic Princess and Arctic Lady, the Company’s share of the results of operations is included in the line “share of results from investments in joint ventures” in the statement of comprehensive income.

The capitalised costs attributable to the segment relate to investments in licences and permits obtained for the Company’s deep water port in the USA and to investments in the development of a containment system for compressed natural gas.

Technical segment

The Technical segment is responsible for the technical management of the Company’s fleet of regasification (FSRUs) and transportation vessels. In addition, the segment is responsible for the execution of new regasification and transportation projects up until delivery.

The segment records income paid for technical management services by the external owners of the Company’s jointly controlled vessels and by third party owners of the vessels. The segment further records revenue and expenses relating to new regasification and transportation contracts until delivery, including construction contracts relating to associated infrastructure.

The capitalised costs attributable to the segment relate to the FSRU newbuilding programme and the mooring system for the Company's project in Indonesia.

FLNG

The floating liquefaction (FLNG) segment is responsible for the marketing, building and operation of floating liquefaction plants for LNG. The segment records income and expenses relating to engineering studies and marketing of the Company’s FLNG capabilities. The capitalised costs relate to investments in front-end engineering design of an FLNG.

Other

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

The table below sets out the Company's operating segments for the three months ended 30 June for 2014 and 2013, respectively.

Table: Segment information

Quarterly segment information USDm	Commercial		FLNG		Technical		Other		Consolidated (proportionate)		Adjustments		Consolidated (equity method)	
Income statement	Q2 2014	Q2 2013	Q2 2014	Q2 2013	Q2 2014	Q2 2013	Q2 2014	Q2 2013	Q2 2014	Q2 2013	Q2 2014	Q2 2013	Q2 2014	Q2 2013
Freight revenue	27,2	27,6	0,0	0,0	0,0	0,0	0,0	0,0	27,2	27,6	(10,1)	(12,5)	17,2	15,1
Voyage expenses	(0,0)	(3,8)	0,0	0,0	0,0	0,0	0,0	0,0	(0,0)	(3,8)	0,0	0,0	(0,0)	(3,8)
Income on T/C basis	**27,2**	**23,7**	**0,0**	**0,0**	**0,0**	**0,0**	**0,0**	**0,0**	**27,2**	**23,7**	**(10,1)**	**(12,5)**	**17,2**	**11,2**
Construction contract revenue	0,0	0,0	0,0	0,0	10,0	26,3	0,0	0,0	10,0	26,3	0,0	0,0	10,0	26,3
Management and other income	0,5	0,5	0,8	0,0	0,9	0,7	0,0	0,0	2,3	1,2	0,4	0,4	2,7	1,6
Share of results from inv. in JVs											2,5	3,6	2,5	3,6
TOTAL INCOME	**27,8**	**24,2**	**0,8**	**0,0**	**10,9**	**27,0**	**0,0**	**0,0**	**39,5**	**51,2**	**(7,2)**	**(8,5)**	**32,3**	**42,7**
Charter hire expenses	(5,1)	(5,1)	0,0	0,0	0,0	0,0	0,0	0,0	(5,1)	(5,1)	(3,7)	(3,7)	(8,8)	(8,8)
Operating expenses	(7,3)	(8,5)	0,0	0,0	0,0	0,0	0,0	0,0	(7,3)	(8,5)	1,7	2,6	(5,5)	(5,9)
Construction contract expenses	0,0	0,0	0,0	0,0	(6,8)	(22,5)	0,0	0,0	(6,8)	(22,5)	0,0	0,0	(6,8)	(22,5)
Administrative expenses	(0,6)	(0,9)	0,0	0,0	(0,9)	(0,9)	(2,9)	(1,9)	(4,5)	(3,8)	(0,2)	(0,1)	(4,7)	(3,9)
Business development expenses	(1,8)	(1,4)	(1,9)	(1,9)	(3,2)	(0,8)	0,0	0,0	(6,9)	(4,1)	0,0	0,0	(6,8)	(4,1)
EBITDA	**13,0**	**8,4**	**(1,0)**	**(1,9)**	**(0,0)**	**2,8**	**(2,9)**	**(1,9)**	**9,0**	**7,3**	**(9,4)**	**(9,7)**	**(0,3)**	**(2,4)**
Gain/(loss) on sale on assets	0,0								0,0	0,0	0,0	0,0	0,0	0,0
Depreciation vessel/shipyard	(7,3)	(7,3)	0,0	0,0	0,0	0,0	0,0	0,0	(7,3)	(7,3)	3,1	3,4	(4,2)	(3,9)
Depreciation other assets	(0,1)	(0,1)	0,0	0,0	(0,0)	0,0	(0,2)	(0,2)	(0,3)	(0,3)	0,3	0,0	0,0	(0,3)
EBIT	**5,6**	**1,0**	**(1,0)**	**(1,9)**	**(0,0)**	**2,8**	**(3,1)**	**(2,2)**	**1,4**	**(0,3)**	**(6,0)**	**(6,3)**	**(4,6)**	**(6,6)**
Interest expenses	(5,5)	(5,8)	0,0	0,0	(3,6)	0,0	0,0	(0,1)	(9,1)	(5,9)	5,5	5,8	(3,6)	(0,1)
Interest income	(0,0)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	(0,0)	0,0	0,5	0,5	0,4	0,5
Other financial items	(0,5)	(0,4)	(0,0)	0,0	(0,0)	(0,1)	(0,0)	0,7	(0,6)	0,2	(0,0)	0,0	(0,6)	0,2
Net financials	**(6,0)**	**(6,2)**	**(0,0)**	**0,0**	**(3,7)**	**(0,1)**	**(0,0)**	**0,6**	**(9,7)**	**(5,7)**	**6,0**	**6,3**	**(3,7)**	**0,6**
Profit before tax	**(0,4)**	**(5,2)**	**(1,0)**	**(1,9)**	**(3,7)**	**2,7**	**(3,1)**	**(1,6)**	**(8,3)**	**(6,0)**	**0,0**	**0,0**	**(8,3)**	**(6,0)**
Tax	(0,3)	(0,1)	0,0	0,0	0,0	0,0	0,0	0,0	(0,3)	(0,1)	0,0	0,0	(0,3)	(0,1)
Profit after tax	**(0,7)**	**(5,3)**	**(1,0)**	**(1,9)**	**(3,7)**	**2,7**	**(3,1)**	**(1,6)**	**(8,6)**	**(6,1)**	**0,0**	**0,0**	**(8,6)**	**(6,1)**

