HÖEGH LNG

INTERIM RESULTS FOR THE QUARTER ENDED 31 MARCH 2016

Highlights

- EBITDA[1] of USD 26.6 million, up from USD 24.6 million in the previous quarter
- Profit after tax USD 6.3 million, up from USD 4.0 million[2] in the previous quarter
- Dividend of USD 0.10 per share paid for the first quarter of 2016
- USD 223 million debt facility signed for FSRU#7
- Höegh Grace delivered and intermediate employment secured
- FLNG activities put on hold
- LNG Libra delivered to its new owner

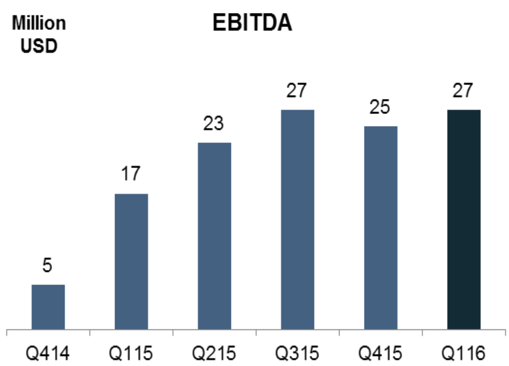
Subsequent events

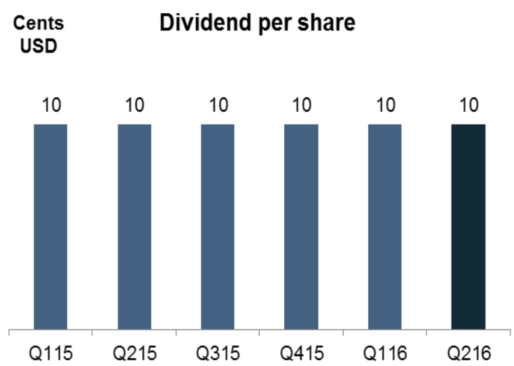
- Dividend of USD 0.10 per share declared for the second quarter of 2016

Strong platform - steady operating results and dividends

Höegh LNG Holdings Ltd. (the Company) and its subsidiaries (together Höegh LNG or the Group) generated stable operating results and cash flows in the quarter from its portfolio of long-term contracts. Together with a strong financial platform, this constitutes the foundation for declaring a cash dividend of USD 0.10 per share for the second quarter of 2016 as well. The average regasification flow rate on Höegh LNG's FSRU fleet has almost tripled compared with the same quarter last year, owing to increased imports driven by ample supplies of LNG being available at low prices.

Table: Reported EBITDA and declared dividend per share





[1] Earnings before interest, taxes, depreciation and amortisation.

[2] Figure adjusted for an USD 37 million impairment of FLNG studies.

Group Financial Review[3]

Höegh LNG reported an EBITDA of USD 26.6 million for the first quarter of 2016, up from USD 24.6 million in the previous quarter. The improvement mainly reflects non-recurring events which adversely affected results in the fourth quarter of 2015, when the LNG carrier (LNGC) LNG Libra was re-delivered from its previous charterer and Arctic Princess was in dry dock. The improvement was partly offset by reduced income for Höegh Gallant during the quarter because of planned maintenance and by the non-recurring reversal of provisions for Egyptian import duties on Höegh Gallant in the previous quarter.

Net financial cost totalled USD 12.2 million for the quarter, down from USD 12.7 million. That resulted in a profit after tax of USD 6.3 million for the period, up from USD 4.0 million adjusted for FLNG impairments.

Net cash flows for the quarter were USD 13.3 million, compared with USD (112.6) million in the previous period. In the quarter, uses mainly comprised capital expenditures, debt service and dividend payments, while sources consisted mainly of proceeds from borrowings and asset sales as well as redemption of marketable securities.

As of 31 March 2016, Höegh LNG had USD 343.5 million in current cash and marketable securities (USD 344.3 million) and net interest-bearing debt of USD 615.8 million (USD 423.2 million). Book equity after adjusting for mark-to-market of interest rate swaps was USD 592.4 million as of 31 March 2016 (USD 597.8 million), which is equivalent to an adjusted book equity ratio of 35.5 per cent (39.8 per cent). The reduction in the adjusted book equity ratio and the increase in net interest-bearing debt for the quarter mainly reflected the delivery of Höegh Grace and subsequent draw down under the associated debt facilities.

