HÖEGH LNG

INTERIM RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2014

Highlights

- Total income USD 33.8 million, down from USD 36.7 million in the third quarter 2013
- Operating loss before depreciation USD 3.9 million, compared to an operating profit before depreciation of USD 1.3 million in the third quarter 2013. The adverse development is mainly dye to non-recurring expenses
- Loss before tax USD 15.9 million, compared to a loss of USD 2.6 million in the third quarter 2013
- 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) under the ticker "HMLP" on 7 August 2014
- PGN FSRU Lampung commenced commercial operations, received its first cargo of LNG through a ship-to-ship transfer and entered the final commissioning phase. During the commissioning phase, the FSRU experienced problems with the regasification system and had to temporarily cease operations
- FSRU Independence was employed on a spot charter as an LNG carrier and idle for the rest of the quarter due to a very soft spot market
- Gas Natural exercised its option to extend the charter period for LNG Libra for twelve months with redelivery at year-end 2015
- Höegh LNG continued to make progress in developing the barge based FLNG project located in North America

Subsequent Events

- FSRU Independence arrived in Klaipeda, Lithuania, on schedule and started the commissioning phase under its ten year contract with Klaipedos Nafta
- PGN FSRU Lampung resumed operations after resolving the problems with the regasification system and achieved the Certificate of Acceptance from PGN with effect from 30 October 2014
- On 1 November 2014, Höegh LNG signed an FSRU contract with Sociedad Portuaria El Cayao S.A. E.S.P. (SPEC) for a new LNG import terminal in Colombia with expected start-up mid-2016
- On 3 November 2014, Höegh LNG signed a five year FSRU contract with the government owned EGAS of Egypt with a scheduled start-up by the end of the first quarter 2015
- On 4 November 2014, Höegh Gallant was delivered from Hyundai Heavy Industries and directly employed on a short term charter as an LNG carrier. This is the third newbuild FSRU delivered to the Company during the last six months
- Höegh LNG placed an order for a fifth FSRU at Hyundai Heavy Industries with delivery first quarter 2017

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Group Financial review

On 12 August 2014, Höegh LNG Partners LP ("HMLP", the "MLP" or the "Partnership"), a limited partnership formed by Höegh LNG, closed the initial public offering (the "IPO") of 11,040,000 common units representing limited partner interests in the Partnership. On the date of the closing of the IPO, the Company recognized an increase in its equity equivalent to the net proceeds raised in the IPO.

HMLP is contrary to the Company's expectations and its previous announcement being consolidated into Höegh LNG. A renewed assessment of the corporate governance structure by the Company's auditor concluded that HMLP is de facto controlled by Höegh LNG. A consolidation of HMLP means that revenues and expenses before non-controlling interests and the balance sheet in Höegh LNG will be higher than would have been the case if HMLP had been de-consolidated and accounted for according to the equity method.

On 1 January 2014, a mandatory change in the accounting principle was implemented whereby IFRS 11 replaced IAS 31 as the accounting standard for the recognition of joint venture investments. From this date, Höegh LNG 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 also 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.

Table: Selected financial items based on equity and proportionate consolidation

	Consolidated by the equity method		Consolidated by the proportionate method	
USD'000	3Q2014	3Q2013	3Q2014	3Q2013
Total income	33 758	36 693	41 329	45 723
Operating profit before depreciation	(3 881)	1 252	5 460	10 944
Operating profit	(10 064)	(3 122)	(4 126)	3 179
Profit (loss) for the period	(16 272)	(2 837)	(16 272)	(2 837)
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Total assets	1 264 307	684 080	1 676 462	1 100 998
Equity adjusted for hedging reserves	633 562	457 329	633 562	457 329
Net interest bearing debt	288 823	90 026	620 831	473 193
Equity ratio adjusted for hedging reserves	50%	67%	38%	42%

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

The Company reported USD 33.8 million in total income in the third quarter 2014, down from USD 36.7 million in the third quarter 2013. The decrease is mainly due to lower construction contract revenues (USD 5.7 million), less contribution from paid FLNG studies (USD 2.5 million), lower results from investments in joint ventures as Norman Lady was sold for recycling in October 2013 (USD 1.6 million), and higher voyage expenses due to the Independence being idle most of the quarter. The decrease in total income is off-set by time charter income from PGN FSRU Lampung commencing operations in July 2014.

The Company's financial result in the quarter was adversely impacted by non-recurring expenses relating to the Company's FSRU newbuilding program moving from the construction to the operational phase. The Company's consolidated operating loss before depreciation was USD 3.9 million in the quarter compared to an operating profit before depreciation (EBITDA) of USD 1.2 million in the same quarter last year. The reduction in EBITDA is mainly due to (i) Independence being idle most of the quarter, save for 23 days when employed on a spot LNGC time charter, resulting in a negative EBITDA contribution of USD 4.4 million in the quarter, (ii) construction contract EBITDA being negative USD 0.5 million in the quarter, down from positive USD 1.4 million the same quarter last year mainly due to a USD 6.1 million provision made in the quarter relating to the later than scheduled start up of the PGN FSRU Lampung project, (iii) a USD 2.0 million increase in administrative and business development expenses, driven mainly by FSRU start up costs and higher stock option and bonus accruals, and (iv) no EBITDA contribution from Norman Lady in the quarter, compared to a USD 1.6 million contribution in the same quarter last year. The reduction in the consolidated EBITDA is offset by a USD 9.8 million EBITDA contribution from PGN FSRU Lampung in the quarter compared to zero in the same quarter last year.

The loss after tax was USD 16.3 million in the quarter compared to a loss of USD 2.8 million in the same quarter last year. The increased loss is due to the lower EBITDA as well as higher depreciation and interest expense as the fleet in the quarter comprised two more FSRUs after delivery of the Independence and the PGN FSRU Lampung.

Total cash flow in the quarter was USD 0.8 million compared to negative USD 8.2 million in the third quarter 2013. The cash flow in the quarter includes USD 203.5 million in net proceeds from the equity issuance in HMLP, investments in marketable securities of USD 145.0 million, investment in newbuildings and mooring of USD 8.8 million and debt service of USD 42.3 million. The cash flow in the third quarter 2013 included USD 5.0 million in proceeds from borrowings and USD 13.4 million of investments in newbuildings and mooring system.

At the end of the third quarter 2014, Höegh LNG had USD 285.9 million in current cash and marketable securities (USD 141.1 million at 30 June 2014). The book equity after adjusting for mark-to-market of hedging reserves was USD 633.0 million, equivalent to an adjusted book equity ratio of 50% compared to an adjusted equity ratio of 40% on 30 June 2014. On 30 September 2014, net interest bearing debt was USD 248.4 million compared to USD 433.7 million on 30 June 2014.

On 30 September 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 88.1 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 87.1 million at the end of the third quarter 2014 and USD 97.1 million at the end of the same quarter 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 5.5 million in the quarter, down from USD 10.9 million in the same quarter last year (for further information please see Note 3 and appendix A and B). The decrease is explained by the Independence being idle most of the quarter, the provision made in the quarter for the later than scheduled start up of the PGN FSRU Lampung project, and no contribution from Norman Lady in the quarter, offset by a positive contribution from PGN FSRU Lampung in the quarter.

Corporate matters

On 12 August 2014, HMLP 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 ticker "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.

