

Höegh LNG - the FSRU provider



1Q 2018
Presentation of financial results
31 May 2018

Forward looking statements

This presentation contains forward-looking statements which reflects management's current expectations, estimates and projections about Höegh LNG's operations. All statements, other than statements of historical facts, that address activities and events that will, should, could or may occur in the future are forward-looking statements. Words such as "may," "could," "should," "would," "expect," "plan," "anticipate," "intend," "forecast," "believe," "estimate," "predict," "propose," "potential," "continue" or the negative of these terms and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond our control and are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Unless legally required, Höegh LNG undertakes no obligation to update publicly any forward-looking statements whether as a result of new information, future events or otherwise.

Among the important factors that could cause actual results to differ materially from those in the forward-looking statements are: changes in LNG transportation and regasification 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 convert LNG carriers to FSRUs including the cost and time of completing such conversions; changes in Höegh LNG's ability to complete and deliver projects awarded; changes to 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, including the impact from changes in financial markets; changes in the ability to achieve commercial success for the projects being developed by the Company; changes in applicable regulations and laws; and unpredictable or unknown factors herein also could have material adverse effects on forward-looking statements.

Agenda



- **Highlights**
- Operational update
- Market update
- Financials
- Summary

Highlights for the first quarter of 2018 and subsequent events

Highlights

- EBITDA of USD 38.1 million and net profit of USD 13.2 million for the first quarter of 2018
- Höegh Giant commenced three-year time-charter with Gas Natural Fenosa
- Dividend of USD 0.025 per share paid in the first quarter of 2018

Subsequent events

- Dividend of USD 0.025 per share declared in the first quarter of 2018
- Höegh Esperanza delivered on 5 April 2018 and employed directly on spot LNGC charter
- Agreed terms for a three-year FSRU/LNGC contract for Höegh Esperanza

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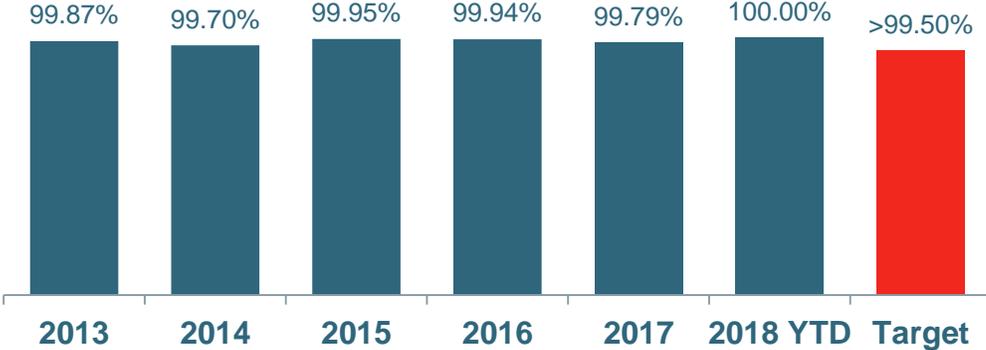


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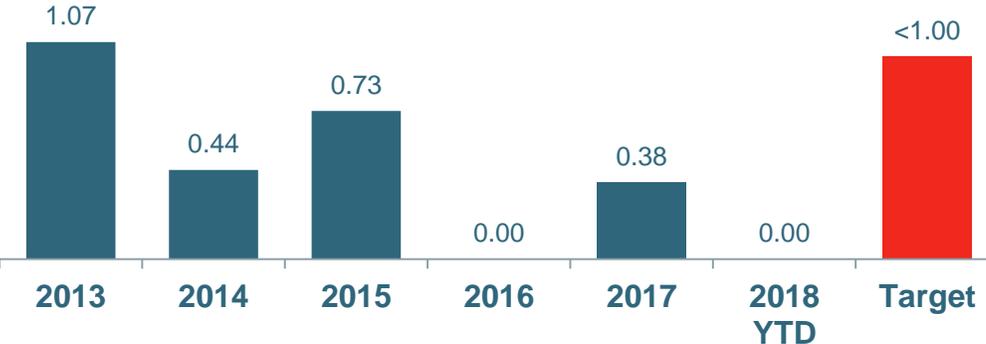
Full uptime, no LTIFs and the best vetting results to date