Table: Selected financial items

USD'000	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015
Total income	55 439	58 668	58 316	54 981	47 406
EBITDA	26 620	24 599	26 565	22 647	16 480
(Impairment) / reversal of impairment	-	(37 002)	-	3 115	-
EBIT	19 342	(19 305)	16 689	17 198	8 105
Profit (loss) after tax	6 302	(32 993)	2 499	6 021	(2 283)
Total assets	1 667 495	1 502 281	1 548 779	1 473 396	1 348 186
Equity adjusted for hedging reserves	592 432	597 834	641 707	550 072	554 193
Net interest bearing debt	(615 837)	(423 155)	(413 051)	(513 402)	(476 719)
Equity ratio adjusted for hedging reserves	35,5 %	39,8 %	41,4 %	37,3 %	41,1 %

Corporate / other activities

Dividend payments of USD 0.10 per share

The Company paid a cash dividend of USD 0.10 per share in the first quarter of 2016, and the Board of Directors of the Group declared a cash dividend on 26 May 2016 of USD 0.10 per share, equivalent to USD 7.7 million, for the second quarter of 2016. The Company's shares will trade ex-dividend on 8 June 2016. Shareholders recorded in the Norwegian Central Securities Depository (VPS) following the close of trading on Oslo Børs on 9 June 2016 will be entitled to the dividend, which will be payable on or around 21 June 2016.

Distributions received from Höegh LNG Partners LP

Höegh LNG received USD 6.3 million in distributions and USD 0.1 million in Incentive Distribution Rights from Höegh LNG Partners LP (HMLP) during the first quarter of 2016.

Signed the debt financing for FSRU#7

During the quarter, Höegh LNG signed bank loan facilities of USD 223 million for the financing of FSRU#7 (Hull 2552), which is scheduled to be delivered second quarter of 2017. The interest rate for the facility has been fixed at 3.7 per cent for five years.

[3] The financial statements of Höegh LNG include Höegh LNG Partners LP on a consolidated basis and unless otherwise stated, figures in this section are being compared with figures in the fourth quarter 2015.

Funding growth beyond FSRU#8

Höegh LNG has investment capacity on hand to cover the equity portion of one additional FSRU newbuilding order. While the MLP equity market is the preferred source of additional growth capital, Höegh LNG is continuously considering alternative sources of capital in the event that this market should be unavailable or unattractively priced over a longer period. The Group will select the funding alternative considered most accretive to its shareholders for future growth investments.

Should the recent recovery in the MLP equity market continue, Höegh LNG could be in a position to drop-down Höegh Grace to HMLP towards the end of the year. Höegh Grace will be eligible for drop-down upon starting commercial operations in Colombia, which is scheduled to take place during the fourth quarter of 2016.

Management Stock Option Scheme

The Group awarded a third round of stock options on 29 January 2016, granting 820 000 options to senior management and other key employees. The options have a strike price of NOK 88.50 per share. They will vest one third at a time on 31 December 2017, 2018 and 2019, respectively, and elapse on 31 December 2019. Following the award, Höegh LNG has 2 822 009 stock options outstanding.

Höegh LNG issued 47 134 shares at par value during the quarter in connection with the exercise of stock options granted in 2012 and 2014. That raised the Group's issued share capital up to USD 768 763.70 consisting of 76 876 370 fully paid common shares each with a par value of USD 0.01.

Business review

FSRU

All five FSRUs in Höegh LNG's fleet operated in accordance with contract and without incidents during the quarter.

Höegh Grace was delivered from the yard on 31 March 2016, and immediately commenced operations under an intermediate LNGC charter. The intermediate employment lasts until start-up of the FSRU contract in Colombia and covers Höegh LNG's operating costs and ensures that it does not incur fuel expenses in the period. The operating flexibility of Höegh Grace and the other FSRUs in Höegh LNG's fleet demonstrates a key risk mitigating factor for the strategy of always having one uncommitted FSRU on order.

Höegh LNG continues to pursue three FSRU projects with expected start-up dates which match the delivery of FSRU#7 in March 2017. Since a new FSRU order would not have delivery before late 2018, the Group is considering alternatives enabling it to secure more than one project with an early start-up date. Höegh LNG firmly believes that a newbuilt FSRU offers the best project economics to the customer, however, to meet early start-up dates the Group is considering conversions of newbuilt DFDE LNGCs, which would include firm plans for ordering long lead items.

LNGC

LNG Libra was delivered to its new owner during the quarter and is no longer operated by Höegh LNG. The remaining two LNGCs in Höegh LNG's fleet are both on long-term contracts and represent less than 10 per cent of the consolidated vessel EBITDA.

Market

Access to LNG supply has traditionally been the main hurdle for new FSRU projects. However, a large increase in LNG liquefaction capacity has turned the LNG market into a buyers' market for LNG and made ample supplies available at a low cost. The current market situation has attracted new LNG importers that were previously unwilling or unable to buy this commodity. Typical new importers are pursuing LNG as an additional source of energy, either for security of supply reasons or to supplement declining domestic supplies and/or an increasing demand for electricity. Such companies represent the main focus for the FSRU market, since they normally will have very short lead times for starting to import LNG.

