HÖEGH LNG

INTERIM RESULTS FOR THE QUARTER ENDED 31 MARCH 2015

Highlights

- Total income USD 46.9 million and operating profit before depreciation ("EBITDA") USD 16.5 million, compared to USD 51.3 million and negative USD 1.0 million, respectively, in the first quarter 2014
- Loss before tax USD 1.9 million, compared to a loss of USD 4.5 million in the first quarter 2014
- First quarterly dividend payment of USD 0.10 per share

Subsequent Events

- Höegh Gallant completed all performance and commissioning tests and subsequently commenced commercial operations in Egypt
- Significant progress on Port Meridian where the Company has an exclusive right to supply one Floating LNG import terminal ("FSRU") and two LNG carriers ("LNGCs")
- The Board of Directors of Höegh LNG approved the Company's second quarter dividend payment of USD 0.10 per share to be paid on or around 19 June 2015. The HLNG shares will be trading ex-dividend from 28 May 2015
- Former CEO of BG-Group, Mr. Chris Finlayson, joined the Höegh LNG Holdings Ltd. ("HLNG" or the "Company") Board as non-executive director, replacing Mr. Jon-Erik Reinhardsen

Group Financial review

HLNG recognises investments in joint venture companies according to the equity method. For the purpose of monitoring the operating performance of its underlying business, the Company reports segments based on proportionate consolidation of joint venture companies. Höegh LNG Partners LP ("HMLP") is fully consolidated.

Consolidated results (joint venture investments accounted for according to the equity method)

For the first quarter 2015, the Company reported USD 46.9 million in total income, down from USD 51.3 million in the first quarter 2014[1], and EBITDA of USD 16.5 million, up from USD (1.0) million. The EBITDA increased mainly due to PGN FSRU Lampung and Independence generating income in the full quarter, off-set by start-up costs related to Höegh Gallant and no contribution from the PGN mooring that was delivered to the customer during fourth quarter 2014.

Depreciation in the first quarter 2015 was USD 8.4 million, an increase from USD 2.9 million, as the fleet comprised three more FSRUs; Independence, PGN FSRU Lampung and Höegh Gallant. Operating profit after depreciation and impairment was USD 8.1 million in the quarter, up from USD (3.9) million.

Net financial items amounted to USD (10.0) million in the first quarter 2015 compared to USD (0.6) million. The increase is mainly due to higher interest expenses following delivery of the three FSRUs.

The Company reports a loss before tax of USD 1.9 million in the quarter, an improvement from a loss of USD 4.5 million. The improvement is mainly due to PGN FSRU Lampung and Independence being in operation, offset by Höegh Gallant still being in the pre-operational phase.

Total cash flow in the quarter was USD 14.3 million, compared to USD 16.0 million.

---

[1] Unless otherwise stated, figures in this section are being compared to figures in the first quarter 2014.

.

Current cash and marketable securities were USD 199.1 million at the end of the first quarter 2015, compared to USD 207.4 at the end of the previous quarter[2]. The book equity after adjusting for mark-to-market of interest rate swaps was USD 560.1 million at the end of the quarter, down from USD 572.7 million at the end of the previous quarter, which is equivalent to an adjusted book equity ratio of 41% and 42%, respectively. Net interest bearing debt was USD 476.4 million at the end of the quarter, up from USD 460.5 million at the end of the previous quarter.

Sum of segments (proportionate consolidation of joint venture investments)

Based on proportionate consolidation of joint venture companies, the sum of segments EBITDA was USD 25.5 million in the quarter (USD 8.4 million). The increase is explained by the same factors as for the consolidated EBITDA set out above.

Table: Selected financial items based on equity and proportionate consolidation

	Consolidated by the equity method		**Consolidated by the proportionate method**	
USD'000	1Q2015	1Q2014	1Q2015	1Q2014
Total income	46 880	51 280	54 264	59 255
Operating profit (loss) before depreciation and impairment	16 480	(1 006)	25 499	8 419
Operating profit	8 105	(3 870)	13 716	2 139
Profit (loss) for the period	(2 382)	(4 503)	(2 382)	(4 503)
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Total assets	1 352 262	1 356 801	1 766 122	1 769 481
Equity	431 641	458 985	431 641	458 985
Equity adjusted for hedging reserves	560 170	572 711	560 170	572 711
Net interest bearing debt	476 372	460 541	841 651	830 662
Equity ratio adjusted for hedging reserves	41%	42%	32%	32%

Corporate matters

On 20 March 2015, the Company paid its first quarterly cash dividend of USD 0.10 per share. The Company's shares traded ex dividend as of 5 March 2015, and the shareholders entitled to the dividend were those on record in Norwegian Central Securities Depository ("VPS") following the close of trading at the Oslo Stock Exchange on 6 March 2015.