Technical availability

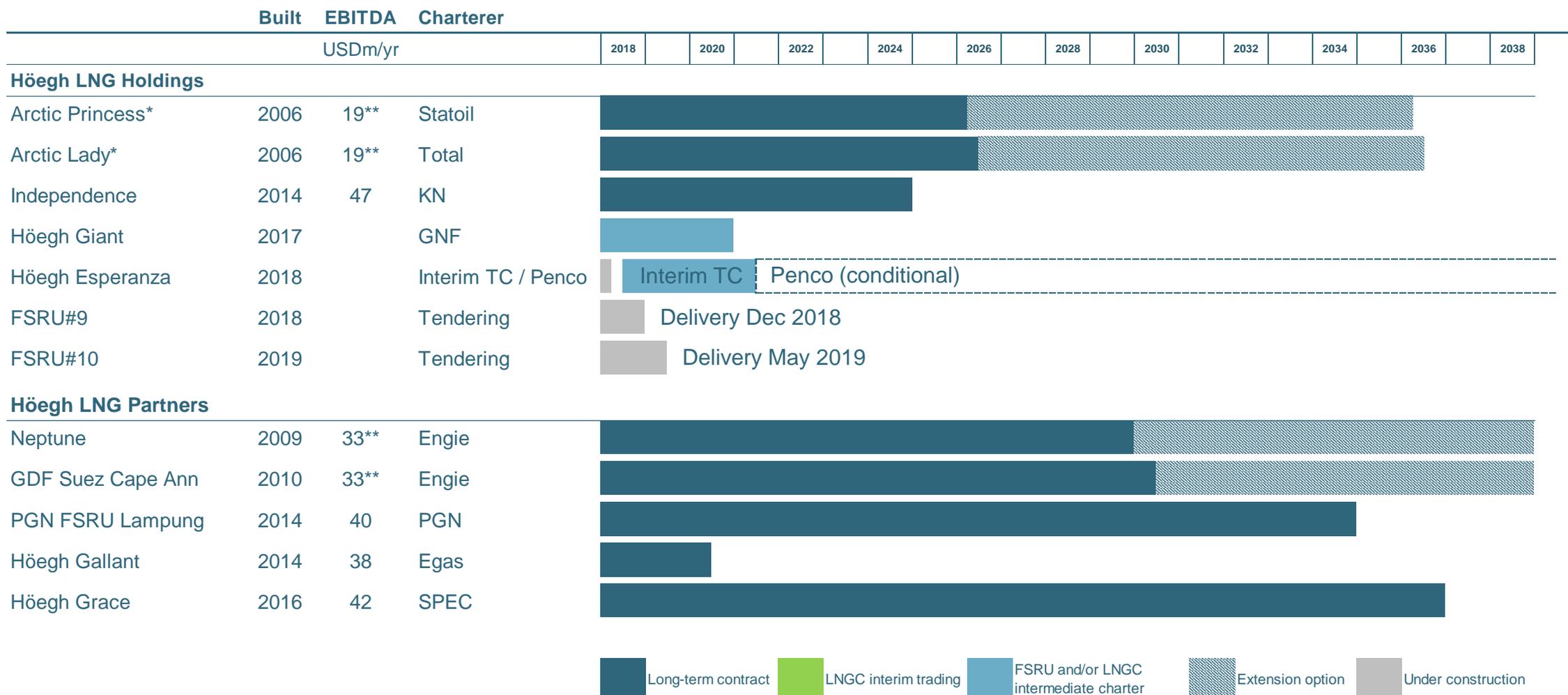


Lost time injury frequency¹



¹ Per million work hours

Commercial focus remains to secure long-term employment for the two FSRU newbuildings



* LNG carriers
 ** 100% basis, units are jointly owned

Terms agreed for a three-year FSRU/LNGC contract for Höegh Esperanza

Höegh Esperanza delivered on 5 April

- Employed directly on LNGC spot voyage charter
- Zero lost-time injuries during 21-month construction period, demonstrating Höegh LNG's solid HSEQ track record