The LNGC market remains oversupplied, and Höegh LNG expects it to remain weak for the next two to three years until a substantial part of the new LNG liquefaction capacity under development has entered the market. With two LNGCs on long-term contracts, Höegh LNG currently has no exposure to the LNGC spot market.

Outlook

The improved utilisation of all the FSRUs in Höegh LNG's fleet confirms that the increase in LNG supply has strengthened the FSRU market fundamentals and provided additional support for the strategic drivers in the Group's long-term FSRU contracts. Based on a strong operational performance under the long term contracts, Höegh LNG's operating result has improved significantly over the past year. Höegh LNG's excellent operational track record, combined with a strong balance sheet and proven access to capital markets, creates a solid foundation for delivering on the Group's FSRU growth plan: 12 FSRUs in operations and/or under construction by 2019.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

USD'000	Note	*Unaudited* 1Q 2016	*Unaudited* 1Q 2015	*Audited* YE2015
Freight revenues		51 150	42 783	198 684
Management and other income		990	2 021	9 328
Share of results from investments in joint ventures		3 299	2 602	11 359
Total income		**55 439**	**47 406**	**219 371**
Charterhire expenses		(8 792)	(8 705)	(35 302)
Voyage expenses		(37)	(526)	(2 759)
Operating expenses		(9 349)	(9 449)	(41 870)
Project administrative expenses		(2 960)	(3 442)	(12 824)
Group administrative expenses		(4 765)	(4 892)	(19 039)
Business development expenses		(2 916)	(3 911)	(17 285)
Operating profit (loss) before depreciation and impairment	3	**26 620**	**16 481**	**90 292**
Depreciation		(7 278)	(8 375)	(30 717)
Impairment		-	-	(33 887)
Operating profit (loss) after depreciation and impairment		**19 342**	**8 106**	**25 688**
Interest income		452	380	1 495
Interest expenses		(12 939)	(9 252)	(43 990)
Income from other financial items		1 591	577	423
Expenses from other financial items		(1 335)	(1 568)	(9 318)
Net financial items		**(12 231)**	**(9 863)**	**(51 390)**
Ordinary profit or (loss) before tax		**7 111**	**(1 757)**	**(25 702)**
Corporate income tax		(809)	(523)	(1 056)
Profit (loss) for the period		**6 302**	**(2 280)**	**(26 758)**
Other comprehensive income				
Items that will not be reclassified to profit or (loss)				
Net gain (loss) on other capital reserves		-	-	47
Items that may be subsequently reclassified to profit or (loss)				
Net gain (loss) on hedging reserves		(16 987)	(9 249)	(4 270)
Share of OCI from joint ventures		(12 716)	(5 553)	11 728
Other comprehensive income (loss) for the period net of tax	6	**(29 703)**	**(14 802)**	**7 505**
Total comprehensive income (loss)		**(23 401)**	**(17 082)**	**(19 253)**
Profit (loss) of the period attributable to (from):				
Equity holders of the parent		3 727	(4 217)	(37 737)
Non-controlling interests		2 575	1 937	10 979
		6 302	**(2 280)**	**(26 758)**
Total comprehensive income attributable to (from):				
Equity holders of the parent		(19 765)	(16 418)	(34 784)
Non-controlling interests		(3 636)	(664)	15 531
		(23 401)	**(17 082)**	**(19 253)**
Earnings per share attributable to equity holders of the parent during the period:				
Basic and diluted earnings per share (loss)		0,05	(0,06)	(0,53)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

USD'000	Note	*Unaudited* **2016** 31 March	*Audited* **2015** 31 December
ASSETS			
Non-current assets			
Intangible assets			
Deferred tax assets		384	363
Tangible assets			
Investments in FSRUs		1 163 148	871 353
Investments in new buildings under construction		61 810	161 198
Other non-current financial assets	6	9 576	12 960
Other non-current assets		24 509	25 539
Shareholder loans		4 787	6 861
Restricted cash	7	20 346	19 648
Total non-current assets		**1 284 560**	**1 097 922**
Current assets			
Bunkers and inventories		1 406	1 684
Trade and other receivables		30 345	33 307
Shareholder loans		7 715	7 130
Marketable securities		221 090	231 094
Restricted cash		11 420	15 542
Cash and cash equivalents		110 959	97 623
Total current assets		**382 935**	**386 380**
Asset held for sale		**-**	**17 978**
TOTAL ASSETS		**1 667 495**	**1 502 280**
EQUITY AND LIABILITES			
Equity			
Share capital		769	768
Other paid-in capital		523 356	522 954
Capital reserves		(104 930)	(81 438)
Retained earnings		(24 167)	(19 927)
Equity attributable to equity holders of the parent		**395 028**	**422 357**
Non-controlling interests		61 434	69 208
Total equity		**456 462**	**491 565**
Non-current liabilities			
Deferred tax liability		1 496	358
Non-current interest-bearing debt		911 320	732 026
Investment in joint ventures		82 919	73 502
Other non-current financial liabilities	6	79 470	70 699
Deferred revenue		7 233	7 699
Total non-current liabilities		**1 082 438**	**884 284**
Current liabilities			
Current interest bearing debt		68 332	55 036
Income tax payable		1 881	2 218
Trade and other payables		17 114	18 706
Other current financial liabilities	6	18 884	18 372
Provisions and accruals		22 384	32 099
Total current liabilities		**128 595**	**126 431**
TOTAL EQUITY AND LIABILITIES		**1 667 495**	**1 502 280**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