On 20 May 2015, the Board of Directors of the Company approved a cash dividend for the second quarter 2015 of USD 0.10 per share. The last day the shares of the Company will be traded inclusive dividend at the Oslo Stock Exchange is 27 May 2015 and the shares will consequently be traded ex dividend as of 28 May 2015. The shareholders entitled to the dividend will be those on record in VPS following the close of trading at the Oslo Stock Exchange on 29 May 2015.

During the quarter, the Company re-purchased its own bonds (ticker: HLNG01) with a carrying value of USD 2.2 million. As of 31 March 2015 the Company held the equivalent of 7.2% of its bonds outstanding.

During the quarter, the Company received USD 5.2 million in dividends from its 58% ownership in HMLP.

The former CEO of BG-Group, Mr. Chris Finlayson, joined HLNG's Board as non-executive director with effect from 12 May 2015, replacing Mr. Jon-Erik Reinhardsen who resigned in September 2014. Mr Finlayson is also a member of the Governance, Compliance and Compensation Committee. Furthermore, Mr. Guy D. Lafferty resigned as a director of the Company and was appointed alternate director.

[2] As reported on 25 March 2015, the approved result for 2014 was reduced by USD 1.2 million compared to the preliminary full year result released on 28 February 2015, due to a subsequent event on which the Company reached an understanding with its client and the pipeline contractor relating to the delayed start up of the FSRU project in Indonesia. Consequently, the final fourth quarter and full year 2014 income statement and financial position have been changed accordingly.

Business review

The FSRU segment

The two GDF SUEZ FSRUs, PGN FSRU Lampung and Independence were 100% onhire during the quarter.

Höegh Gallant finished her employment as an LNGC mid-January 2015 and directly entered a yard for minor modifications required for the Egas contract. She arrived in Egypt early April 2015 and on 29 April 2015, Höegh Gallant had successfully completed all performance and commissioning tests, and subsequently commenced commercial operations under her five years FSRU contract with Egas.

In late 2012, the Company sold Port Meridian to West Face Capital, the parent company of Meridian LNG, and as part of the transaction, the Company retained an exclusive right to provide one FSRU and two LNGCs to the project. On 23 April 2015, Meridian LNG announced a gas sales agreement with E.ON, UK, which, having been the critical element for moving the project forward, represents significant progress for the project towards a final investment decision ("FID"). Further, Meridian LNG has a non-binding tolling agreement with Magnolia LNG, a proposed LNG export project located in the U.S. Gulf, for the supply of LNG. An FID for Magnolia LNG and Meridian LNG is expected in 2016.

The Company is now well into the operations phase of its recent FSRU expansion with the three FSRUs delivered during 2014 all being in commercial operation. The Company is currently bidding on four new FSRU projects and the number of FSRU opportunities continues to increase, driven by the competitive advantages of the FSRU solution for import of LNG and the low gas price environment. To position itself for the expected strong growth in demand for FSRUs, the Company issued an FSRU newbuilding tender in 2014. The Company has received attractive offers and is now considering to accelerate its stated newbuilding investment plan.

The FLNG segment

On 26 February 2015, Delfin LNG announced the signing of a Joint Development Agreement with Höegh LNG for an Floating LNG liquefaction terminal ("FLNG") project to be located offshore in the U.S. Gulf. Delfin LNG submitted its application to the relevant U.S. permitting authority, MARAD, in early May 2015 and expects permitting of the facilities to take 18-20 months. The next milestone for the project is to enter the FEED phase.

The Company continues to make progress on its second North American FLNG project and is in parallel working on one other FLNG project at an early stage of the business development phase.

The LNGC segment

The four LNGCs were operated safely and without incidents in the reporting period.

Market

The 40% drop in the oil price in USD over the last nine months continues to be the main focus within the energy markets. LNG prices are generally linked to the oil price and have consequently also fallen, however, not necessarily to the same extent. Whereas spot LNG prices world wide have dropped significantly, more than 50% year-on-year in Asia, the price of LNG sold under long term contracts often includes an s-curve that is limiting the drop in the LNG price to a pre-defined floor. Approximately 70% of the global LNG volumes are sold under long term contracts.

The world-wide LNG liquefaction capacity is currently around 260 MTPA, which is expected to increase by approximately 120 MTPA over the next three years from projects under various stages of completion, mainly in Australia and the U.S. With the U.S. LNG liquefaction export starting later this year, a new pricing element will be introduced to the market; the contracts are based on the U.S. natural gas price plus a fixed tolling fee. In addition to a different pricing model, the contracts will bring increased destination flexibility since the LNG is delivered Free on Board (FOB), which should add extra dynamism to the overall LNG market.