Terms agreed for FSRU/LNGC charter

- Three-year time charter with energy major, start-up mid-2018
- Contract ensures a minimum utilisation in FSRU mode with corresponding rates, balance of the year on fixed LNGC terms
- Agreement subject to charterer's internal approval processes, expected shortly



Tendering market

- Tendering markets remain active, three FSRU awards to date in 2018
- Tendering activity concentrated in Asian and MEG markets
- FSRU markets becoming more segmented

Commercial development

- Höegh LNG is involved in several prospective tendering processes for FSRUs #9 and #10
- Bilateral opportunities pursued on a case-by-case basis

Outlook

- Underlying economic rationale and broadbased FSRU demand remain solid, but timeline and outcome of FSRU tenders subject to diverse factors and processes
- Höegh LNG top qualified to compete for the most attractive projects

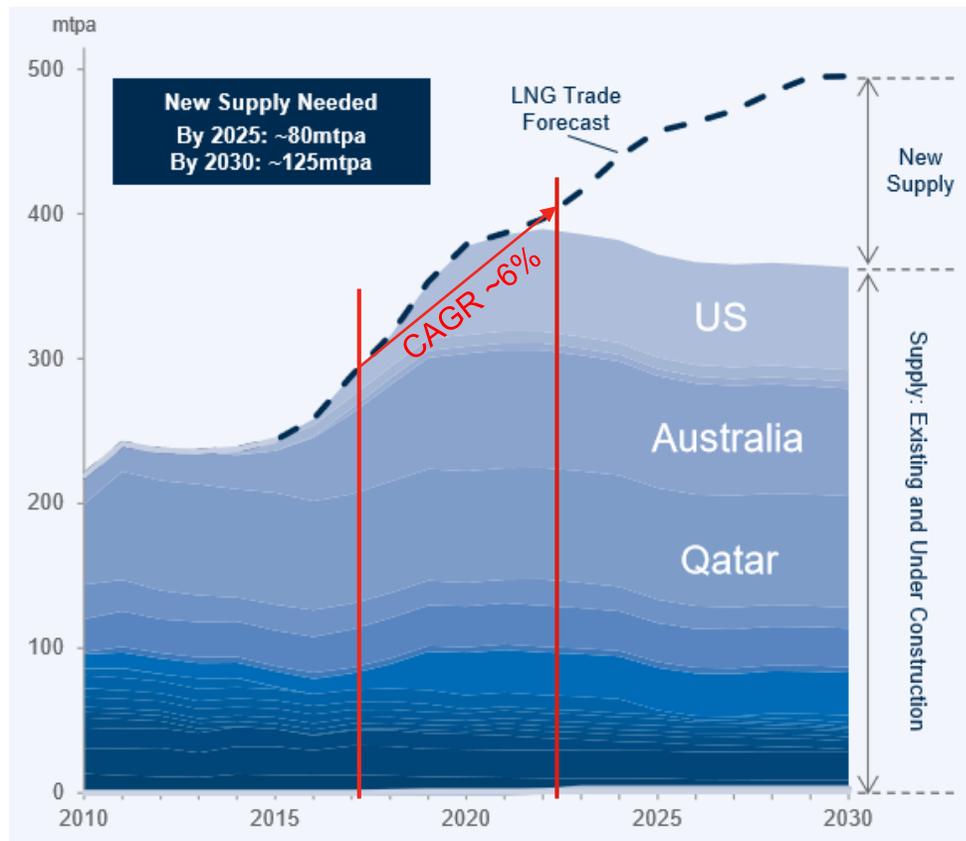
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LNG demand forecasted to continue its robust long-term growth path