USD'000	*Unaudited* **1Q2016**	*Unaudited* **1Q2015**	*Audited* **2015**
Operating activities:			
Profit (loss) before tax for the period	7 111	(1 758)	(25 703)
Non-cash adjustment to reconcile profit before tax to net operational cash flow			
Depreciation vessels, drydocking and equipment	7 278	8 375	30 718
Impairment	-	-	33 887
Fair value adjustments on marketable securities	(1 397)	(533)	(362)
Interest income	(452)	(380)	(1 495)
Interest cost	12 939	9 252	43 990
Share-base payment cost and BoD remuneration not paid-out	414	435	1 742
Share of profits from investments in joint ventures	(3 299)	(2 602)	(11 359)
Working capital adjustments			
Change in inventories, receivables and payables	(7 344)	643	2 233
Dividend received from joint ventures	-	789	1 578
Payment of income tax	-	-	(37)
i) Net cash generated from operating activities	**15 250**	**14 221**	**75 191**
Investing activites:			
Investment in marketable securities	-	-	(184 230)
Proceeds from sale of marketable securities	11 514	17 176	71 191
Investments in vessels, drydocking, new buildings and mooring	(199 092)	(12 880)	(56 429)
Net proceeds from sale of LNG Libra	17 978	-	-
Investment in intangibles, equipment and other	-	(340)	(717)
Repayment of shareholder loans	1 750	1 725	6 261
ii) Net cash used in investing activities	**(167 850)**	**5 681**	**(163 925)**
Financing activites:			
Gross proceeds from equity issuance	-	-	102 908
Transaction cost of equity issuance	-	-	(2 509)
Dividend paid to non-controlling interest (MLP)	(4 554)	(3 726)	(14 903)
Dividend paid to shareholders of the parent	(7 562)	(6 869)	(28 169)
Proceeds from borrowings	200 000	28 200	165 200
Payment of debt issuance cost	(2 310)	(849)	(2 630)
Repayment of borrowings	(11 864)	(11 747)	(47 223)
Interest paid	(11 896)	(10 645)	(45 511)
Breakage cost paid on interest rate swaps	-	-	(3 185)
(Increase) decrease in restricted cash	4 122	68	(3 923)
iii) Net cash flows from financing activities	**165 936**	**(5 568)**	**120 055**
Net increase/(decrease) in cash and cash equivalents (i+ii+iii)	**13 336**	**14 334**	**31 321**
Current cash, cash equivalents at the beginning of the period	97 623	66 302	66 302
Current cash and cash equivalents at the end of the period	**110 959**	**80 636**	**97 623**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

	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 (Note 6) [1]	**Total equity**
At 1 January 2016	**768**	**444 740**	**(12)**	**78 226**	**(78 622)**	**(2 816)**	**(19 927)**	**422 357**	**69 208**	**491 565**
Profit (loss) for the period							3 727	3 727	2 575	6 302
Other comprehensive income / (loss)					(23 492)			(23 492)	(6 211)	(29 703)
Total comperehensive income	-	-	-	-	*(23 492)*	-	*3 727*	*(19 765)*	*(3 636)*	*(23 401)*
Capital contribution to MLP							(405)	(405)	405	-
MLP dividend to non-controlling interest								-	(4 554)	(4 554)
Net proceeds of equity issuance	1	251		(252)				-	-	-
Dividend to shareholders of the parent							(7 562)	(7 562)	-	(7 562)
Share-based payment costs				403				403	11	414
At 31 March 2016 (unaudited)	**769**	**444 991**	**(12)**	**78 377**	**(102 114)**	**(2 816)**	**(24 167)**	**395 028**	**61 434**	**456 462**