On 24 September 2014, HMLP held its first Annual General Meeting where four members of the board were elected by the common unit holders and three members appointed by the General Partner.

On 11 September 2014, Mr Jon Erik Reinhardsen resigned as a director of Höegh LNG. The Company has initiated the process of identifying a replacement candidate. The Board extends its gratitude to Mr Reinhardsen for his valuable contribution to the Company since he joined the Board in 2006, and in particular for his chairmanship of the Governance and Compensation Committee.

As the strong growth in the FSRU market continues, the Company ordered a fifth FSRU from Hyundai Heavy Industries (HHI) during the quarter. The FSRU, which will be delivered during the first half 2017, has full trading capability and increased regasification capacity compared to the Company's existing fleet to meet changed market requirements.

The Company will hold its Capital Markets Day on 9 December 2014 to update the market on its future business, investment and financial strategy, including its dividend policy.

Business review

Commercial

The Company's fleet was operated safely in the reporting period.

On 26 September 2014, Gas Natural exercised its option to extend the charter period for the LNG carrier LNG Libra for a further 12 months with redelivery at year-end 2015.

During the quarter, PGN FSRU Lampung commenced commercial operation, received its first cargo of LNG through a ship-to-ship transfer and entered the final commissioning phase. During commissioning, the FSRU experienced problems with the regasification system and had to temporarily cease operations. The problems were identified and fixed under the warranty provisions of the FSRU, and on 30 October 2014, PGN FSRU Lampung completed the commissioning phase and subsequently obtained the Certificate of Acceptance from PGN. The FSRU is now in full operation.

Under the contract with PGN, the Company is exposed to liquidated damages during the commissioning phase to cover for any potential delayed start-up. The problems caused by the regasification system during commissioning has led to a later start-up than the contractual objective, and the Company has therefore made a USD 6.1 million provision in the third quarter 2014 to cover for such potential claims from its client. Discussions are on-going between the Company, PGN, the yard and the pipeline contractor to assess each party's responsibility for the delays incurred.

Due to a very soft LNG carrier market, the Independence was idle most of the quarter, save for being employed as an LNG carrier for a single spot voyage. On 27 October, the FSRU arrived in Klaipeda to start commissioning under the ten years FSRU contract with Klaipedos Nafta. The arrival was marked and celebrated by government representatives from Lithuania and other European countries. The attention the project is receiving in Europe shows how strategically important the Independence is to Lithuania and how relevant the project is for several other countries in Europe. The Independence has received her first cargo of LNG through a ship-to-ship transfer and entered the commissioning phase.

On 1 November 2014, the Company signed an FSRU contract with Sociedad Portuaria El Cayao S.A. E.S.P. (SPEC) for a new LNG import terminal in Cartagena, on the Atlantic coast of Colombia. The FSRU contract is for twenty years, but includes options for SPEC to reduce the term to five, ten or fifteen years. SPEC will confirm the initial contract term before start of operations, which is expected mid-2016. The Company will employ the fourth FSRU under construction at Hyundai for the project. SPEC is majority owned by Promigas and private equity firms. Promigas is one of the largest private utility providers of natural gas in Colombia, listed on the Colombian Stock Exchange.

On 3 November 2014, the Company signed a five year FSRU contract with the government owned Egyptian Natural Gas Holding Company (Egas) for use of the FSRU Höegh Gallant as an LNG import terminal at Ain Sokhna port, located on the Red Sea in Egypt. Höegh Gallant was delivered from the yard early November 2014 and was directly employed on a short term charter to operate as an LNG carrier. After the short term charter she will proceed to a yard in the Far East for minor modifications required for the Egas contract, including upgrading the regas capacity, before sailing to Ain Sokhna port for start-up and commissioning by the end of the first quarter 2015. This means Höegh Gallant will only generate limited income until she has entered the long term FSRU charter with Egas end of first quarter of 2015.

Technical

Construction of the fourth FSRU is progressing well and she is now 85% complete and scheduled to be delivered in 2Q 2015.

Floating production

The Company's current main focus within the FLNG segment is the development of the North American barge based FLNG project. The Company is currently in discussion with the selected EPCIC contractor, relevant permitting authorities and a shortlist of energy companies who have been offered the liquefaction capacity under a tolling formula. Assuming a positive outcome of the above discussions, the project will move to a second phase including a full front-end engineering development ("FEED"). The Company and its partner for the project plan to make a final investment decision ("FID") during the second half 2015.

The Company has re-evaluated its capitalization strategy for the FLNG business and concluded that it will retain full ownership of and continue funding the business. The Company may however share the investment in the first FLNG asset with a financial or industrial partner, including capacity off-takers, depending on the size of the overall investment.

Market

At the outset of the winter season, the short term demand for LNG has been lower than expected due to weak global growth combined with relatively high temperatures in Northern Asia. As the global economy recovers, the longer term demand for LNG is expected to continue outpacing supply, driven by continued strong demand from Asia, South America and the Middle East. Should oil prices establish themselves at a new and lower level compared to the previous five years, this may result in lower prices also for LNG. This would be positive for the FSRU market, as it will make LNG more affordable to a number of new and more price sensitive clients and markets, driving demand for new LNG import terminals. As FSRU import terminals are less capital intensive, quicker to build and more flexible compared to land based import terminals, the FSRU market is expected to benefit from this development.

The world-wide LNG production capacity is currently around 260 MTPA. Over the next three years, the production capacity is expected to increase by approximately 120 MTPA, of which approximately 70 MTPA is coming from export projects under construction in Australia and 40 MTPA and 10 MTPA from projects in the U.S. and Asia, respectively. In addition, it is expected that four to five U.S. export projects will take a FID for up to an additional 40 MTPA within the next twelve months.

The Company has identified around 30 potential FSRU projects world-wide, against four uncommitted FSRUs currently under construction, of which the Company has one.

The long term steady increase in LNG demand drives the activity level in the FLNG market. Five FLNGs are currently under construction, one on a speculative basis and four which are under contract or will be employed by the owner directly. In addition, one Indonesian FLNG project is currently in the FEED phase and several other FLNG projects world-wide are expected to enter the pre-FEED phase soon. The small barge based FLNG solution offered by the Company is a quick, less capital intensive and flexible solution in facilitating export of pre-treated gas, and is a particularly relevant solution for export of natural gas from North America and West-Africa.

The combination of winter season and around six fully loaded LNG carriers having waited off Argentina to discharge, has led to increased demand for LNG carriers in the last months. However, there is still a high number of LNG carriers without a contract. Close to 40% of the LNG carriers with delivery in 2014 do not have a contract, and the short term market for LNG carriers is consequently expected to remain oversupplied until 2016-2017. The current order book for LNG carriers is 125 vessels, representing 35% of the world LNG carrier fleet, and approximately 25% of these LNG carriers are without a firm contract.