Selected items in Financial Position	30.06.14	30.06.13	30.06.14	30.06.13	30.06.14	30.06.13	30.06.14	30.06.13	30.06.14	30.06.13	30.06.14	30.06.13	30.06.14	30.06.13
Intangible assets														
Licenses, design and other intangibles	36,3	36,5	37,0	37,0	0,0	0,0	0,0	0,0	73,3	73,5	0,0	0,0	73,3	73,5
Tangible assets														
Vessels and new buildings	444,4	472,5	0,0	0,0	781,9	341,6	0,0	0,0	1 226,3	814,2	(412,1)	(427,8)	814,2	386,4
Current assets/ (current liabilities)														
Unbilled construction contract receivable	0,0	0,0	0,0	0,0	(1,0)	26,3	0,0	0,0	(1,0)	26,3	0,0	0,0	(1,0)	26,3

The table below sets out the Company's operating segments for the six months ended 30 June for 2014 and 2013, respectively.

Table: Segment information

Quarterly segment information USDm	Commercial		FLNG		Technical		Other		Consolidated (proportionate)		Adjustments		Consolidated (equity method)	
Income statement	H1 2014	H1 2013	H1 2014	H1 2013	H1 2014	H1 2013	H1 2014	H1 2013	H1 2014	H1 2013	H1 2014	H1 2013	H1 2014	H1 2013
Freight revenue	54,6	56,7	0,0	0,0	0,0	0,00	0,0	0,0	54,6	56,7	(20,2)	(24,9)	34,4	31,8
Voyage expenses	(0,0)	(5,0)	0,0	0,0	0,0	0,00	0,0	0,0	(0,0)	(5,0)	0,0	0,0	(0,0)	(5,0)
Income on T/C basis	**54,6**	**51,7**	**0,0**	**0,0**	**0,0**	**0,00**	**0,0**	**0,0**	**54,6**	**51,7**	**(20,2)**	**(24,9)**	**34,4**	**26,8**
Construction contract revenue	0,0	0,0	0,0	0,0	38,3	26,26	0,0	0,0	38,3	26,3	0,0	0,0	38,3	26,3
Management and other income	0,8	1,0	3,5	0,3	1,5	1,40	0,0	0,0	5,8	2,8	0,5	0,5	6,2	3,3
Share of results from inv. in JVs											4,7	7,1	4,7	7,1
TOTAL INCOME	**55,4**	**52,7**	**3,5**	**0,3**	**39,7**	**27,66**	**0,0**	**0,0**	**98,7**	**80,7**	**(15,1)**	**(17,3)**	**83,6**	**63,4**
Charter hire expenses	(10,2)	(10,2)	0,0	0,0	0,0	0,00	0,0	0,0	(10,2)	(10,2)	(7,4)	(7,4)	(17,5)	(17,6)
Operating expenses	(15,5)	(16,9)	0,0	0,0	0,0	0,00	0,0	0,0	(15,5)	(16,9)	3,6	5,1	(11,9)	(11,7)
Construction contract expenses	0,0	0,0	0,0	0,0	(30,7)	(22,46)	0,0	0,0	(30,7)	(22,5)	0,0	0,0	(30,7)	(22,5)
Administrative expenses	(1,4)	(1,9)	0,0	0,0	(2,0)	(2,15)	(7,4)	(3,8)	(10,9)	(7,8)	(0,0)	0,0	(10,9)	(7,8)