[1] *Equity attributable to non-controlling interests at 31 March 2016 of USD 61.4 million includes negative USD 33.9 million in cash flow hedge reserves*. See table in Note 6.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 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 (Note 6) [1]	**Total equity**
At 1 January 2015	**699**	**344 317**	**(12)**	**77 801**	**(83 072)**	**(2 863)**	**19 570**	**356 440**	**96 470**	**452 910**
Profit (loss) for the period							(37 737)	(37 737)	10 979	(26 758)
Other comprehensive income / (loss)					2 906	47		2 953	4 552	7 505
Total comperehensive income	-	-	-	-	*2 906*	*47*	*(37 737)*	*(34 784)*	*15 531*	*(19 253)*
Capital contribution to MLP							(2 768)	(2 768)	2 768	-
Other changes in paid in capital				(869)				(869)		(869)
MLP dividend to non-controlling interest								-	(14 904)	(14 904)
Sale of subsidiary to MLP					1 544		29 177	30 721	(30 721)	-
Net proceeds of equity issuance	69	100 423		(41)				100 451	-	100 451
Dividend to shareholders of the parent							(28 169)	(28 169)	-	(28 169)
Share based payment- cash settled				(293)				(293)	-	(293)
Share-based payment costs				1 628				1 628	64	1 692
At 31 December 2015 (audited)	**768**	**444 740**	**(12)**	**78 226**	**(78 622)**	**(2 816)**	**(19 927)**	**422 357**	**69 208**	**491 565**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Höegh LNG Holdings Ltd. (the Company) is an exempted limited company domiciled in and incorporated under the laws of Bermuda. The principal activities of the Company and its subsidiaries (together Höegh LNG or the Group) 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 2016 have been prepared in accordance with IAS 34. The statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2015. New and amended standards of accounting policies effective for periods beginning at or after 1 January 2016 are considered not to have material effects on the Group's financial statements.

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. In segment reporting, the Group's joint ventures are evaluated using the proportionate consolidation method rather than the equity method.

Commercial

The Commercial segment is responsible for the commercial management of the Group's FSRU and LNGC operations, and for tender activities related to new FSRU and LNGC business. The segment includes time-charter income and operating expenses for the FSRU Independence and the LNGCs Arctic Princess and Arctic Lady. The LNGC LNG Libra was included until this vessel was delivered to its new owners in the first quarter of 2016. The segment includes bareboat hire for Arctic Princess and Arctic Lady and management income for commercial management services paid by external owners. Höegh Gallant was transferred from the Commercial segment to HMLP with effect from 1 October 2015.

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 fleet comprises ownership interests in four FSRUs, namely (i) a 50 per cent interest in the GDF Suez Neptune; (ii) a 50 per cent interest in the GDF Suez Cape Ann; (iii) a sole economic interest in the PGN FSRU Lampung and (iv) a 100 per cent interest in Höegh Gallant, which was transferred to the segment with effect from 1 October 2015. Höegh LNG is obliged to offer any FSRU or LNGC operating under a long-term charter to HMLP. Capitalised costs within the segment relate to the ownership of FSRUs.

Technical

The Technical segment is responsible for technical management of the Group's FSRUs and LNGCs and the execution of new regasification and transport projects until delivery. The segment records income for technical management services paid by external owners in the Group's jointly controlled vessels and by the third-party owners of Matthew. The segment further records revenue and expenses relating to new FSRU and LNGC contracts until delivery. Capitalised costs in the segment relate to the FSRU newbuilding programme.

FLNG

The FLNG segment has been responsible for developing and marketing the FLNG concept developed by the Group. It has recorded income and expenses for engineering studies and expenses related to the marketing of the concept. Capitalised costs within the segment relate to investments in a generic FLNG FEED, which was impaired following a decision on 16 February 2016 to put all FLNG activities on hold.

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 Group's operating segments for the quarters ending 31 March 2016 and 2015 respectively.