The increased LNG liquefaction capacity combined with increased flexibility and lower and more diversified prices will, in Höegh LNG's view, make LNG more attractive to importers. Over the last six months, the Company has seen that the lower LNG prices have led to higher demand for LNG and consequently higher demand for FSRUs, particularly in price sensitive markets. The Company's project in Egypt is a good example of this. In addition, three to four projects located in Asia, Africa and South-America have been initiated as a result of lower LNG prices. In total, the Company has identified around 30 potential FSRU projects world-wide, against four uncommitted FSRUs under construction, of which the Company has one.

Over the next five years the Company expects an average of two to four FSRU contracts to be signed per year.

There is currently a long list of potential LNG liquefaction projects, representing an additional capacity of 150 MTPA, that have not yet reached FID. However, many of these projects will, in the current low energy price environment, be too expensive to be commercialised and therefore be delayed and redesigned in order to reduce project costs. Going forward, this could create additional opportunities for FLNG solutions, since FLNG normally has a lower initial investment and a shorter development schedule than land based LNG liquefaction facilities. Based on the current U.S. gas price and the price of LNG sold under long term contracts in Asia, FLNG export from North America still offers attractive returns. To Höegh LNG's knowledge, seven FLNGs are currently under construction; three of these are large offshore units with full on-board processing plants, two are conversions of vintage LNGCs designed to process and liquefy lean gas specifications, and two are barge FLNGs designed to liquefy pipeline specification gas.

The LNGC market is still oversupplied, and approximately 12-14% of the fleet is currently without employment. With an orderbook representing 37% of the global fleet the Company expects the LNGC market to remain oversupplied for the next 2-3 years, until all the new LNG liquefaction capacity enters the market. The Company's three LNGCs are all on term charter contracts.

Outlook

The drop in oil prices have led to lower energy and LNG prices, which, together with a significant increase in LNG supply over the next three years, has lead to higher demand for LNG and consequently FSRUs to import the LNG. Being less capital intensive, quicker to build and more flexible, FSRUs have become the preferred solution for new importers, and with the leading position in the FSRU market and a strong track-record of securing new contracts, the Company is well positioned to succeed with its stated growth strategy for the FSRU segment. Within FLNG, the Company will continue to focus on its North American projects, and will only order when a commercial agreement with the client has been secured.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Unaudited	Unaudited	Audited
USD'000	**Note**	**1Q2015**	**1Q2014**	**2014**
Freight revenues		42 783	17 234	90 001
Voyage expenses		(526)	(8)	(6 320)
Income on T/C basis		**42 257**	**17 226**	**83 681**
Construction contract revenue		-	28 248	52 479
Management and other income		2 021	3 589	8 149
Share of results from investments in joint ventures		2 602	2 217	9 995
Total income		**46 880**	**51 280**	**154 304**
Charterhire expenses		(8 705)	(8 725)	(35 383)
Construction contract expenses		-	(23 965)	(36 230)
Operating expenses	8	(9 449)	(6 862)	(31 826)
Project administrative expenses	8	(3 416)	(3 196)	(16 017)
Group administrative expenses	8	(5 088)	(4 717)	(16 574)
Business development expenses	8	(3 742)	(4 821)	(17 913)
Operating profit (loss) before depreciation and impairment		**16 480**	**(1 007)**	**361**
Depreciation		(8 375)	(2 864)	(21 068)
Impairment		-	-	(44 836)
Operating profit (loss) after depreciation and impairment		**8 105**	**(3 871)**	**(65 543)**
Interest income		380	475	1 778
Interest expenses		(9 353)	(363)	(18 341)
Income from other financial items		577	19	562
Expenses from other financial items		(1 568)	(749)	(4 795)
Net financial items		**(9 964)**	**(618)**	**(20 796)**
Ordinary profit or (loss) before tax		**(1 859)**	**(4 489)**	**(86 339)**
Corporate income tax		(523)	(15)	(2 017)
Profit (loss) for the period		**(2 382)**	**(4 504)**	**(88 356)**
Other comprehensive income				
Items that will not be reclassified to profit or (loss)				
Net gain (loss) on other capital reserves		-	-	(420)
Items that may be subsequently reclassified to profit or (loss)				
Net gain (loss) on hedging reserves		(9 249)	(6 343)	(29 285)
Share of OCI from joint ventures		(5 553)	(4 203)	(16 218)
Other comprehensive income (loss) for the period net of tax	6	**(14 802)**	**(10 546)**	**(45 923)**
Total comprehensive income (loss)		**(17 184)**	**(15 050)**	**(134 279)**
Profit (loss) of the period attributable to (from):				
Equity holders of the parent		(4 276)	(4 504)	(93 818)
Non-controlling interests		1 894	-	5 462
		(2 382)	**(4 504)**	**(88 356)**
Total comprehensive income attributable to (from):				
Equity holders of the parent		(16 464)	(15 050)	(135 935)
Non-controlling interests		(706)	-	1 656
		(17 184)	**(15 050)**	**(134 279)**
Earnings per share attributable to equity holders of the parent during the period:				
Basic and diluted earnings per share (loss)		(0,06)	(0,07)	(1,37)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