Business development expenses	(3,3)	(2,9)	(5,2)	(4,3)	(5,4)	(1,40)	0,0	0,0	(13,9)	(8,6)	0,0	0,0	(13,9)	(8,6)
EBITDA	**25,0**	**20,9**	**(1,7)**	**(4,0)**	**1,5**	**1,66**	**(7,4)**	**(3,8)**	**17,4**	**14,8**	**(18,8)**	**(19,5)**	**(1,3)**	**(4,7)**
Gain/(loss) on sale on assets	0,0								0,0	0,0	0,0	0,0	0,0	0,0
Depreciation vessel/shipyard	(13,3)	(14,3)	0,0	0,0	0,0	0,00	0,0	0,0	(13,3)	(14,3)	6,3	6,1	(7,1)	(8,2)
Depreciation other assets	(0,1)	(0,2)	0,0	0,0	(0,1)	0,00	(0,3)	(0,5)	(0,5)	(0,6)	0,5	0,6	0,0	0,0
EBIT	**11,5**	**6,4**	**(1,7)**	**(4,0)**	**1,5**	**1,66**	**(7,7)**	**(4,3)**	**3,6**	**(0,2)**	**(12,0)**	**(12,7)**	**(8,4)**	**(12,9)**
Interest expenses	(11,0)	(11,5)	0,0	0,0	(4,0)	0,00	0,0	(2,6)	(15,0)	(14,2)	11,0	11,5	(4,0)	(2,6)
Interest income	0,0	0,0	0,0	0,0	0,0	0,00	0,0	0,1	0,0	0,1	0,9	1,1	0,9	1,2
Other financial items	(0,8)	(0,3)	0,0	0,0	(0,1)	(0,07)	(0,5)	1,1	(1,3)	0,7	0,0	0,1	(1,3)	0,7
Net financials	**(11,8)**	**(11,9)**	**0,0**	**0,0**	**(4,1)**	**(0,07)**	**(0,4)**	**(1,5)**	**(16,3)**	**(13,4)**	**12,0**	**12,7**	**(4,4)**	**(0,7)**
Profit before tax	**(0,3)**	**(5,4)**	**(1,7)**	**(4,0)**	**(2,6)**	**1,59**	**(8,2)**	**(5,7)**	**(12,8)**	**(13,6)**	**(0,0)**	**0,0**	**(12,8)**	**(13,5)**
Tax	(0,3)	(0,4)	0,0	0,0	0,0	0,00	0,0	0,0	(0,3)	(0,4)	0,0	0,0	(0,3)	(0,5)
Profit after tax	**(0,6)**	**(5,8)**	**(1,7)**	**(4,0)**	**(2,6)**	**1,59**	**(8,2)**	**(5,7)**	**(13,1)**	**(14,0)**	**(0,0)**	**0,0**	**(13,1)**	**(14,0)**

Selected items in Financial Position	30.06.14	30.06.13	30.06.14	30.06.13	30.06.14	30.06.13	30.06.14	30.06.13	30.06.14	30.06.13	30.06.14	30.06.13	30.06.14	30.06.13
Intangible assets														
Licenses, design and other intangibles	36,3	36,5	37,0	37,0	0,0	0,0	0,0	0,0	73,3	73,5	0,0	0,0	73,3	73,5
Tangible assets														
Vessels and new buildings	444,4	472,5	0,0	0,0	781,9	341,6	0,0	0,0	1 226,3	814,2	(412,1)	(427,8)	814,2	386,4
Current assets/ (current liabilities)														
Unbilled construction contract receivable	0,0	0,0	0,0	0,0	(1,0)	26,3	0,0	0,0	(1,0)	26,3	0,0	0,0	(1,0)	26,3