Table: Segment information

Segment information USDm	Commercial		FLNG		Technical		MLP		Other		Consolidated (proportionate)		Adjustments		Consolidated (equity method)	
Income statement	Q1 2016	Q1 2015	Q1 2016	Q1 2015	Q1 2016	Q1 2015	Q1 2016	Q1 2015	Q1 2016	Q1 2015	Q1 2016	Q1 2015	Q1 2016	Q1 2015	Q1 2016	Q1 2015
Freight revenue	28,1	30,6	-	-	-	-	33,7	22,2	-	-	61,8	52,8	(10,6)	(10,0)	51,2	42,8
Construction contract revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Managment and other income	0,2	0,3	0,1	1,2	0,6	0,6	-	(0,0)	0,1	(0,0)	1,0	2,0	0,0	0,0	1,0	2,0
Share of results from inv. in JVs	-	-	-	-	-	-	-	-	-	-	-	-	3,3	2,6	3,3	2,6
TOTAL INCOME	**28,3**	**30,8**	**0,1**	**1,2**	**0,6**	**0,6**	**33,7**	**22,2**	**0,1**	**(0,0)**	**62,8**	**54,8**	**(7,3)**	**(7,4)**	**55,4**	**47,4**
Charter hire expenses	(5,1)	(5,1)	-	-	-	-	-	-	-	-	(5,1)	(5,1)	(3,7)	(3,6)	(8,8)	(8,7)
Construction contract expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Voyage expenses	(0,0)	(0,5)	-	-	-	-	0,0	0,0	-	-	(0,0)	(0,5)	(0,0)	-	(0,0)	(0,5)
Operating expenses	(5,3)	(7,1)	-	-	(0,2)	(0,1)	(5,9)	(4,2)	-	-	(11,4)	(11,3)	2,0	1,9	(9,3)	(9,4)
Project administrative expenses	(1,2)	(0,6)	-	-	(0,9)	(2,2)	(1,0)	(0,8)	-	-	(3,1)	(3,6)	0,2	0,1	(3,0)	(3,4)
Group administrative expenses	-	-	-	-	-	-	(1,4)	(1,3)	(3,4)	(3,6)	(4,8)	(4,9)	-	0,0	(4,8)	(4,9)
Business development expenses	(1,4)	(1,5)	(1,4)	(2,2)	(0,2)	(0,2)	-	-	-	-	(2,9)	(3,9)	-	-	(2,9)	(3,9)
EBITDA	**15,3**	**16,1**	**(1,2)**	**(1,0)**	**(0,8)**	**(1,9)**	**25,4**	**16,0**	**(3,3)**	**(3,6)**	**35,5**	**25,5**	**(8,8)**	**(9,0)**	**26,6**	**16,5**

Segment information USDm	Commercial		FLNG		Technical		MLP		Other		Consolidated (proportionate)		Adjustments		Consolidated (equity method)	
Selected items in Financial Position	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
Intangible assets																
Licenses, design and other intangibles	-	-	-	37,0	-	-	-	-			-	37,0	-	-	-	37,0
Tangible assets											-	-	-	-		
Investments in LNGC, FSRUs and NBs	711,6	742,9	-	-	61,8	130,0	854,6	568,5	-	-	1 627,9	1 441,4	(403,0)	(406,9)	1 225,0	1 034,5
Liabilities											-	-	-	-		
Interest-bearing debt	533,5	514,7	-	-	-	-	599,9	459,6	218,8	103,3	1 352,2	1 077,6	(372,5)	(394,5)	979,7	683,1

4. RELATED PARTY TRANSACTIONS

Höegh LNG provides various management services to the Group's joint venture companies and receives management income from external joint venture partners related to technical, commercial and administrative services. Total management income from related parties in Höegh LNG amounted to USD 0.7 million in the first quarter of 2016 (USD 0.7 million). For a more detailed description of recurring related party transactions, see information disclosed in Note 32 of the 2015 annual report.

5. COMMITMENTS AND FINANCING

The Group entered into four FSRU shipbuilding contracts with HHI in 2011 and 2012, all of which have been delivered. They include Höegh Grace, which was delivered in the first quarter 2016. To finance the delivery of Höegh Grace, the remaining USD 200 million available under the USD 412 million bank debt facilities was drawn down. The Group entered into two additional FSRU shipbuilding contracts with HHI in 2014 and 2015 respectively, with expected delivery during the first quarter of 2017 and 2018 respectively. As of 31 March 2016, total remaining capital expenditures relating to these commitments were approximately USD 546 million, including yard payments, project expenses, finance costs and contingencies. Approximately USD 322 million of this is payable by March 2017, with the remainder falling due through the second quarter of 2018.

As of 31 March 2016, Höegh LNG had USD 344 million in current cash and marketable securities. The Group signed USD 223 million bank loan facilities during the quarter for the financing of FSRU#7. Of this, USD 194 million is available assuming no contract is secured, increasing to USD 208 million on securing a commercial contract for five years or longer and USD 223 million upon securing such a contract for 10 years or longer. The Group is planning to raise bank financing for FSRU#8 before delivery of this vessel, for which a 20-year time charter has been secured.

6. HEDGING RESERVES

Interest-rate swaps have been entered into in relation to the financing of the Group's vessels. The Group has also entered into a cross-currency interest-rate swap relating to the NOK bond and an interest-rate swap on the USD bond.

As of 31 March 2016, the mark-to-market valuation of the interest-rate swaps was recognised in the financial position with a net liability of USD 173 million, of which USD 159.9 million was classified as non-current liabilities, USD 13.2 million as current liabilities and USD 0.1 million as non-current financial assets. USD 136 million of the mark-to-market valuation of the interest rate swaps was recognised in consolidated equity as of 31 March 2016.