USD'000	Notes	Unaudited **2015** 31 March	Unaudited **2014** 31 December
ASSETS			
Non-current assets			
Intangible assets			
Deferred tax assets		344	374
Licenses, design and other intangibles		37 002	37 002
Tangible assets			
Investments in FSRUs and LNG Carrier		904 147	896 978
Investments in new buildings under construction		130 546	127 092
Investment in joint ventures		-	-
Other non-current financial assets	6	21 875	27 124
Other non-current assets		9 951	9 825
Shareholder loans		11 051	12 287
Restricted cash		15 116	15 184
Total non-current assets		**1 130 032**	**1 125 866**
Current assets			
Bunkers and inventories		1 741	968
Trade and other receivables		14 891	15 948
Shareholder loans		6 535	6 665
Marketable securities		100 627	117 317
Restricted cash		17 800	23 735
Cash and cash equivalents		80 636	66 302
Total current assets		**222 230**	**230 935**
TOTAL ASSETS		**1 352 262**	**1 356 801**
EQUITY AND LIABILITES			
Equity			
Share capital		699	699
Other paid-in capital		420 236	419 835
Capital reserves		(98 137)	(85 936)
Retained earnings		15 012	27 458
Equity attributable to equity holders of the parent		**337 810**	**362 056**
Non-controlling interests		93 831	96 929
Total equity		**431 641**	**458 985**
Non-current liabilities			
Deferred tax liability		143	150
Non-current interest-bearing debt		642 645	636 257
Investment in joint ventures	6	98 751	95 012
Other non-current financial liabilities	6	75 006	61 964
Deferred revenue		910	983
Total non-current liabilities		**817 455**	**794 366**
Current liabilities			
Current interest bearing debt		47 906	46 822
Income tax payable		775	491
Trade and other payables		13 116	13 930
Other current financial liabilities	6	27 360	27 712
Provisions and accruals		14 009	14 495
Total current liabilities		**103 166**	**103 450**
TOTAL EQUITY AND LIABILITIES		**1 352 262**	**1 356 801**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

		Unaudited	Unaudited	Unaudited
USD'000	**Note**	**1Q 2015**	**1Q2014**	**2014**
Operating activities:				
Profit /(loss) before tax for the period		(1 859)	(4 488)	(86 339)
Non-cash adjustment to reconcile profit before tax to net operational cash flow				
Depreciation vessels, drydocking and equipment		8 375	2 864	21 068
Impairment		-	-	44 836
Fair value adjustments on marketable securities		(533)	(17)	(371)
Interest income		(380)	(475)	(1 778)
Interest cost		9 353	363	18 341
Share-base payment cost and BoD remuneration not paid-out		435	423	2 272
Share of profits from investments in joint ventures		(2 602)	(2 217)	(9 995)
Construction contract revenue (Mooring)		-	(4 283)	(16 249)
Working capital adjustments				
Change in inventories, receivables and payables		643	5 772	(2 697)
Proceeds from sale of mooring		-	-	107 931
Dividend received from joint ventures		789	814	3 460
Payment of income tax		-	-	(117)
i) Net cash generated from operating activities		**14 221**	**(1 244)**	**80 362**
Investing activites:				
Investment in marketable securities		-	-	(145 000)
Proceeds from sale of marketable securities		17 176	-	41 669
Investments in vessels, drydocking, new buildings and mooring		(12 880)	(51 920)	(660 757)
Investment in intangibles, equipment and other		(340)	(219)	(1 742)
Repayment of shareholder loans		1 725	2 033	7 276
ii) Net cash used in investing activities		**5 681**	**(50 106)**	**(758 554)**
Financing activites:				
Gross proceeds from equity issuance in Hoegh LNG Partners LP		-	-	220 800
Transaction cost of equity issuance		-	-	(17 333)
Dividend paid to non-controlling interest (MLP)		(3 726)	-	(2 025)
Dividend paid to shareholders of the parent		(6 869)	-	-
Proceeds from borrowings		28 200	108 000	644 892
Repayment of borrowings		(11 747)	(30 000)	(88 414)
Interest paid		(10 645)	(2 441)	(20 416)
Breakage cost paid on interest rate swaps		-	-	(1 100)
(Increase) decrease in restricted cash		68	-	(25 324)
Payment of debt issuance cost		(849)	(8 315)	(13 738)
iii) Net cash flows from financing activities		**(5 568)**	**67 244**	**697 342**
Net increase/(decrease) in cash and cash equivalents (i+ii+iii)		**14 334**	**15 894**	**19 150**
Current cash, cash equivalents at the beginning of the period		66 302	47 152	47 152
Current cash and cash equivalents at the end of the period		**80 636**	**63 046**	**66 302**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2015