Outlook

A significant increase in LNG supply over the next three years creates a solid foundation for continued growth in demand for FSRUs, which has become the preferred solution for new importers. With a leading position in the FSRU market and a strong track-record of securing new contracts, the Company is well positioned to further strengthen its position in this segment by ordering additional FSRUs over the next years, in addition to the order made at HHI during the third quarter 2014. Within FLNG, the Company is continuously focusing on the development of the North American project, but is in parallel exploring other opportunities, with the objective to reach a final investment decision on its first FLNG during second half 2015. The Company has over the last six months taken delivery of three FSRUs with a fourth FSRU scheduled to be delivered during the second quarter 2015. Taking the FSRU newbuilding program from the construction to the operational phase is associated with non-recurring costs, which have adversely impacted the Company's financial figures over the last quarter. These non-recurring costs are expected to continue to have an impact until all the newbuilt FSRUs have entered their long term contracts.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

USD'000	Note	Unaudited 3Q2014	Unaudited 3Q2013	Unaudited[1] Jan Sep 2014	Unaudited[1] Jan Sep 2013	Restated[1] 2013
Freight revenues		29 347	17 402	63 756	49 225	66 878
Voyage expenses		(3 888)	(199)	(3 896)	(5 186)	(5 040)
Income on T/C basis		**25 459**	**17 203**	**59 860**	**44 039**	**61 837**
Construction contract revenue		6 121	11 849	44 379	38 112	52 672
Management and other income		(449)	3 840	5 794	7 107	16 051
Share of results from investments in joint ventures		2 626	3 801	7 316	10 884	15 061
Total income		**33 758**	**36 693**	**117 348**	**100 142**	**145 621**
Charterhire expenses		(8 918)	(8 925)	(26 464)	(26 484)	(35 409)
Construction contract expenses		(6 606)	(10 417)	(37 333)	(32 871)	(45 645)
Operating expenses		(8 030)	(5 732)	(19 923)	(17 458)	(23 637)
Administrative expenses		(6 586)	(4 448)	(17 485)	(12 246)	(17 182)
Business development expenses		(7 498)	(5 920)	(21 369)	(14 488)	(25 628)
Operating profit (loss) before depreciation		**(3 881)**	**1 252**	**(5 225)**	**(3 405)**	**(1 880)**
Depreciation		(6 183)	(4 374)	(13 251)	(12 561)	(17 169)
Operating profit (loss) before depreciation		**(10 064)**	**(3 122)**	**(18 477)**	**(15 966)**	**(19 049)**
Interest income		437	535	1 357	1 752	2 287
Interest expenses		(5 447)	(132)	(9 440)	(2 760)	(3 315)
Income from other financial items		297	115	371	1 033	1 084
Expenses from other financial items		(1 125)	(22)	(2 491)	(217)	(1 323)
Net financial items		**(5 838)**	**496**	**(10 203)**	**(192)**	**(1 267)**
Ordinary profit or (loss) before tax		**(15 902)**	**(2 626)**	**(28 680)**	**(16 158)**	**(20 316)**
Tax		(370)	(211)	(670)	(742)	(486)
Profit (loss) for the period		**(16 272)**	**(2 837)**	**(29 350)**	**(16 900)**	**(20 802)**
Other comprehensive income						
Items that will not be reclassified to profit or (loss)						
Net gain (loss) on other capital reserves		-	-	-	(321)	(103)
Items that may be subsequently reclassified to profit or (loss)						
Net gain (loss) on hedging reserves	6	2 969	(1 960)	(17 282)	12 150	14 274
Share of OCI from joint ventures	6	2 074	4 836	(7 401)	41 107	50 461
Other comprehensive income (loss) for the period net of tax		**5 043**	**2 876**	**(24 683)**	**52 936**	**64 632**
Total comprehensive income (loss)		**(11 229)**	**39**	**(54 032)**	**36 036**	**43 830**
Profit (loss) of the period attributable to (from):						
Equity holders of the parent		(17 356)	(2 837)	(30 434)	(16 900)	(20 802)
Non-controlling interests		1 084	-	1 084	-	-
		(16 272)	**(2 837)**	**(29 350)**	**(16 900)**	**(20 802)**
Total comprehensive income attributable to (from):						
Equity holders of the parent		(12 321)	39	(55 125)	36 036	43 830
Non-controlling interests	7	1 092	-	1 092	-	-
		(11 229)	**39**	**(54 032)**	**36 036**	**43 830**
Earnings per share attributable to equity holders of the parent during the period:						
Basic and diluted earnings per share (loss)		(0,25)	(0,04)	(0,44)	(0,25)	(0,30)
Earnings per share attributable to non-controlling interests during the period:						
Basic and diluted earnings per share (loss)		0,02	-	0,02	-	-

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 September	Unaudited[1] 2014 30 June	Unaudited 2013 30 September	*Restated*[1] 2013 31 December	*Restated*[1] 2013 1 January
ASSETS						
Non-current assets						
Intangible assets						
Deferred tax assets		634	636	774	772	789
Licenses, design and other intangibles	3	73 311	73 331	73 508	73 321	73 237
Tangible assets						
Investments in vessels	3	618 589	624 371	40 894	36 794	49 279
Investments in new buildings under construction	3	199 132	189 873	347 369	384 272	225 716
Investment in joint ventures		206	176	7 003	223	4 365
Other non-current financial assets	6	37 615	35 861	11 828	17 970	1 649
Other non-current assets		6 730	7 153	20 599	10 933	11 628
Shareholder loans		13 623	14 841	19 555	17 848	22 446
Restricted cash		-	-	-	-	10 701
Total non-current assets		**949 840**	**946 242**	**521 531**	**542 133**	**399 810**
Current assets						
Inventories		3 930	4 737	71	73	64
Unbilled construction contract receivable		5 169	-	38 112	52 672	-
Trade and other receivables		12 447	5 531	3 845	7 549	5 358
Shareholder loans		6 975	6 265	6 658	7 113	6 675
Deferred IPO costs		-	1 531	-	-	-
Marketable securities		159 026	13 866	34 750	13 794	113 877
Restricted cash		1 800	2 894	13 595	13 595	1 800
Cash and cash equivalents		125 120	124 356	52 967	47 151	117 127
Total current assets		**314 467**	**159 180**	**149 998**	**141 946**	**244 901**
TOTAL ASSETS		**1 264 307**	**1 105 422**	**671 529**	**684 080**	**644 711**
EQUITY AND LIABILITES						
Equity						
Share capital		699	699	699	699	699
Other paid-in capital		418 719	338 702	337 408	337 797	336 371
Capital reserves		(68 509)	(100 392)	(82 362)	(70 666)	(135 297)
Retained earnings		90 842	108 198	125 178	121 276	142 079
Equity attributable to equity holders of the parent		**441 751**	**347 206**	**380 922**	**389 106**	**343 851**
Non-controlling interests	7	98 365	-	-	-	-
Total equity		**540 116**	**347 206**	**380 922**	**389 106**	**343 851**
Non-current liabilities						
Non-current interest-bearing debt		497 910	518 846	153 756	143 722	132 788
Investment in joint ventures	6	88 060	91 916	97 070	86 208	141 996
Other non-current financial liabilities	6	44 585	39 699	9 678	10 409	857
Deferred revenue		934	934	-	-	-
Total non-current liabilities		**631 489**	**651 395**	**260 504**	**240 339**	**275 641**
Current liabilities						
Current interest bearing debt		36 428	55 923	-	20 844	6 997
Trade and other payables		15 880	10 288	9 940	11 098	10 070
Other current financial liabilities	6	19 467	23 459	4 049	11 424	2 473
Provisions and accruals		20 926	17 150	16 115	11 269	5 679
Total current liabilities		**92 701**	**106 821**	**30 103**	**54 635**	**25 219**
TOTAL EQUITY AND LIABILITIES		**1 264 307**	**1 105 422**	**671 529**	**684 080**	**644 711**