The mark-to-market valuations of the interest-rate swaps in the group's joint ventures are recorded as part of investments in joint ventures, which results in the investments being net liabilities. The negative valuations of the interest-rate swaps in the joint ventures amounted to USD 96.9 million as of 31 March 2016.

In the first quarter of 2016, USD 29.7 million relating to the interest rate swaps was recorded as a loss under other comprehensive income (OCI), compared with a gain of USD 25.4 million in the previous quarter. An ineffective portion of the interest-rate swaps has been recorded as a financial income of USD 0.2 million for the quarter.

Table: Interest rate swaps in Financial Position

MTMs of cash flow hedges in the Financial Position (USD'000)	**31 March 2016**	**31 December 2015**	**30 September 2015**	**30 June 2015**	**31 March 2015**
MTMs presented as financial assets	98	2 800	-	11 211	1 239
Total MTMs presented as financial liabilities	(76 219)	(67 687)	(74 072)	(61 732)	(66 189)
Total MTMs in the joint ventures	(96 857)	(84 141)	(97 501)	(87 101)	(101 422)
Net MTMs of cash flow hedges	**(172 979)**	**(149 028)**	**(171 573)**	**(137 622)**	**(166 372)**
Foreign exchange losses under cross currency swap included in MtM	39 567	45 125	42 047	34 806	37 552
Accumulated break cost paid	(4 285)	(4 285)	(4 285)	(4 285)	(1 100)
Accumulated loss on swap in profit or loss	1 726	1 920	2 151	2 213	1 391
Interest rate swaps recorded against equity	**(135 971)**	**(106 269)**	**(131 660)**	**(104 888)**	**(128 529)**
Attributable to non-controlling interest	*(33 857)*	*(27 646)*	*(32 455)*	*(27 862)*	*(33 253)*
Attributable to equity holders of the parent	*(102 114)*	*(78 623)*	*(99 205)*	*(77 026)*	*(95 276)*

7. NON-CURRENT RESTRICTED CASH

Restricted cash of USD 20.3 million as of 31 March 2016 included USD 5.7 million relating to cash denominated in EGP owing to current restrictions on foreign exchange. In the first quarter of 2016, the EGP balances were subject to a currency loss of USD 0.7 million.

USD '000	31 March 2016	31 December 2015	30 September 2015
Debt service	14 596	14 798	14 798
Foreign currency	5 750	4 850	2 000
Total non-current restricted cash	**20 346**	**19 648**	**16 798**

8. SUBSEQUENT EVENTS

On 26 May 2016 the Company declared a cash dividend of USD 0.10 per share for the second quarter of 2016.

9. FORWARD-LOOKING STATEMENTS

This interim report contains forward-looking statements. The statements are based on various assumptions, many of which are based, in turn, upon further assumptions, including examination of historical operating trends made by the management of Höegh LNG. Although the Group believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies difficult or impossible to predict and are beyond its control, Höegh LNG cannot give assurance that it will achieve or accomplish these expectations, beliefs or intentions.

Among the important factors that could cause actual results to differ materially from those in the forward-looking statements are: Changes in LNG transportation, regasification and floating 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 Group; 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 Group'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 Group; changes in applicable regulation and laws. Unpredictable or unknown factors herein could also have material adverse effects on forward-looking statements.

APPENDIX A (UNAUDITED)