	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 1)	**Total equity**
At 1 January 2015	**699**	**344 317**	**(12)**	**75 529**	**(83 072)**	**(2 863)**	**27 458**	**362 056**	**96 929**	**458 985**
Profit (loss) for the period	-	-	-	-	-	-	(4 276)	(4 276)	1 894	(2 382)
Other comprehensive income / (loss)		-	-	-	(12 202)	-	-	(12 202)	(2 600)	(14 802)
Total comperehensive income	-	-	-	-	*(12 202)*	-	*(4 276)*	*(16 478)*	*(706)*	*(17 184)*
Indemnification paid to MLP	-	-	-	-	-	-	(1 301)	(1 301)	1 301	-
MLP dividend to non-controlling interest	-	-	-	-	-	-	-	-	(3 726)	(3 726)
Dividend to shareholders of the parent							(6 869)	(6 869)	-	(6 869)
Share-based payment costs	-	-	-	402	-	-	-	402	33	435
At 31 March 2015 (unaudited)	**699**	**344 317**	**(12)**	**75 931**	**(95 274)**	**(2 863)**	**15 012**	**337 810**	**93 831**	**431 641**

[1] *Equity attributable to non-controlling interests at 31 March 2015 of USD 93.8 million includes negative USD 33.3 million in cash flow hedge reserves*. See table in Note 6.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 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	Cash flow hedge reserves (Note 6)	Other capital reserves	Retained earnings	**Total**	Non-controlling interests	**Total equity**
At 1 January 2014	**699**	**344 257**	**(12)**	**(6 449)**	**(68 223)**	**(2 443)**	**121 276**	**389 105**	**-**	**389 106**
Profit (loss) for the period							(4 503)	(4 503)	-	(4 503)
Other comprehensive income / (loss)					(10 546)			(10 546)	-	(10 546)
Total comperehensive income		-			*(10 546)*	-	*(4 503)*	*(15 049)*	-	*(15 049)*
Share-based payment costs				423				423	-	423
At 31 March 2014 (unaudited)	**699**	**344 257**	**(12)**	**(6 026)**	**(78 769)**	**(2 444)**	**116 774**	**374 478**	**-**	**374 479**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 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	Cash flow hedge reserves (Note 6)	Other capital reserves	Retained earnings	**Total**	Non-controlling interests	**Total equity**
At 1 January 2014	**699**	**344 257**	**(12)**	**(6 449)**	**(68 223)**	**(2 443)**	**121 276**	**389 105**	**-**	**389 105**
Profit (loss) for the period	-	-	-	-	-	-	(93 818)	(93 818)	5 462	(88 356)
Other comprehensive income / (loss)		-	-	-	(41 697)	(420)	-	(42 117)	(3 806)	(45 923)
Total comperehensive income	-	-	-	-	*(41 697)*	*(420)*	*(93 818)*	*(135 935)*	*1 656*	*(134 279)*
Net proceeds of equity issuance and non-controlling interests in Hoegh LNG Partners LP	-	-	-	79 346	26 848	-	-	106 194	97 273	203 467
Other changes in other paid-in capital				384	-	-	-	384	-	384
Issue of share capital (12 June 2014)	-	60	-		-	-	-	60	-	60
MLP dividend to non-controlling interest	-	-	-		-	-	-	-	(2 025)	(2 025)
Share-based payment costs	-	-	-	2 248	-	-	-	2 248	25	2 273
At 31 December 2014	**699**	**344 317**	**(12)**	**75 529**	**(83 072)**	**(2 863)**	**27 458**	**362 056**	**96 929**	**458 985**

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 31 March 2015 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 2014.

3. SEGMENT INFORMATION

For the purpose of making decisions about resource allocation and performance assessment, management monitors the operating results of Höegh LNG's operating segments separately. The only assets and liabilities included in the segment report are vessels, newbuildings, interest bearing debt and intangible assets. The Company's joint ventures are 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 the Company's FSRU and LNGC fleet, and tender activities for new FSRU and LNGC business.

The segment includes time charter income and operating expenses for the three LNGCs Arctic Princess, Arctic Lady and LNG Libra and the two FSRUs Independence and Höegh Gallant. For the Arctic Pricess and Arctic Lady, the segment reporting includes bareboat hire paid to external owners, 66% and 50%, respectively. The segment also includes management income for commercial management services paid by the external owners of the Company's jointly controlled vessels.

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 HMLP.

MLP

The MLP segment includes activities related to HMLP, which was formed to own, operate and acquire FSRUs, LNGCs and other LNG infrastructure assets under long-term charters, defined as five years or more. HMLP's 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. Höegh LNG is obliged to offer any FSRU or LNGC operating under a charter of five or more years to HMLP. The capitalised costs attributable to the MLP segment relate to the ownership of three FSRUs.