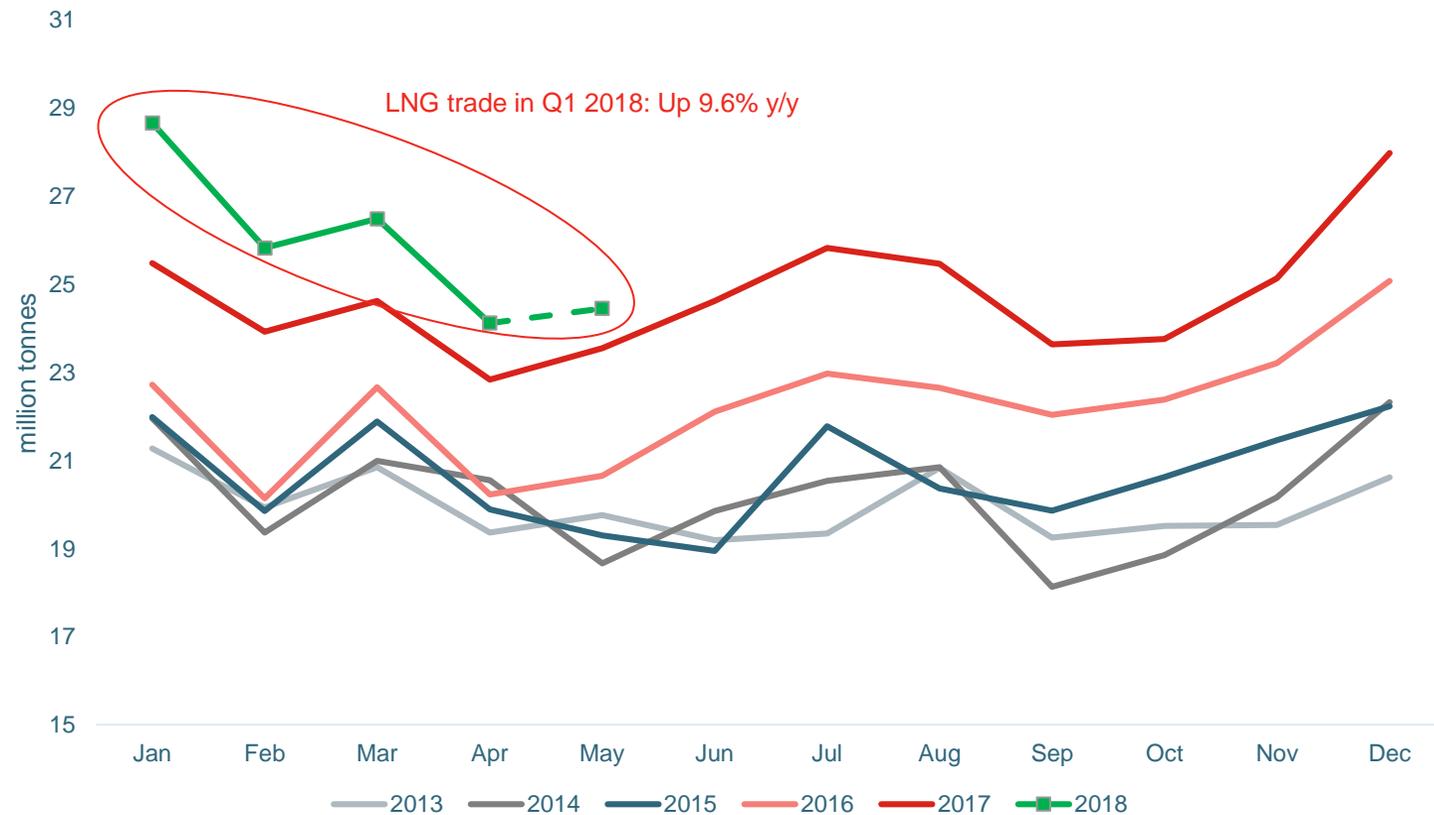
LNG supply and demand, 2010-2035



- Natural gas' share of the global energy mix increases
 - Rapid growth of shale gas production in North America
 - Policy actions for clean energy support natural gas
 - Easier access to LNG as production capacity increases
- LNG available at attractive prices relative to competing fuels, such as oil