The Company's first two newbuildings were completed during second quarter 2014 with PGN FSRU Lampung and Independence delivered from the yard 18 April 2014 and 12 May 2014, respectively. Capital expenditures for the two FSRUs at June 2014 totalled USD 596.0 million. Both FSRUs are presented as part of the technical segment in the above table and will be transferred to the commercial segment during the third quarter 2014.

The table above shows the Company's operating segments under the proportionate consolidation method, which is reconciled to the equity method used in the Company's consolidated accounts.

4. RELATED PARTY TRANSACTIONS

Höegh LNG provides various management services to the Company'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 second quarter 2014 (USD 1.0 million 1H 2014) and USD 0.6 million in second quarter 2013 (USD 1.1 million 1H2013).

On 30 June 2014, a total of 100,000 shares in Methane Ventures Limited were sold from members of management and others to Höegh LNG Holdings Ltd. at NOK 18.57 (USD 3.02) per share. The amount of USD 0.3 million has been charged the Company's equity and presented as a reduction in other paid-in capital in the second quarter 2014. The Company held 61 % ownership of the shares in Methane Ventures Limited on 30 June 2014.

For more detailed description of recurring related parties' transactions, see information disclosed in Note 31 of the 2013 annual report.

5. COMMITMENTS AND FINANCING

The Company has entered into shipbuilding contracts with Hyundai Heavy Industries Co. Ltd. for the construction and delivery of four FSRUs, and a contractual obligation to pay for the construction and installation of a mooring system relating to the PGN FSRU Lampung. As of 30 June 2014, the total remaining capital expenditures relating to these commitments are approximately USD 463 million including yard payments, project expenses and finance costs. Remaining capital expenditure will be payable through April 2015.

On 30 June 2014, Höegh LNG had USD 141.1 million in current restricted and un-restricted cash and marketable securities.

The Company has in place a USD 244 million Senior Secured Credit facility for the financing of FSRU Independence, the FSRU for AB Klaipedos Nafta in Lithuania. The facility has a five year post-delivery tenor and a sixteen years repayment profile. As of 30 June 2014, USD 214 million was drawn under the facility.

Höegh LNG has in place a USD 310 million Limited Recourse facility for the financing of its PGN FSRU and mooring project in Indonesia. The facility includes USD 237 million in long term financing for the FSRU (the "FSRU Loan"), USD 62 million in construction financing for the mooring system (the “Mooring loan) and an USD 10.7 million Standby Letter of Credit Facility. The FSRU Loan has a post delivery tenor of 7 years and an overall repayment profile of 12.5 years. As of 30 June 2014, USD 257 million was drawn under this facility.

On 11 April 2014, Höegh LNG entered into a USD 412 million Senior Secured Credit facility for the financing of Höegh Gallant and FSRU #4. The facility is available for pre-and post-delivery financing, has a five year post-delivery tenor and a fifteen years repayment profile. With this facility in place the USD 288 million facility has been terminated.

6. HEDGING RESERVES

Interest rate swaps have been entered into in relation to the financing of the Group’s vessels. In addition, the Company has entered into a cross currency interest rate swap ("CCIRS") relating to the bond issue.

At 30 June 2014, the mark-to-market valuation of the interest rate swaps was recognised in the financial position as financial liabilities (USD 115.8 million) and non-current financial assets (USD 9.5 million). The financial liabilities were classified as non-current (USD 101.4 million) and current (USD 14.4 million). The mark-to-market valuations of the cash flow hedges in the Company’s joint ventures are all recorded as part of investments in joint ventures, which results in the investments being net liabilities. The negative valuations of the hedges in the joint ventures amounted to USD 89.1 million on 30 June 2014.

As of 30 June 2014, the net mark-to-market valuation of the swaps entered into was recognized at a negative USD 97.9 million in the book equity of the Company.

In the second quarter 2014, USD 28.7 million relating to the swaps entered into by the Company was recorded as a loss in other comprehensive income (OCI), down from a positive OCI USD 37.6 million in the same period last year.

The loss in other comprehensive income for the period 1 January - 30 June 2014 is USD 43.8 million, down from a positive OCI of USD 50.0 million in the first half of 2013.