Technical segment

The Technical segment is responsible for the technical management of the Company's fleet of FSRUs and LNGCs. It is also responsible for the execution of new regasification and transportation projects up until delivery. The segment records income for technical management services paid by the external owners of the Company's jointly controlled vessels and by the third party owners of the Matthew. The segment further records revenue and expenses relating to new FSRU and LNGC contracts until delivery. The capitalised costs attributable to the segment relate to the FSRU newbuilding programme.

FLNG

The FLNG segment is responsible for the marketing, building and operation of FLNG. The segment records income and expenses relating to engineering studies and expenses related to marketing of the Company's FLNG concept. The capitalised costs relate to investments in a generic FLNG FEED.

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 fourth quarter ended 31 March for 2015 and 2014, respectively.

Table: Segment information

Quarterly segment information USDm	Commercial		FLNG		Technical		MLP [1]		Other		Consolidated (proportionate)		Adjustments		Consolidated (equity method)	
Income statement	Q1 2015	Q1 2014	Q1 2015	Q1 2014	Q1 2015	Q1 2014	Q1 2015	Q1 2014	Q1 2015	Q1 2014	Q1 2015	Q1 2014	Q1 2015	Q1 2014	Q1 2015	Q1 2014
Freight revenue	30,6	27,4	0,0	0,0	0,0	0,0	22,2	0,0	0,0	0,0	52,8	27,4	(10,0)	(10,2)	42,8	17,2
Voyage expenses	(0,5)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	(0,5)	0,0	0,0	0,0	(0,5)	0,0
Income on T/C basis	**30,0**	**27,4**	**0,0**	**0,0**	**0,0**	**0,0**	**22,2**	**0,0**	**0,0**	**0,0**	**52,3**	**27,4**	**(10,0)**	**(10,2)**	**42,3**	**17,2**
Construction contract revenue	0,0	0,0	0,0	0,0	0,0	28,2	0,0	0,0	0,0	0,0	0,0	28,2	0,0	0,0	0,0	28,2
Management and other income	0,0	0,4	1,2	2,7	0,6	0,6	0,2	0,0	0,0	0,0	2,0	3,6	(0,0)	0,0	2,0	3,6
Share of results from inv. in JVs											0,0	0,0	2,6	2,2	2,6	2,2
TOTAL INCOME	**30,1**	**27,8**	**1,2**	**2,7**	**0,6**	**28,8**	**22,5**	**0,0**	**0,0**	**0,0**	**54,3**	**59,3**	**(7,4)**	**(7,9)**	**46,9**	**51,3**
Charter hire expenses	(5,1)	(5,1)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	(5,1)	(5,1)	(3,6)	(3,7)	(8,7)	(8,7)
Operating expenses	(7,2)	(8,3)	0,0	0,0	0,0	(0,5)	(4,1)	0,0	0,0	0,0	(11,3)	(8,8)	1,9	1,9	(9,4)	(6,9)
Construction contract expenses	0,0	0,0	0,0	0,0	0,0	(24,0)	0,0	0,0	0,0	0,0	0,0	(24,0)	0,0	0,0	0,0	(24,0)
Project administration expenses	(0,3)	(0,5)	0,0	0,0	(2,2)	(3,0)	(1,0)	0,0	0,0	0,0	(3,5)	(3,5)	0,0	0,0	(3,4)	(3,5)
Group administrative expenses	(0,0)	(1,5)	0,0	0,0	(0,3)	(0,1)	(1,4)	0,0	(3,5)	(4,6)	(5,1)	(6,2)	0,1	0,3	(5,1)	(5,9)
Business development expenses	(1,5)	0,0	(2,2)	(3,3)	0,0	0,0	0,0	0,0	0,0	0,0	(3,7)	(3,3)	(0,0)	0,0	(3,7)	(3,3)
EBITDA	**15,9**	**12,4**	**(1,0)**	**(0,7)**	**(1,9)**	**1,2**	**16,0**	**0,0**	**(3,4)**	**(4,6)**	**25,5**	**8,4**	**(9,0)**	**(9,4)**	**16,5**	**(1,0)**

Selected items in Financial Position	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
Intangible assets																
Licenses, design and other intangibles	0,0	36,4	37,0	37,0	0,0	0,0	0,0	0,0	0,0	0,0	37,0	73,4	0,0	0,0	37,0	73,4
Tangible assets																
Vessels and new buildings	742,9	449,0	0,0	0,0	130,0	420,8	568,5	0,0	0,0	0,0	1 441,4	869,8	(407,0)	(414,8)	1 034,5	455,0
Current assets/ (current liabilities)																
Unbilled construction contract receivable	0,0	0,0	0,0	0,0	0,0	80,9	0,0	0,0	0,0	0,0	0,0	80,9	0,0	0,0	0,0	80,9
Liabilities																
External interest-bearing debt	551,3	497,3	0,0	0,0	0,0	0,0	436,5	0,0	91,0	132,7	1 078,8	630,0	(388,0)	(402,6)	690,8	227,4

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 statutory reporting.