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

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

		Unaudited	Unaudited	Unaudited	Unaudited[1]	Restated[1]
USD'000		3Q2014	3Q2013	Jan Sep 2014	Jan Sep 2013	2013
Operating activities:						
Profit /(loss) before tax for the period		(15 902)	(2 626)	(28 680)	(16 159)	(20 317)
Non-cash adjustment to reconcile profit before tax to net operational cash flow						
Depreciation vessels, drydocking and equipment		6 183	4 374	13 251	12 561	17 169
Fair value adjustments on marketable securities		(141)	(115)	(232)	(873)	(917)
Interest income		(437)	(546)	(1 357)	(1 761)	(2 287)
Interest cost		5 447	134	9 440	2 761	3 315
Deviation between paid and expensed pension cost		-	-	369	-	189
Share-base payment cost and BoD remuneration not paid-out		780	299	1 987	983	1 426
Share of profits from investments in joint ventures		(2 626)	(3 802)	(7 316)	(10 885)	(15 061)
Construction contract revenue not received		485	(1 432)	(7 047)	(5 240)	(7 027)
Working capital adjustments						
Change in inventories, receivables and payables		(1 488)	3 083	(768)	(682)	(224)
Procceds from sale of mooring		-		96 518	-	-
Dividend received from joint ventures		814	2 972	2 442	4 416	13 878
Interest received		-	-	-	101	103
Payment of income tax		-	(167)	-	(531)	(531)
i) Net cash generated from operating activities		**(6 885)**	**2 174**	**78 608**	**(15 309)**	**(10 284)**
Investing activites:						
Investment in marketable securities		(145 000)	-	(145 000)	-	-
Proceeds from sale of marketable securities		-	-	-	80 000	101 000
Investments in vessels, drydocking, new buildings and mooring		(8 812)	(13 414)	(429 348)	(140 958)	(185 999)
Investment in intangibles, equipment and other		(19)	(268)	(821)	(3 698)	(4 144)
Repayment of shareholder loans		915	1 155	5 221	4 525	6 283
ii) Net cash used in investing activities		**(152 916)**	**(12 527)**	**(569 948)**	**(60 131)**	**(82 861)**
Financing activites:						
Gross proceeds from equity issuance in Hoegh LNG Partners LP	7	220 800	-	220 800	-	-
Transaction cost of equity issuance	7	(17 333)	-	(17 333)	-	-
Proceeds from borrowings		-	5 000	456 693	23 500	44 500
Repayment of borrowings		(35 600)	-	(65 600)	-	-
Interest paid		(6 695)	(2 414)	(11 552)	(7 243)	(9 684)
Payment of debt issuance cost		(606)	(389)	(13 697)	(4 976)	(11 648)
iii) Net cash flows from financing activities		**160 565**	**2 197**	**569 310**	**11 281**	**23 168**
Net increase/(decrease) in cash and cash equivalents (i+ii+iii)		**764**	**(8 156)**	**77 970**	**(64 159)**	**(69 976)**
Current cash, cash equivalents at the beginning of the period		124 356	61 123	47 151	117 127	117 127
Current cash and cash equivalents at the end of the period		**125 120**	**52 967**	**125 120**	**52 967**	**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 SEPTEMBER 2014

			Attributable to equity holders of the parent							
			Paid-in capital		Capital reserves					
USD'000	Issued capital	Share premium	Treasury shares	Other paid-in capital (Note 7)	Cash flow hedge reserves (Note 6)	Other capital reserves	Retained earnings	Total	Non-controlling interests (Note 7) ¹	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	-	-	-	-	-	-	(30 434)	(30 434)	1 084	(29 350)
Other comprehensive income / (loss)		-	-	-	(24 691)	-	-	(24 691)	8	(24 683)
Total comperehensive income	-	-	-	-	*(24 691)*	-	*(30 434)*	*(55 125)*	*1 092*	*(54 032)*
Net proceeds of equity issuance and non-controlling interests in Hoegh LNG Partners LP				79 347	26 848			106 194	97 273	203 467
Other changes in other paid-in capital				(422)	-	-	-	(422)		(422)
Issue of share capital (12 June 2014)	0	60	-	-	-	-	-	60		60
Share-based payment costs	-	-	-	1 938	-	-	-	1 938		1 938
At 30 September 2014 (unaudited)	**699**	**344 318**	**(12)**	**74 413**	**(66 067)**	**(2 443)**	**90 842**	**441 750**	**98 365**	**540 116**

¹ Equity attributable to non-controlling interests at 30 September 2014 of USD 98.4 million includes negative USD 26.8 million in cash flow hedge reserves.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2013

			Attributable to equity holders 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	Non-controlling interests	Total equity
At 1 January 2013 ¹	**699**	**344 198**	**(12)**	**(7 815)**	**(132 957)**	**(2 341)**	**142 079**	**343 851**	**-**	**343 851**
Profit (loss) for the period	-	-	-	-	-	-	(16 900)	(16 900)	-	(16 900)
Other comprehensive income / (loss)		-	-	-	53 257	(321)	-	52 936	-	52 936
Total comperehensive income	-	-	-	-	*53 257*	*(321)*	*(16 900)*	*36 036*	-	*36 036*
Issue of share capital (7 June 2013)	0	60		-	-	-	-	60	-	60
Share-based payment costs	-	-	-	977	-	-	-	977		977
At 30 September 2013 (unaudited)¹	**699**	**344 258**	**(12)**	**(6 839)**	**(79 700)**	**(2 662)**	**125 179**	**380 923**	**-**	**380 923**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

			Attributable to equity holders 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	Non-controlling interest	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 September 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 10 outlines the requirements for the preparation and presentation of consolidated financial statements, requiring entities to consolidate entities it controls. Control requires exposure or rights to variable returns and the ability to affect those returns through power over an investee.

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. and its 34% interest in Joint Gas 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.

IFRS 10 *Consolidated Financial Statements* outlines the requirements for the preparation and presentation of consolidated financial statements, requiring entities to consolidate entities it controls. Control requires exposure or rights to variable returns and the ability to affect those returns through power over an investee

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 liabilities other than vessels, newbuildings, interest bearing debt and intangible assets are part of the information. On 12 August 2014, the initial public offering of Höegh LNG Partners LP was closed. Höegh LNG Partners LP is a master limited partnership listed on the New York Stock Exchange with its own CEO/CFO. Management will monitor the results of the MLP as a separate segment. As a result, a new operating segment was formed as of 12 August 2014. Segment results have not been restated since the information is not necessarily comparable to the new legal entity and the IFRS information is not available

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.

From 13 August 2014, GDF Suez Neptune, GDF Suez Cape Ann and PGN FSRU Lampung were transferred to a new operating segment arising from listing the MLP.

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.

MLP

The MLP was formed to own, operate and acquire FSRUs, LNG carriers and other LNG infrastructure assets under long-term charters, which is defined as charters of five or more years. The interests in the MLP's initial fleet of FSRUs were contributed to the MLP by Höegh LNG. The initial fleet consists of the following vessels: (i) a 50% interest in the GDF Suez Neptune; (ii) a 50% interest in the GDF Suez Cape Ann; and (iii) a 100% economic interest in the PGN FSRU Lampung. Under terms of agreements with Höegh LNG, the Company is obliged to offer to the MLP any FSRU or LNG carrier operating under a charter of five or more years. The capitalised costs attributable to the MLP segment relate to the ownership of three FSRU's and the mooring system for the Company's project in Indonesia.