LNG trade continues to increase into 2018

LNG trade by month, global



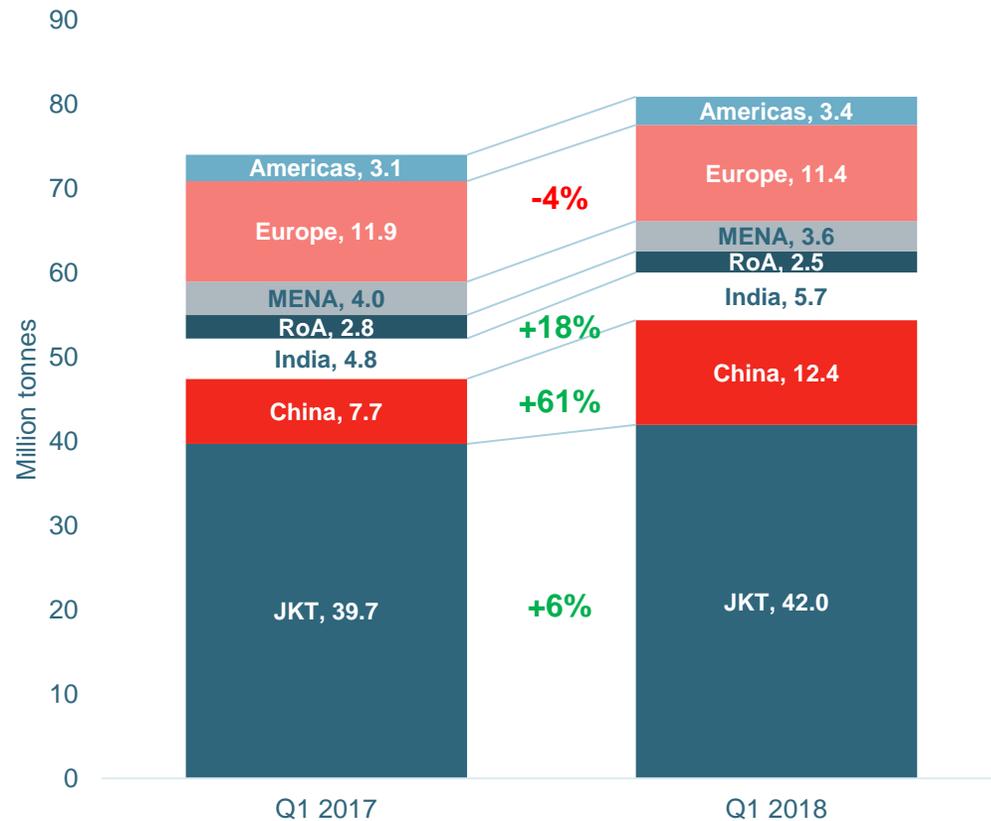
- LNG trade reached 81 million tonnes in Q1 2018, up 9.6% from Q1 2017
- Trade growth driven by expanding supply and growing demand for LNG
 - Reflecting robust demand
 - Busy spot market activity, from Chinese buyers in particular
- LNG prices hit a three-year high in February