[1] The MLP segment comprises amounts (IFRS) for the period 13 August 2014 – 31 March 2015.

[2] HMLP 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 31 March 2015, USD 142.1million was outstanding under the loan note including accrued interest.

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 the first quarter of 2015 (USD 0.4 million).

The Company received USD 0.8 million in dividend from joint ventures during first quarter 2015 (USD 0.8 million).

For more detailed description of recurring related parties' transactions, see information disclosed in Note 32 of the 2014 annual report.

5. COMMITMENTS AND FINANCING

The Company entered into four FSRU shipbuilding contracts with HHI in 2011 and 2012, of which three have been delivered and one is expected to be delivered during the second quarter of 2015. The Company has entered into one additional FSRU shipbuilding contract with delivery in first quarter 2017. As of 31 March 2015, total remaining capital expenditures relating to these commitments were approximately USD 501 million including yard payments, project expenses, finance costs and contingencies. The said remaining capital expenditure will be payable through second quarter 2017.

As of 31 March 2015, Höegh LNG had USD 199.1 million in current cash and marketable securities.

The remaining USD 211.8 million of the USD 412 million facility is expected to be drawn upon delivery of Höegh Grace assumed to be in second quarter 2015.

6. HEDGING RESERVES

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

At 31 March 2015, the mark-to-market valuation of the interest rate swaps was recognised in the financial position as financial liabilities (USD 167.6 million) and financial assets (USD 1.2 million). The financial liabilities were classified as non-current (USD 154.0 million) and current (USD 13.6 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 101.4 million on 31 March 2015.

As of 31 March 2015, the net mark-to-market valuation of the interest rate swaps entered into was recognized at a negative USD 128.5 million in the book equity of the Company.

Table: Interest rate swaps in Financial Position

MTMs of cash flow hedges in the Financial Position (USD'000)	31 March 2015	31 March 2014	31 December 2014
MTMs presented as financial assets	1 239	14 367	5 485
Total MTMs presented as financial liabilities	(66 189)	(14 278)	(52 957)
Total MTMs in the joint ventures	(101 421)	(83 854)	(95 869)
Net MTMs of cash flow hedges	**(166 371)**	**(83 765)**	**(143 341)**
Foreign exchange losses under CCIRS recorded against bond	37 552	4 996	29 366
Accumulated break cost paid	(1 100)	-	(1 100)
Accumulated loss on swap in profit or loss	1 392	-	1 349
Interest rate swaps recorded against equity	**(128 527)**	**(78 769)**	**(113 726)**
Attributable to non-controlling interest	*(33 253)*	-	*(30 653)*
Attributable to equity holders of the parent	*(95 274)*	*(78 769)*	*(83 073)*

In the first quarter 2015, USD 14.8 million relating to the swaps entered into by the Company was recorded as a loss in other comprehensive income (OCI), compared to a loss of USD 11.5 million in the same period last year. An ineffective portion of the Company's swaps has been recorded as a financial cost of USD 0.1 million in the quarter (NIL in same quarter last year).

7. PROJECT ADMINISTRATIVE EXPENSES

The Company is presenting administrative expenses relating to newbuildings, project set-ups and vessels in operation, including the cost of local offices, as project administrative expenses. These costs are reclassified from costs related to business development and group administrative activities. The reclassification has been implemented retrospectively effective for all periods presented. The table below illustrates the impact to the financial statements' line items. There are no changes to reported profit or earnings per share.

USD '000	1Q2014 As previously reported	Reclassification	1Q2014 As restated
Interim consolidated statement of comprehensive income			
Operating exspenses	(6 360)	(502)	(6 862)
Project administrative expenses		(3 196)	(3 196)
Group administrative expenses	(6 204)	1 487	(4 717)
Business development expenses	(7 032)	2 211	(4 821)
Total	**(19 596)**	**0**	**(19 596)**

8. CLAIMS AND CONTINGENCIES

Höegh LNG has during the quarter paid out an indemnification claim of USD 3.1 million to HMLP for non-budgeted expenses related to 2014.