Technical segment

The Technical segment is responsible for the technical management of the Company's fleet of regasification (FSRUs) and transportation vessels. In addition, it 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. The capitalised costs attributable to the segment relate to the FSRU newbuilding programme.

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 third quarter ended 30 September for 2014 and 2013, respectively.

Table: Segment information

Quarterly segment information USDm	Commercial		FLNG		Technical		MLP [1]		Other		Consolidated (proportionate)		Adjustments		Consolidated (equity method)	
Income statement	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013
Freight revenue	26,8	30,4	0,0	0,0	0,0	0,0	12,7	0,0	0,0	0,0	39,6	30,4	(10,2)	(13,0)	29,3	17,4
Voyage expenses	(3,6)	(0,2)	0,0	0,0	0,0	0,0	(0,3)	0,0	0,0	0,0	(3,9)	(0,2)	(0,0)	0,0	(3,9)	(0,2)
Income on T/C basis	**23,3**	**30,2**	**0,0**	**0,0**	**0,0**	**0,0**	**12,4**	**0,0**	**0,0**	**0,0**	**35,7**	**30,2**	**(10,2)**	**(13,0)**	**25,5**	**17,2**
Construction contract revenue	0,0	0,0	0,0	0,0	1,5	11,8	4,7	0,0	0,0	0,0	6,1	11,8	0,0	0,0	6,1	11,8
Management and other income	0,1	0,5	0,1	2,6	0,4	0,6	(1,0)	0,0	0,0	0,0	(0,5)	3,7	0,0	0,1	(0,4)	3,8
Share of results from inv. in JVs											0,0	0,0	2,6	3,8	2,6	3,8
TOTAL INCOME	**23,4**	**30,7**	**0,1**	**2,6**	**1,9**	**12,4**	**16,0**	**0,0**	**0,0**	**0,0**	**41,3**	**45,7**	**(7,6)**	**(9,0)**	**33,8**	**36,7**
Charter hire expenses	(5,2)	(5,2)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	(5,2)	(5,2)	(3,7)	(3,6)	(8,9)	(8,8)
Operating expenses	(7,9)	(8,7)	0,0	0,0	0,0	0,0	(1,9)	0,0	0,0	0,0	(9,8)	(8,7)	1,8	3,0	(8,0)	(5,7)
Construction contract expenses	0,0	0,0	0,0	0,0	(1,2)	(10,4)	(5,4)	0,0	0,0	0,0	(6,6)	(10,4)	(0,0)	0,0	(6,6)	(10,4)
Administrative expenses	(1,0)	(0,6)	0,0	0,0	(1,1)	(1,6)	(1,2)	0,0	(3,4)	(2,3)	(6,8)	(4,6)	0,2	0,0	(6,6)	(4,6)
Business development expenses	(1,5)	(1,1)	(3,2)	(3,5)	(2,8)	(1,3)	0,0	0,0	0,0	0,0	(7,5)	(5,9)	0,0	0,0	(7,5)	(5,9)
EBITDA	**7,7**	**15,0**	**(3,1)**	**(0,9)**	**(3,2)**	**(0,8)**	**7,5**	**0,0**	**(3,4)**	**(2,3)**	**5,4**	**10,9**	**(9,3)**	**(9,7)**	**(3,9)**	**1,3**
Gain/(loss) on sale on assets	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Depreciation vessel/shipyard	(7,1)	(7,4)	0,0	0,0	0,0	0,0	(2,2)	0,0	0,0	0,0	(9,3)	(7,4)	3,1	3,1	(6,2)	(4,3)
Depreciation other assets	(0,1)	(0,1)	0,0	0,0	0,0	0,0	0,0	0,0	(0,2)	(0,3)	(0,3)	(0,3)	0,3	0,3	(0,0)	(0,0)
EBIT	**0,6**	**7,5**	**(3,1)**	**(0,9)**	**(3,2)**	**(0,8)**	**5,3**	**0,0**	**(3,6)**	**(2,6)**	**(4,1)**	**3,2**	**(5,9)**	**(6,3)**	**(10,1)**	**(3,1)**
Interest expenses	(8,6)	(5,8)	(0,1)	0,0	0,0	0,0	(3,1)	0,0	(0,1)	(0,1)	(11,9)	(5,9)	12,3	5,8	0,4	(0,1)
Interest income	0,0	0,0	0,0	0,0	0,0	0,0	1,0	0,0	0,0	0,0	1,0	0,0	(6,4)	0,5	(5,4)	0,5
Other financial items	(0,2)	(0,0)	0,0	(0,0)	0,0	0,1	(0,4)	0,0	(0,3)	0,1	(0,8)	0,1	0,0	0,0	(0,8)	0,1
Net financials	**(8,8)**	**(5,8)**	**(0,1)**	**(0,0)**	**0,0**	**0,1**	**(2,6)**	**0,0**	**(0,4)**	**(0,0)**	**(11,8)**	**(5,8)**	**6,0**	**6,3**	**(5,8)**	**0,5**
Profit before tax	**(8,2)**	**1,7**	**(3,2)**	**(0,9)**	**(3,2)**	**(0,8)**	**2,7**	**0,0**	**(4,0)**	**(2,6)**	**(15,9)**	**(2,6)**	**0,0**	**0,1**	**(15,9)**	**(2,6)**
Tax	(0,2)	(0,2)	0,0	0,0	0,0	0,0	(0,1)	0,0	0,0	0,0	(0,4)	(0,2)	0,0	0,0	(0,4)	(0,2)
Profit (loss) after tax	**(8,4)**	**1,5**	**(3,2)**	**(0,9)**	**(3,2)**	**(0,8)**	**2,6**	**0,0**	**(4,0)**	**(2,6)**	**(16,3)**	**(2,8)**	**0,0**	**0,1**	**(16,3)**	**(2,8)**
Profit (loss) after tax attributable to:																
Equity holders of the parent	**(8,4)**	**1,5**	**(3,2)**	**(0,9)**	**(3,2)**	**(0,8)**	**1,5**	**0,0**	**(4,0)**	**(2,6)**	**(17,4)**	**(2,8)**	**0,0**	0,1	**(17,4)**	(2,8)
Non-controlling interests	**0,0**	**0,0**	**0,0**	**0,0**	**0,0**	**0,0**	**1,1**	**0,0**	**0,0**	**0,0**	**1,1**	**0,0**	**0,0**	0,0	**1,1**	0,0
Selected items in Financial Position	30.09.14	30.09.13	30.09.14	30.09.13	30.09.14	30.09.13	30.09.14	30.09.13	30.09.14	30.09.13	30.09.14	30.09.13	30.09.14	30.09.13	30.09.14	30.09.13
Intangible assets																
Licenses, design and other intangibles	36,3	36,5	37,0	37,0	0,0	0,0	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	459,4	465,3	0,0	0,0	199,1	347,4	568,2	0,0	0,0	0,0	1 226,7	812,7	(409,0)	(424,4)	817,7	388,3
Current assets/ (current liabilities)																
Unbilled construction contract receivable	0,0	0,0	0,0	0,0	0,0	38,1	5,2	0,0	0,0	0,0	5,2	38,1	0,0	0,0	5,2	38,1
Liabilities																
External interest-bearing debt	335,6	433,0	0,0	0,0	0,0	0,0	472,8	0,0	121,4	130,3	929,8	563,2	(395,5)	(409,5)	534,3	153,8

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.