Source: Waterborne LNG / IHS Markit



China is the main driver for increased LNG consumption

LNG trade by importer

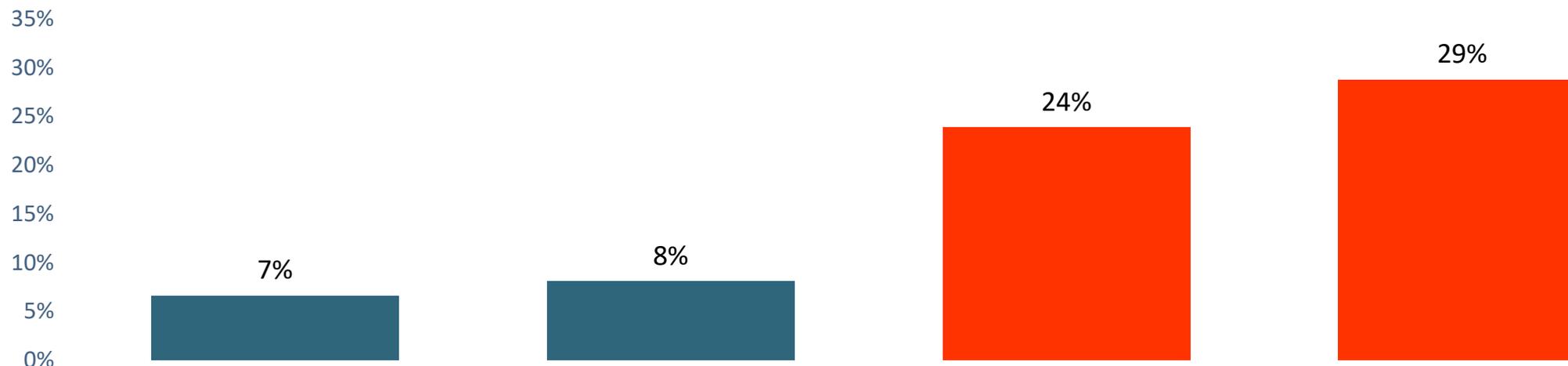


China's impact on the LNG market

- Aggressive coal-to-gas switch triggered a 46% hike in LNG demand in 2017 to 38.7 million tonnes
- Momentum continues into 2018 with imports reaching 12.4 million tonnes in Q1 2018 (up 61% from Q1 2017)
- Winter imports exceed available regasification capacity, creating need for additional seasonal regasification capacity
- Continued strength in Chinese LNG imports expected
 - Continued coal-to-gas switch to result in further growth in natural gas demand
 - Trucking of LNG from port cities to inland markets
 - Stronger seasonal variances
 - Availability of LNG globally
 - Gas storage remains a constraint

FSRUs have become instrumental in opening up new markets for LNG

CAGR 2007 – 2017, LNG markets vs FSRUs



	LNG volumes	LNG importers*	FSRU importers	FSRUs in operation
2007	172	17	2	2
2012	238	25	7	10
2017	297	35	14	22
5M 2018	130	36	15	23

* Importers with greater import capacity than 0.1 million tonnes per annum

Renewed activity on the FSRU market so far 2018

FSRU contract awards, 2018

- Caribbean (mid-scale)
- Hong Kong
- Bangladesh (barge)

FSRUs installed in 2018

- Bangladesh, 1st FSRU
- Turkey, 2nd FSRU

2018 start-up, scheduled

- India (October 2018)
- Bangladesh, 2nd FSRU (December 2018)