COMPREHENSIVE INCOME STATEMENT CONSOLIDATED BY PROPORTIONATE METHOD

USD'000	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015
Freight revenues	61 775	61 928	64 554	61 577	52 788
Construction contract revenue	-	-	-	-	-
Management and other income	986	3 750	1 448	1 688	2 002
Total income	**62 761**	**65 678**	**66 003**	**63 265**	**54 791**
Charterhire expenses	(5 107)	(5 169)	(5 169)	(5 113)	(5 057)
Construction contract expenses	-	-	-	-	-
Voyage expenses	(5)	(1 789)	(142)	(334)	(526)
Operating expenses	(11 385)	(11 771)	(13 471)	(13 830)	(11 348)
Project administrative expenses	(3 127)	(3 248)	(2 436)	(3 779)	(3 552)
Group administrative expenses	(4 765)	(4 141)	(4 821)	(5 185)	(4 900)
Business development expenses	(2 916)	(5 982)	(4 157)	(3 235)	(3 911)
Operating profit (loss) before depreciation and impairment	**35 456**	**33 578**	**35 805**	**31 788**	**25 497**
Depreciation	(10 737)	(10 378)	(10 528)	(12 078)	(11 783)
Reversal of impairment (impairment)	-	(37 002)	-	3 115	-
Operating profit (loss) after depreciation and impairment	**24 719**	**(13 802)**	**25 278**	**22 825**	**13 714**
Interest income	191	65	77	33	22
Interest expenses	(18 036)	(17 826)	(17 920)	(14 797)	(14 485)
Net financial items	238	(441)	(5 367)	(2 065)	(1 008)
Net financial items	**(17 607)**	**(18 202)**	**(23 211)**	**(16 829)**	**(15 471)**
Ordinary profit or (loss) before tax	**7 112**	**(32 004)**	**2 066**	**5 996**	**(1 757)**
Corporate income tax	(809)	(989)	433	24	(523)
Profit (loss) for the period	**6 302**	**(32 993)**	**2 499**	**6 021**	**(2 280)**
Other comprehensive income					
Items that will not be reclassified to profit or (loss)					
Net gain (loss) on other capital reserves	-	47	-	-	-
Items that may be subsequently reclassified to profit or (loss)					
Net gain (loss) on hedging reserves	(29 703)	25 391	(26 771)	23 639	(14 802)
Other comprehensive income (loss) for the period net of tax	**(29 703)**	**25 438**	**(26 771)**	**23 639**	**(14 802)**
Total comprehensive income (loss)	**(23 401)**	**(7 555)**	**(24 272)**	**29 660**	**(17 082)**

APPENDIX B (UNAUDITED)

FINANCIAL POSITION CONSOLIDATED BY PROPORTIONATE METHOD

USD'000	2016 31 March	2015 31 December	2015 30 September	2015 30 June	2015 31 March
ASSETS					
Non-current assets					
Intangible assets					
Deferred tax assets	384	364	353	354	344
Licenses, design and other intangibles	-	-	37 002	37 002	37 002
Tangible assets	-	-			
Investments in FSRUs and LNG Carrier	1 566 116	1 277 559	1 287 590	1 281 568	1 307 362
Investments in new buildings under construction	61 810	161 198	158 577	169 007	126 931
Other non-current financial assets	9 576	12 960	12 297	20 749	15 698
Other non-current assets	24 509	25 539	18 828	18 810	17 202
Restricted cash	32 898	32 200	29 350	27 668	27 668
Total non-current assets	**1 695 293**	**1 509 820**	**1 543 998**	**1 555 159**	**1 532 208**
Current assets					
Bunkers and inventories	1 420	1 698	1 643	1 716	1 755
Unbilled construction contract receivable	-	-	-	-	-
Trade and other receivables	31 463	34 232	23 175	22 755	18 834
Marketable securities	221 090	231 094	144 258	143 772	100 627
Other current financial assets	-	-	-	4 463	-
Restricted cash	15 593	15 542	16 401	11 263	17 800
Cash and cash equivalents	119 130	109 449	220 435	136 153	90 822
Total current assets	**388 696**	**392 015**	**405 913**	**320 122**	**229 838**
Assets held for sale	**-**	**17 978**	**17 978**	**17 978**	**-**
TOTAL ASSETS	**2 083 989**	**1 919 813**	**1 967 888**	**1 893 259**	**1 762 046**
EQUITY AND LIABILITES					
Equity					
Share capital	769	768	768	699	699
Other paid-in capital	523 356	522 954	522 600	422 951	422 511
Capital reserves	(104 930)	(81 438)	(102 068)	(79 889)	(98 137)
Retained earnings	(24 167)	(19 927)	(3 355)	4 092	7 183
Equity attributable to equity holders of the parent	**395 028**	**422 357**	**417 945**	**347 853**	**332 256**
Non-controlling interests	61 434	69 208	92 103	97 331	93 410
Total equity	**456 462**	**491 565**	**510 048**	**445 184**	**425 666**
Non-current liabilities					
Deferred tax liability	1 496	358	197	152	143
Non-current interest-bearing debt	1 267 304	1 092 208	1 110 543	1 132 107	1 015 384
Other non-current financial liabilities	164 960	140 804	159 040	142 929	160 100
Deferred revenue	29 667	30 434	18 384	18 506	14 421
Total non-current liabilities	**1 463 427**	**1 263 804**	**1 288 165**	**1 293 694**	**1 190 047**
Current liabilities					
Current interest bearing debt	84 890	71 339	70 595	62 830	63 531
Income tax payable	1 881	2 218	1 371	1 097	775
Trade and other payables	17 963	19 533	17 817	16 337	17 329
Other current financial liabilities	33 925	36 147	38 971	36 386	38 271
Provisions and accruals	25 442	35 208	40 922	37 730	26 427
Total current liabilities	**164 101**	**164 445**	**169 676**	**154 381**	**146 333**
TOTAL EQUITY AND LIABILITIES	**2 083 989**	**1 919 813**	**1 967 888**	**1 893 259**	**1 762 046**