9. SUBSEQUENT EVENTS

- Höegh Gallant completed all performance and commissioning tests and subsequently commenced commercial operations in Egypt
- Significant progress on Port Meridian where the Company has an exclusive right to supply one FSRU and two LNGCs
- The Board of Directors of Höegh LNG approved the Company's second quarter dividend payment of USD 0.10 per share to be paid on or around 19 June 2015. The HLNG shares will be trading ex-dividend from 28 May 2015
- Former CEO of BG-Group, Mr. Chris Finlayson, joins HLNG's Board as non-executive director, replacing Mr. Jon-Erik Reinhardsen, who resigned in September 2014

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 liquefaction 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

		1Q2015
	Proportionate method	Equity method
Freight revenues	52 788	42 783
Voyage expenses	(526)	(526)
Income on T/C basis	**52 262**	**42 257**
Management and other income	2 002	2 021
Share of results from investments in joint ventures	-	2 602
Total income	**54 264**	**46 880**
Charterhire expenses	(5 057)	(8 705)
Operating expenses	(11 345)	(9 449)
Project administrative expenses	(3 526)	(3 416)
Group administrative expenses	(5 096)	(5 088)
Business development expenses	(3 741)	(3 742)
Operating profit before depreciation and impairment	**25 499**	**16 480**
Gain/(loss) on sale of assets	-	
Depreciation	(11 783)	(8 375)
Impairment	-	-
Operating profit	**13 716**	**8 105**
Interest income	22	380
Interest expenses	(14 585)	(9 353)
Income from other financial items	577	577
Expenses from other financial items	(1 589)	(1 568)
Net financial items	**(15 575)**	**(9 964)**
Ordinary profit or loss before tax	**(1 859)**	**(1 859)**
Tax	(523)	(523)
Profit (loss) for the period	**(2 382)**	**(2 382)**
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	(9 249)	(9 249)
Share of OCI from joint ventures	(5 553)	(5 553)
Other comprehensive income/(loss) for the period net of tax	**(14 802)**	**(14 802)**
Total comprehensive income/(loss)	**(17 184)**	**(17 184)**
Profit /(loss) of the period attributable to (from):		
Equity holders of the parent	(4 276)	(4 276)
Non-controlling interests	1 894	1 894
	(2 382)	**(2 382)**
Total comprehensive income attributable to (from):		
Equity holders of the parent	(16 464)	(16 464)
Non-controlling interests	(706)	(720)
	(17 184)	**(17 184)**

APPENDIX B (UNAUDITED)

FINANCIAL POSITION CONSOLIDATED BY PROPORTIONATE AND EQUITY METHODS

	31 March 2015		31 December 2014	
USD'000	Proportionate method	Equity method	Proportionate method	Equity method
ASSETS				
Non-current assets				
Intangible assets				
Deferred tax assets	344	344	374	374
Licenses, design and other intangibles	37 002	37 002	37 002	37 002
Tangible assets				
Investments in FSRUs and LNG Carrier	1 307 183	904 147	1 303 401	896 978
Invest. in new buildings under construction	134 183	130 546	134 203	127 092
Investment in joint ventures	-	-	-	-
Non-current financial assets	21 875	21 875	27 124	27 124
Other non-current assets	9 951	9 951	4 448	9 825
Shareholder loans	-	11 051	-	12 287
Restricted cash	27 668	15 116	27 736	15 184
Total non-current assets	**1 538 206**	**1 130 032**	**1 534 288**	**1 125 866**
Current assets				
Bunkers and inventories	1 755	1 741	984	968
Unbilled construction contract receivable	-	-	-	-
Trade and other receivables	16 912	14 891	17 802	15 948
Shareholder loans	-	6 535	-	6 665
Marketable securities	100 627	100 627	117 317	117 317
Restricted cash	17 800	17 800	23 735	23 735
Cash and cash equivalents	90 822	80 636	75 355	66 302
Total current assets	**227 916**	**222 230**	**235 193**	**230 935**
TOTAL ASSETS	**1 766 122**	**1 352 262**	**1 769 481**	**1 356 801**
EQUITY AND LIABILITES				
Equity				
Share capital	699	699	699	699
Other paid-in capital	420 236	420 236	419 835	419 835
Capital reserves	(98 137)	(98 137)	(85 936)	(85 936)
Retained earnings	15 012	15 012	27 458	27 458
Equity attributable to equity holders of the parent	**337 810**	**337 810**	**362 056**	**362 056**
Non-controlling interests	93 831	93 831	96 929	**96 929**
Total equity	**431 641**	**431 641**	**458 985**	**458 985**
Non-current liabilities				
Deferred tax liability	143	143	150	150
Non-current interest-bearing debt	1 015 037	642 645	1 012 592	636 257
Investment in joint ventures	-	98 751	-	95 012
Other non-current financial liabilities	160 100	75 006	141 441	61 964
Deferred revenue	14 421	910	13 024	983
Total non-current liabilities	**1 189 701**	**817 455**	**1 167 207**	**794 366**
Current liabilities				
Current interest bearing debt	63 531	47 906	62 213	46 822
Income tax payable	775	775	491	491
Trade and other payables	14 050	13 116	14 908	13 930
Other current financial liabilities	47 394	27 360	48 826	27 712
Provisions and accruals	19 031	14 009	16 851	14 495
Total current liabilities	**144 781**	**103 166**	**143 289**	**103 450**
TOTAL EQUITY AND LIABILITIES	**1 766 122**	**1 352 262**	**1 769 481**	**1 356 801**