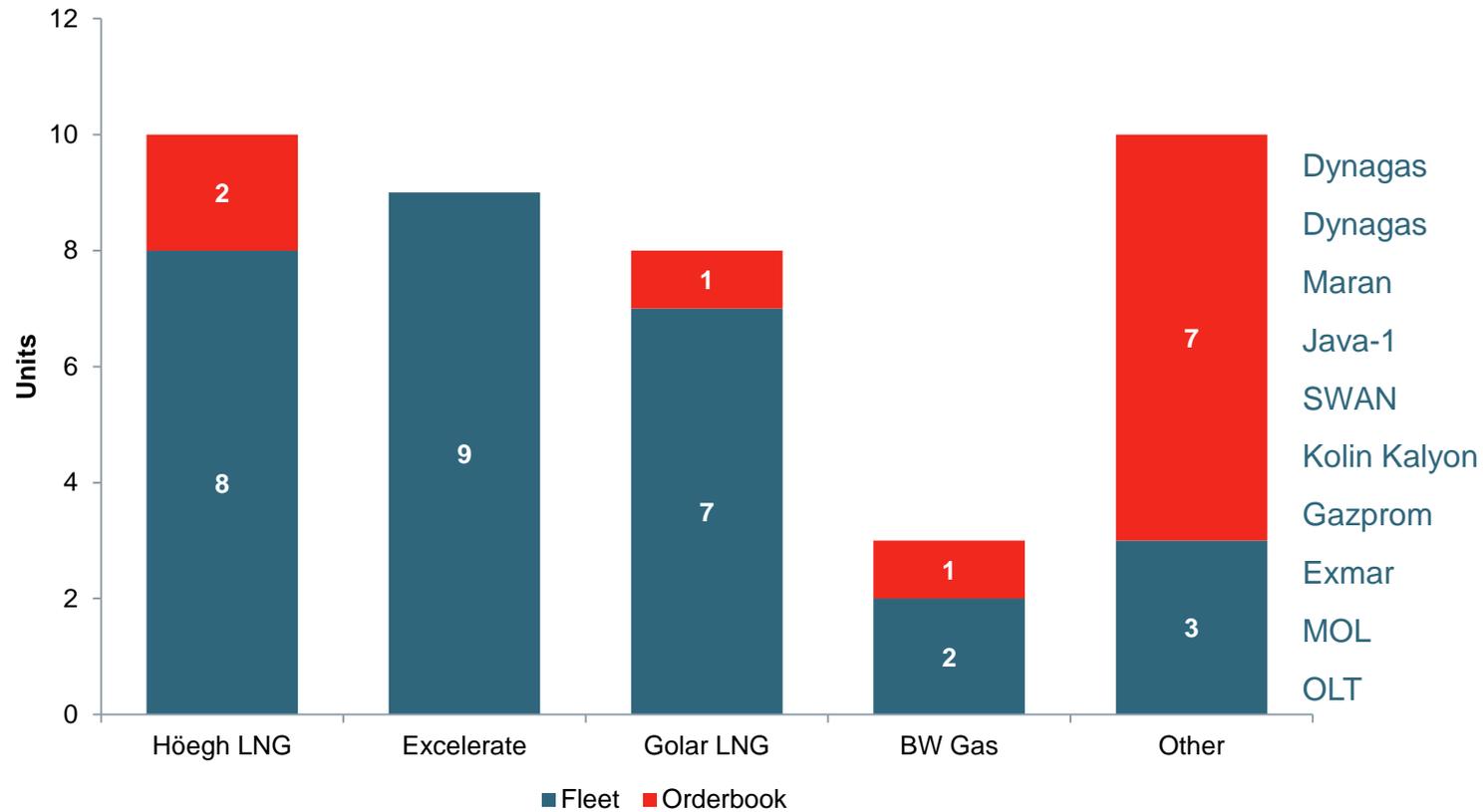
Public domain FSRU tenders*

- Australia
- Brazil
- Colombia
- Croatia
- Cuba
- Cyprus
- Lebanon
- Mexico
- Myanmar
- Pakistan
- Thailand
- UAE

* Projects that have appeared in media. List is not complete

29 FSRUs currently on the water – 11 on order

FSRU fleet and orderbook¹ by owner



- Of 11 newbuilding orders, 4 are built for own projects
- Of the remaining 7 orders, 3 will not be delivered until 2021

Dynagas
 Dynagas
 Maran
 Java-1
 SWAN
 Kolin Kalyon
 Gazprom
 Exmar
 MOL
 OLT

¹ Orderbook defined as confirmed orders, excluding LOIs, options and conversions not firmed up

Source: Høegh LNG



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Financial highlights for the quarter ended 31 March 2017

<i>USD million</i>	1Q 2018	4Q 2017	YTD 2018	YTD 2017
Total income	72.3	76.1	72.3	68.7
Charterhire and other expenses	-9.8	-9.0	-9.8	-8.8
Operating expenses	-13.1	-13.5	-13.1	-11.7
Administrative and BD expenses	-11.2	-10.6	-11.2	-11.4
EBITDA	38.1	43.0	38.1	-0.1
Depreciation and impairment	-11.3	-11.3	-11.3	-9.3
EBIT	26.8	31.7	26.8	0.0
Net interest expense	-12.0	-13.3	-12.0	-13.4
Net other financials	0.5	0.0	0.5	-0.6
Profit before taxes	15.3	18.4	15.3	13.4
Corporate income tax	-2.1	1.6	-2.1	-1.9
Profit for the period	13.2	20.0	13.2	11.4

Comments

- 10 days of planned maintenance on Höegh Gallant (same as in Q4 2017)
- Positioning costs for Höegh Giant
- 53 days of TC hire for Höegh Giant under Gas Natural charter
- USD 0.8 million in deferred revenue recognition (Q4 2017 USD 5.6 million)