[1] The MLP segment comprises amounts for the period 13 August 2014 – 30 September 2014 (49 days).

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

Table: Segment information

Quarterly segment information USDm	Commercial		FLNG		Technical		MLP [2]		Other		Consolidated (proportionate)		Adjustments		Consolidated (equity method)	
Income statement	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013
Freight revenue	81,4	87,2	0,0	0,0	0,0	0,00	12,7	0,00	0,0	0,0	94,2	87,2	(30,4)	(37,9)	63,8	49,2
Voyage expenses	(3,6)	(5,3)	0,0	0,0	0,0	0,00	(0,3)	0,00	0,0	0,0	(3,9)	(5,3)	0,0	0,1	(3,9)	(5,2)
Income on T/C basis	**77,9**	**81,9**	**0,0**	**0,0**	**0,0**	**0,00**	**12,4**	**0,00**	**0,0**	**0,0**	**77,9**	**81,9**	**(30,4)**	**(37,8)**	**59,9**	**44,0**
Construction contract revenue	0,0	0,0	0,0	0,0	39,7	38,1	4,7	0,00	0,0	0,0	44,4	38,1	0,0	0,0	44,4	38,1
Management and other income	0,9	1,5	3,5	2,9	1,9	2,0	(1,0)	0,00	0,0	0,0	5,3	6,5	0,5	0,6	5,8	7,1
Share of results from inv. in JVs											0,0	0,0	7,3	10,9	7,3	10,9
TOTAL INCOME	**78,8**	**83,4**	**3,5**	**2,9**	**41,6**	**40,1**	**16,0**	**0,00**	**0,0**	**0,0**	**127,5**	**126,4**	**(22,6)**	**(26,3)**	**117,3**	**100,1**
Charter hire expenses	(15,4)	(15,4)	0,0	0,0	0,0	0,00	0,0	0,00	0,0	0,0	(15,4)	(15,4)	(11,1)	(11,1)	(26,5)	(26,5)
Operating expenses	(23,4)	(25,5)	0,0	0,0	0,0	0,00	(1,9)	0,00	0,0	0,0	(25,4)	(25,5)	5,4	8,1	(19,9)	(17,5)
Construction contract expenses	0,0	0,0	0,0	0,0	(32,0)	(32,9)	(5,4)	0,00	0,0	0,0	(37,3)	(32,9)	(0,0)	0,0	(37,3)	(32,9)
Administrative expenses	(2,4)	(2,5)	0,0	0,0	(3,1)	(3,7)	(1,2)	0,00	(10,8)	(6,1)	(17,6)	(12,4)	0,1	0,1	(17,5)	(12,2)
Business development expenses	(4,8)	(4,0)	(8,4)	(7,8)	(8,2)	(2,7)	0,0	0,00	0,0	0,0	(21,4)	(14,5)	0,0	0,0	(21,4)	(14,5)
EBITDA	**32,7**	**36,0**	**(4,8)**	**(4,9)**	**(1,7)**	**0,8**	**7,5**	**0,00**	**(10,8)**	**(6,1)**	**15,4**	**25,7**	**(28,1)**	**(29,1)**	**(5,2)**	**(3,4)**
Gain/(loss) on sale on assets											0,0	0,0	0,0	0,0	0,0	0,0
Depreciation vessel/shipyard	(20,4)	(21,7)	0,0	0,0	0,0	0,00	(2,2)	0,00	0,0	0,0	(22,6)	(21,7)	9,3	9,2	(13,3)	(12,6)
Depreciation other assets	(0,2)	(0,3)	0,0	0,0	(0,1)	0,00	0,0	0,00	(0,6)	(0,7)	(0,8)	(1,0)	0,8	1,0	0,0	0,0
EBIT	**12,1**	**14,0**	**(4,8)**	**(4,9)**	**(1,8)**	**0,8**	**5,3**	**0,00**	**(11,4)**	**(6,9)**	**(5,9)**	**3,0**	**(17,9)**	**(19,0)**	**(18,5)**	**(16,0)**
Interest expenses	(19,6)	(17,3)	0,0	0,0	(4,0)	0,0	(3,1)	0,00	(0,1)	(2,8)	(26,9)	(20,1)	17,5	17,3	(9,4)	(2,8)
Interest income	0,0	0,0	0,0	0,0	0,0	0,0	1,0	0,00	0,0	0,1	1,0	0,1	0,4	1,6	1,4	1,8
Other financial items	(1,0)	(0,4)	0,0	0,0	(0,1)	(0,0)	(0,4)	0,00	(0,7)	1,2	(2,2)	0,8	0,0	0,0	(2,1)	0,8
Net financials	**(20,6)**	**(17,7)**	**0,0**	**0,0**	**(4,1)**	**(0,00)**	**(2,6)**	**0,00**	**(0,8)**	**(1,5)**	**(28,1)**	**(19,2)**	**17,9**	**19,0**	**(10,2)**	**(0,2)**
Profit before tax	**(8,5)**	**(3,7)**	**(4,8)**	**(4,9)**	**(5,9)**	**0,8**	**2,7**	**0,00**	**(12,2)**	**(8,3)**	**(28,7)**	**(16,2)**	**0,0**	**0,0**	**(28,7)**	**(16,2)**
Tax	(0,5)	(0,7)	0,0	0,0	0,0	0,0	(0,1)	0,00	0,0	0,0	(0,7)	(0,7)	0,0	0,0	(0,7)	(0,7)
Profit after tax	**(9,0)**	**(4,5)**	**(4,8)**	**(4,9)**	**(5,9)**	**0,8**	**2,6**	**0,00**	**(12,2)**	**(8,3)**	**(29,4)**	**(16,9)**	**0,0**	**0,0**	**(29,4)**	**(16,9)**
Profit (loss) after tax attributable to:																
Equity holders of the parent	**(9,0)**	**(4,5)**	**(4,8)**	**(4,9)**	**(5,9)**	**0,8**	**1,5**	**0,0**	**(12,2)**	**(8,3)**	**(30,5)**	**(16,9)**	**0,0**	**0,0**	**(30,5)**	**(16,9)**
Non-controlling interests	**0,0**	**0,0**	**0,0**	**0,0**	**0,0**	**0,0**	**1,1**	**0,0**	**0,0**	**0,0**	**1,1**	**0,0**	**0,0**	**0,0**	**1,1**	**0,0**
Selected items in Financial Position	30.09.14	30.09.13	30.09.14	30.09.13	30.09.14	30.09.13	30.09.14	30.09.13	30.09.14	30.09.13	30.09.14	30.09.13	30.09.14	30.09.13	30.09.14	30.09.13
Intangible assets																
Licenses, design and other intangibles	36,3	36,5	37,0	37,0	0,0	0,0	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	459,4	465,3	0,0	0,0	199,1	347,4	568,2	0,0	0,0	0,0	1 226,7	812,7	(409,0)	(424,4)	817,7	388,3
Current assets/ (current liabilities)																
Unbilled construction contract receivable	0,0	0,0	0,0	0,0	0,0	26,3	5,2	0,0	0,0	0,0	5,2	26,3	0,0	0,0	5,2	26,3
Liabilities																
External interest-bearing debt	335,6	433,0	0,0	0,0	0,0	0,0	472,8	0,0	121,4	130,3	929,8	563,2	(395,5)	(409,5)	534,3	153,8

[2] The MLP provided the Company with a USD 140 million loan from the net IPO proceeds. The loan note is repayable on demand and bears interest at a rate of 5.88% per annum. As of 30 September 2014, USD 141.1 million was outstanding under the loan note including accrued interest. As of 30 September 2014, cash held by the MLP totalled USD 73.5 million, including its proportionate share of cash held by joint venture companies.