7. SUBSEQUENT EVENTS

On 21 July 2014, the PGN FSRU Lampung project offshore Indonesia reached an important milestone when the FSRU, along with its associated mooring system and pipeline to shore, was deemed mechanically complete and commenced commercial operation for its client PT PGN LNG. The PGN FSRU Lampung further completed receiving its first cargo of LNG through a Ship-To-Ship (STS) transfer on 27 July, and has now entered its final commissioning phase.

On 23 July 2014, the Company entered into a revised and exclusive co-operation agreement with the owner of the previously announced North American barge based FLNG project, setting out a phased approached in developing the project. For the initial phase of this potential development, the Company shall perform a pre-FEED study which will serve as basis for deciding whether or not the potential project shall enter into a next and more comprehensive FEED phase.

On 8 August 2014, the Company entered into a short term LNGC time charter for the Independence prior to commencing the long term FSRU time charter with Klaipedos Nafta in Lithuania during the fourth quarter 2014.

On 12 August 2014, Höegh LNG Partners LP (“HMLP” or the "Partnership"), a limited partnership formed by Höegh LNG, closed the initial public offering of 11,040,000 common units representing limited partner interests in the Partnership. The common units issued at closing included 1,440,000 common units issued pursuant to the full exercise of the underwriters' option to purchase additional common units. The common units were priced at USD 20 each representing an implied yield of 6.75%, and began trading on the New York Stock Exchange 7 August 2014 under the symbol "HMLP". The common units offered represent a 42% limited partner interest in the Partnership. Höegh LNG owns the Partnership's general partner and the remaining 58% limited partner interest. The Partnership was formed to own, operate and acquire floating storage and regasification units, liquefied natural gas carriers and other LNG infrastructure assets under long-term charters. The Partnership's initial fleet consist of a 50% interest in the GDF Suez Neptune, a 50% interest in the GDF Suez Cape Ann and a 100% economic interest in the PGN FSRU Lampung.

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 Company 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; 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.

APPENDIX A

INCOME STATEMENT CONSOLIDATED BY PROPORTIONATE AND EQUITY METHODS

	2Q2014			1H2014		
	Proportionate method	Adjustment	Equity method	Proportionate method	Adjustment	Equity method
Freight revenues	27 233	(10 058)	17 175	54 624	(20 215)	34 409
Voyage expenses	(0)	0	-	(8)	-	(8)
Income on T/C basis	**27 232**	**(10 058)**	**17 175**	**54 615**	**(20 215)**	**34 400**
Construction contract revenue	10 010	-	10 010	38 258	-	38 258
Management and other income	2 137	516	2 653	5 785	457	6 242
Share of results from investments in joint ventures	-	2 472	2 472	-	4 689	4 689
Total income	**39 379**	**(7 069)**	**32 310**	**98 658**	**(15 068)**	**83 590**
Charterhire expenses	(5 124)	(3 697)	(8 821)	(10 192)	(7 354)	(17 546)
Construction contract expenses	(6 761)	-	(6 761)	(30 727)	-	(30 727)
Operating expenses	(7 254)	1 721	(5 533)	(15 534)	3 641	(11 893)
Administrative expenses	(4 354)	(340)	(4 694)	(10 862)	(36)	(10 898)
Business development expenses	(6 872)	32	(6 839)	(13 910)	38	(13 871)
Operating profit before depreciation	**9 014**	**(9 353)**	**(339)**	**17 434**	**(18 779)**	**(1 345)**
Gain/(loss) on sale of assets	9	(9)	**-**	-	-	**-**
Depreciation	(7 610)	3 407	(4 204)	(13 882)	6 815	(7 068)
Operating profit	**1 412**	**(5 955)**	**(4 543)**	**3 552**	**(11 964)**	**(8 413)**
Interest income	3	442	445	18	902	920
Interest expenses	(9 143)	5 520	(3 630)	(15 028)	11 043	(3 993)
Income from other financial items	55	-	55	74	-	75
Expenses from other financial items	(617)	(7)	(617)	(1 392)	20	(1 366)
Net financial items	**(9 702)**	**5 955**	**(3 747)**	**(16 328)**	**11 965**	**(4 364)**
Ordinary profit or loss before tax	**(8 290)**	**0**	**(8 290)**	**(12 777)**	**0**	**(12 777)**
Tax	(286)	-	(286)	(301)	-	(301)
Profit (loss) for the period	**(8 576)**	**0**	**(8 576)**	**(13 078)**	**0**	**(13 078)**
Other comprehensive income						
Items that will not be reclassified to profit or (loss)						
Net gain (loss) on other capital reserves	-	-	-	-	-	-
Items that may be subsequently reclassified to profit or (loss)						
Net gain (loss) on hedging reserves	(19 180)	20 203	1 023	(29 726)	24 406	(5 320)
Share of OCI from joint ventures	-	(20 203)	(20 203)	-	(24 406)	(24 406)
Other comprehensive income/(loss) for the period net of tax	**(19 180)**	**(0)**	**(19 180)**	**(29 726)**	**-**	**(29 726)**
Total comprehensive income/(loss) for the period	**(27 756)**	**0**	**(27 756)**	**(42 804)**	**0**	**(42 804)**