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 0.5 million in the third quarter of 2014 and USD 0.5 million in the third quarter of 2013.

During this year's third quarter, a total of 35,000 shares in Methane Ventures Limited were sold by members of management and others to Höegh LNG Holdings Ltd. at a weighted average price of NOK 21.45 per share. An amount of USD 0.1 million has consequently been charged the Company's equity and presented as a reduction in other paid-in capital in the third quarter 2014. The Company owns 63.31% of the shares in Methane Ventures Limited on 30 September 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 September 2014, the total remaining capital expenditures relating to these commitments were approximately USD 463 million including yard payments, project expenses, finance costs and contingencies. The said remaining capital expenditure will be payable through 2Q 2015.

As of 30 September 2014, Höegh LNG had USD 285.9 million in current cash and marketable securities.

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. In November the Company took delivery of the Höegh Gallant and made a USD 188.2 million drawing under the facility.

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 relating to the bond issue.

At 30 September 2014, the mark-to-market valuation of the interest rate swaps was recognised in the financial position as financial liabilities (USD 118.7 million) and financial assets (USD 11.2 million). The financial liabilities were classified as non-current (USD 104.4 million) and current (USD 14.3 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 87.1 million on 30 September 2014.

As of 30 September 2014, the net mark-to-market valuation of the swaps entered into was recognized at a negative USD 92.6 million in the book equity of the Company.

In the third quarter 2014, USD 5.0 million relating to the swaps entered into by the Company was recorded as a gain in other comprehensive income (OCI), up from a positive OCI of USD 2.9 million in the same period last year. An ineffective portion of the Company's swaps has been recorded as a financial cost of USD 0.5 million in the quarter (NIL in same quarter last year).

7. EQUITY ISSUANCE AND NON-CONTROLLING INTERESTS

On 12 August 2014, when HMLP closed the initial public offering of 11,040,000 common units representing limited partner interests in the Partnership and the units subsequently were listed at the New York Stock Exchange, the Company recognised directly into equity a non-controlling interest (NCI), as the Company on this date decreased its ownership interest in HMLP. The common units held by the public (11,040,000) represent a non-controlling interest equivalent to 41.96 % of the net assets in HMLP. The net assets in the MLP amounted to USD 230.1 million on 12 August 2014, and equity attributed to NCI on this date amounted to USD 97.3 million. Total comprehensive income attributable to NCI after the IPO amounted to USD 1.1 million bringing an equity balance of NCI at USD 98.4 million on 30 September 2014.

In addition to introducing the NCI on this date, the Company also recognized an increase in equity attributable to equity holders of the parent. The difference between the non-controlling interests and the fair value of the consideration received, are attributed to equity holders of the parent with a total of USD 106.2 million. This is classified as other paid-in capital and changes in cash flow hedge reserves by USD 79.3 and USD 26.8 million, respectively.

Total increased equity on 12 August 2014 of USD 203.5 million is equivalent to the net proceeds from the unit issuance in HMLP.

8. CLAIMS AND CONTINGENCIES

On 22 July 2014, the Company served the Notice of Readiness for PGN FSRU Lampung to PGN, triggering the start of time charter hire payments and the commissioning phase. During commissioning of the PGN FSRU Lampung project (comprising the FSRU, the Mooring and the pipeline), the FSRU experienced problem with the regasification system and had to temporarily cease operations. The problems were fixed under the warranty provision of the FSRU. Commissioning was resumed and all performance testing completed on 30 October 2014. PGN FSRU Lampung has subsequently obtained the Certificate of Acceptance from PGN and is now in full operation.

Subject to conditions caused by PGN, the Company is committed to pay a day rate for delay liquidated damages to PGN up to a maximum amount of USD 10.7 million if PGN FSRU Lampung is not connected to the Mooring and ready to deliver LNG by the scheduled arrival date or acceptance is not achieved by the scheduled delivery date. PGN believes it has claims for delays in the scheduled arrival date and the acceptance date and has issued invoices for delay liquidated damages for September and October 2014. PGN has not paid its time charter hire for September or October 2014.

The Company has included potential delay liquidated damages in its project contingencies as part of estimated total construction contract costs for the Mooring as the basis for computing the percentage of completion. During the third quarter of 2014, delayed liquidated damages of approximately USD 6.1 million were recorded for claims up to September 30, 2014. The total for actual and potential claims for delay liquidated damages included in the estimated total costs is approximately USD 8.1 million.

The Company is jointly and severally liable for the delay liquidated damages of the pipeline contractor to the extent the required bank letter of credit of the pipeline contractor or the contractor itself fails to perform. Similarly, the pipeline contractor is jointly and severally liable for the Company's delay liquidated damages. The maximum exposure for the pipeline contractor delay liquidated damages is approximately USD 11.5 million. Further, the Company and the pipeline contractor have an agreement to cover the other party's delay liquidated damages to the extent caused by the other party's scope of work. The Company has not received any notification relating to potential pipeline contractor delay liquidated damages.

9. SUBSEQUENT EVENTS

FSRU Independence arrived at Klaipeda in Lithuania on schedule and started the commissioning phase under its ten year contract with Klaipedas Nafta.

PGN FSRU Lampung resumed operations after resolving the problems with the regasification system achieved the Certificate of Acceptance from PGN with effect from 30 October 2014.

On 1 November 2014, the Company signed an FSRU contract with Sociedad Portuaria El Cayao S.A. E.S.P. (SPEC) for a new LNG import terminal in Cartagena, on the Atlantic coast of Colombia. The FSRU contract is for twenty years, but includes options for SPEC to reduce the term to five, ten or fifteen years. SPEC will confirm the initial contract term before start of operations, which is expected mid-2016. The Company will employ the fourth FSRU under construction at HHI for the project. SPEC is majority owned by Promigas and private equity firms. Promigas is one of the largest private utility providers of natural gas in Colombia, listed on the Colombian Stock Exchange.

On 3 November 2014, the Company signed a five year FSRU contract with the government owned Egyptian Natural Gas Holding Company (Egas) for use of the FSRU Höegh Gallant as an LNG import terminal at Ain Sokhna port, located on the Red Sea in Egypt.

Höegh Gallant was delivered from the yard on 4 November 2014 and was directly employed on a short term charter to operate as an LNG carrier. After the short term charter she will proceed to a yard in Singapore for minor modifications required for the Egas contract, including upgrading of the regas capacity, before sailing to Ain Sokhna port for start-up and commissioning by the end of the first quarter 2015. This means Höegh Gallant will only generate limited income in the first quarter of 2015.

On 6 November 2014, the Company placed an order for a fifth FSRU at Hyundai Heavy Industries. The FSRU, which will be delivered first quarter 2017, has full trading capability and increased regasification capacity compared to the Company's existing fleet.

10. 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 (UNAUDITED)

INCOME STATEMENT CONSOLIDATED BY PROPORTIONATE AND EQUITY METHODS

	3Q2014			Jan Sep 2014		
	Proportionate method	Adjustment	Equity method	Proportionate method	Adjustment	Equity method
Freight revenues	39 555	(10 208)	29 347	94 178	(30 422)	63 756
Voyage expenses	(3 888)	0	(3 888)	(3 896)	0	(3 896)
Income on T/C basis	**35 667**	**(10 208)**	**25 459**	**90 282**	**(30 422)**	**59 860**
Construction contract revenue	6 121	-	6 121	44 379	(0)	44 379
Management and other income	(460)	11	(449)	5 325	468	5 793
Share of results from investments in joint ventures	-	2 626	2 626	-	7 316	7 316
Total income	**41 328**	**(7 570)**	**33 758**	**139 986**	**(22 638)**	**117 348**
Charterhire expenses	(5 181)	(3 738)	(8 918)	(15 373)	(11 091)	(26 464)
Construction contract expenses	(6 606)	-	(6 606)	(37 333)	(0)	(37 333)
Operating expenses	(9 825)	1 795	(8 030)	(25 358)	5 435	(19 923)
Administrative expenses	(6 759)	172	(6 586)	(17 621)	137	(17 484)
Business development expenses	(7 498)	-	(7 498)	(21 408)	39	(21 369)
Operating profit before depreciation	**5 460**	**(9 340)**	**(3 881)**	**22 893**	**(28 118)**	**(5 225)**
Gain/(loss) on sale of assets	1	(1)	-	1	(1)	-
Depreciation	(9 588)	3 404	(6 183)	(23 470)	10 219	(13 251)
Operating profit	**(4 127)**	**(5 937)**	**(10 064)**	**(576)**	**(17 900)**	**(18 476)**
Interest income	11	426	437	29	1 328	1 357
Interest expenses	(10 957)	5 510	(5 447)	(25 985)	16 545	(9 440)
Income from other financial items	296	-	297	370	-	370
Expenses from other financial items	(1 125)	1	(1 125)	(2 518)	27	(2 491)
Net financial items	**(11 776)**	**5 937**	**(5 838)**	**(28 104)**	**17 900**	**(10 204)**
Ordinary profit or loss before tax	**(15 902)**	**-**	**(15 902)**	**(28 680)**	**-**	**(28 680)**
Tax	(370)	-	(370)	(670)	-	(670)
Profit (loss) for the period	**(16 272)**	**-**	**(16 272)**	**(29 350)**	**-**	**(29 350)**
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	5 043	(2 074)	2 969	(24 683)	22 332	(2 351)
Share of OCI from joint ventures	-	2 074	2 074	-	(22 332)	(22 332)
Other comprehensive income/(loss) for the period net of tax	**5 043**	**-**	**5 043**	**(24 683)**	**-**	**(24 683)**
Total comprehensive income/(loss)	**(11 229)**	**-**	**(11 229)**	**(54 032)**	**-**	**(54 032)**
Profit /(loss) of the period attributable to (from):						
Equity holders of the parent	(17 356)	-	(17 356)	(30 434)	-	(30 434)
Non-controlling interests	1 084	-	1 084	1 084	-	1 084
	(16 272)	**-**	**(16 272)**	**(29 350)**	**-**	**(29 350)**
Total comprehensive income attributable to (from):						
Equity holders of the parent	(12 321)	-	(12 321)	(55 125)	-	(55 125)
Non-controlling interests	1 092	-	1 092	1 092	-	1 092
	(11 229)	**-**	**(11 229)**	**(54 032)**	**-**	**(54 032)**

APPENDIX B (UNAUDITED)

FINANCIAL POSITION CONSOLIDATED BY PROPORTIONATE AND EQUITY METHODS

	30 September 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	634	-	634	772	-	772
Licenses, design and other intangibles	73 311	-	73 311	73 321	-	73 321
Tangible assets						
Vessels	1 027 615	(409 026)	618 589	455 097	(418 303)	36 794
New buildings	200 108	(976)	199 132	379 119	5 153	384 272
Investment in joint ventures	-	206	206	-	223	223
Non-current financial assets	37 523	92	37 615	20 270	(2 300)	17 970
Other non-current assets	6 808	(78)	6 730	13 785	(2 852)	10 933
Shareholder loans	-	13 623	13 623	-	17 848	17 848
Restricted cash	12 552	(12 552)	-	12 552	(12 552)	-
Total non-current assets	**1 358 551**	**(408 711)**	**949 840**	**954 916**	**(412 783)**	**542 133**
Current assets						
Inventories	3 944	(14)	3 930	87	(14)	73
Unbilled construction contract receivable	5 169	-	5 169	52 672	-	52 672
Trade and other receivables	12 464	(17)	12 447	8 460	(912)	7 549
Shareholder loans	-	6 975	6 975	-	7 113	7 113
Deferred IPO costs	-	-	-		-	-
Marketable securities	159 026	-	159 026	13 794	-	13 794
Restricted cash	1 800	-	1 800	13 595	0	13 595
Cash and cash equivalents	135 508	(10 388)	125 120	57 474	(10 323)	47 151
Total current assets	**317 911**	**(3 444)**	**314 467**	**146 082**	**(4 135)**	**141 946**
TOTAL ASSETS	**1 676 462**	**(412 155)**	**1 264 307**	**1 100 998**	**(416 918)**	**684 080**
EQUITY AND LIABILITES						
Equity						
Share capital	699	-	699	699	-	699
Other paid-in capital	418 719	-	418 719	337 797	-	337 797
Capital reserves	(68 509)	-	(68 509)	(70 666)	-	(70 666)
Retained earnings	90 842	-	90 842	121 276	-	121 276
Equity attributable to equity holders of the parent	**441 751**	**-**	**441 751**	**389 106**	**-**	**389 106**
Non-controlling interests	98 365	**-**	**98 365**	-	**-**	**-**
Total equity	**540 116**	**-**	**540 116**	**389 106**	**-**	**389 106**
Non-current liabilities						
Non-current interest-bearing debt	878 595	(380 685)	497 910	535 298	(391 576)	143 722
Investment in joint ventures	-	88 060	88 060	-	86 208	86 208
Other non-current financial liabilities	113 959	(69 374)	44 585	71 114	(61 594)	9 520
Other long-term debt	13 307	(12 373)	934	11 386	(10 497)	889
Total non-current liabilities	**1 005 861**	**(374 372)**	**631 489**	**617 798**	**(377 458)**	**240 339**
Current liabilities						
Current interest bearing debt	51 121	(14 693)	36 428	35 310	(14 466)	20 844
Trade and other payables	16 491	(610)	15 880	12 432	(1 334)	11 098
Other current financial liabilities	40 077	(20 610)	19 467	33 912	(22 488)	11 424
Provisions and accruals	22 796	(1 870)	20 926	12 441	(1 172)	11 269
Total current liabilities	**130 485**	**(37 783)**	**92 701**	**94 095**	**(39 460)**	**54 635**
TOTAL EQUITY AND LIABILITIES	**1 676 462**	**(412 155)**	**1 264 307**	**1 100 998**	**(416 918)**	**684 080**