APPENDIX B

FINANCIAL POSITION CONSOLIDATED BY PROPORTIONATE AND EQUITY METHODS

	30 June 2014			31 December 2013		
USD'000	Proportionate method	Adjustment	Equity method	Proportionate method	Adjustment	Equity method
ASSETS						
Non-current assets						
Intangible assets						
Deferred tax assets	636	-	636	772	-	772
Licenses, design and other intangibles	73 331	-	73 331	73 321	-	73 321
Tangible assets						
Vessels	1 036 455	(412 083)	624 371	455 097	(418 303)	36 794
New buildings	190 501	(628)	189 873	379 119	5 153	384 272
Investment in joint ventures	-	176	176	-	223	223
Non-current financial assets	35 861	-	35 861	20 270	(2 300)	17 970
Other non-current assets	7 153	-	7 153	13 785	(2 852)	10 933
Shareholder loans	-	14 841	14 841	-	17 848	17 848
Restricted cash	12 552	(12 552)	-	12 552	(12 552)	-
Total non-current assets	**1 356 488**	**(410 246)**	**946 242**	**954 916**	**(412 783)**	**542 133**
Current assets						
Inventories	4 749	(13)	4 737	87	(14)	73
Unbilled construction contract receivable	-	-	-	52 672	-	52 672
Trade and other receivables	6 421	(890)	5 531	8 460	(912)	7 549
Shareholder loans	-	6 265	6 265	-	7 113	7 113
Deferred IPO costs	1 531	-	1 531		-	-
Marketable securities	13 866	-	13 866	13 794	-	13 794
Restricted cash	2 894	-	2 894	13 595	0	13 595
Cash and cash equivalents	133 552	(9 196)	124 356	57 474	(10 323)	47 151
Total current assets	**163 013**	**(3 833)**	**159 180**	**146 082**	**(4 135)**	**141 946**
TOTAL ASSETS	**1 519 501**	**(414 079)**	**1 105 422**	**1 100 998**	**(416 918)**	**684 080**
EQUITY AND LIABILITES						
Equity						
Share capital	699	-	699	699	-	699
Other paid-in capital	338 702	-	338 702	337 797	-	337 797
Capital reserves	(100 392)	-	(100 392)	(70 666)	-	(70 666)
Retained earnings	108 198	-	108 198	121 276	-	121 276
Total equity	**347 206**	**-**	**347 206**	**389 106**	**-**	**389 106**
Non-current liabilities						
Non-current interest-bearing debt	902 907	(384 061)	518 846	535 298	(391 576)	143 722
Investment in joint ventures	-	91 916	91 916	-	86 208	86 208
Other non-current financial liabilities	112 548	(72 849)	39 699	71 114	(61 594)	9 520
Other long-term debt	12 085	(11 152)	934	11 386	(10 497)	889
Total non-current liabilities	**1 027 540**	**(376 146)**	**651 395**	**617 798**	**(377 459)**	**240 339**
Current liabilities						
Current interest bearing debt	70 858	(14 935)	55 923	35 310	(14 466)	20 844
Trade and other payables	12 846	(2 558)	10 288	12 432	(1 334)	11 098
Other current financial liabilities	43 674	(20 215)	23 459	33 912	(22 488)	11 424
Provisions and accruals	17 375	(225)	17 150	12 441	(1 172)	11 269
Total current liabilities	**144 754**	**(37 933)**	**106 821**	**94 095**	**(39 460)**	**54 635**
TOTAL EQUITY AND LIABILITIES	**1 519 501**	**(414 079)**	**1 105 422**	**1 100 998**	**(416 919)**	**684 080**

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 2014 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, 21 August 2014

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