Equity ratio stable at 40%

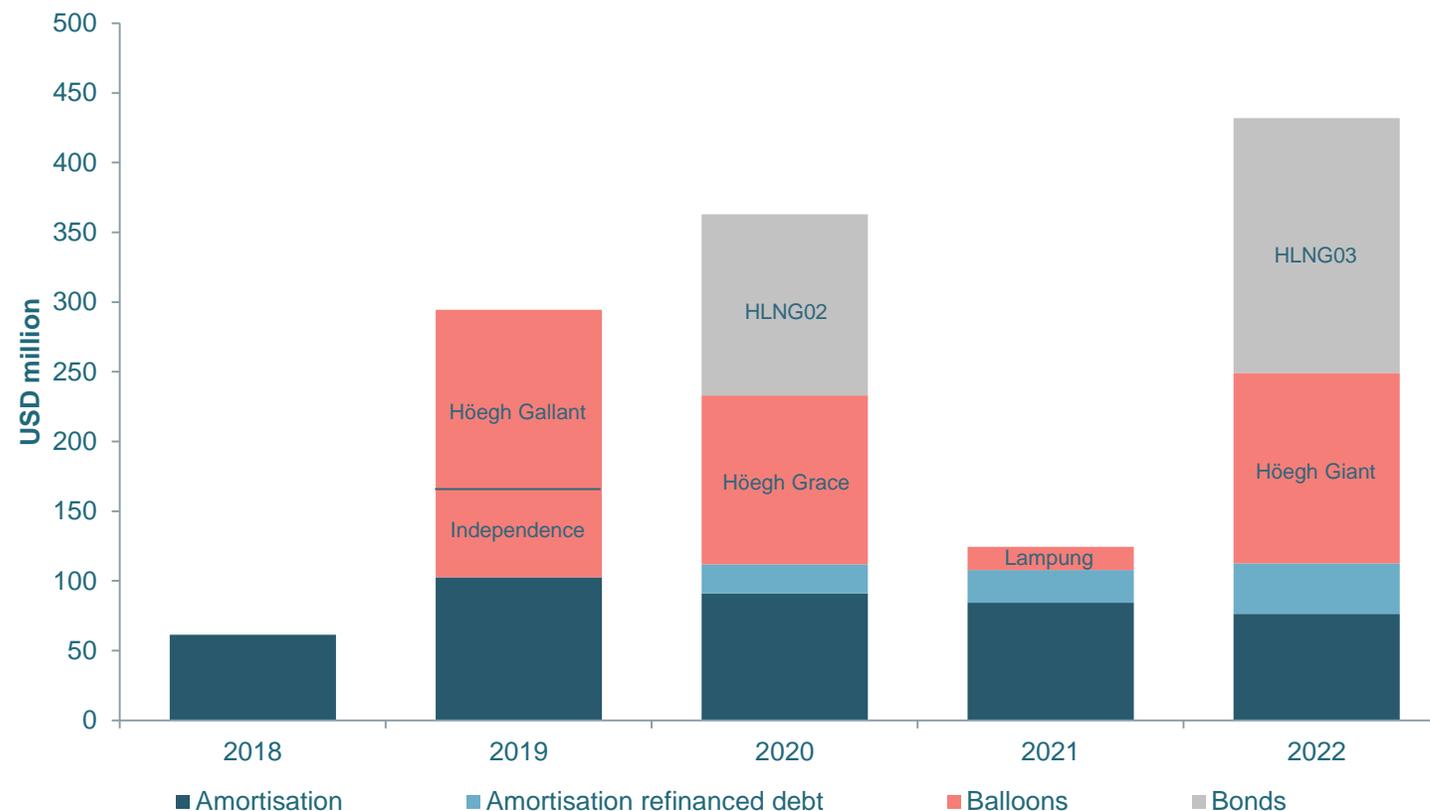
<i>USD million</i>	1Q 2018	4Q 2017	4Q 2016
Investments in FSRUs	1,375	1,386	1,140
Investments in new buildings	241	233	130
Other	115	92	103
Long-term restricted cash	13	14	19
Marketable securities	49	74	136
Cash and short-term restricted cash	177	160	186
Total assets	1,970	1,959	1,713
Equity attributable to the parent	502	479	446
Non-controlling interests	242	226	150
Total equity	744	705	596
Interest bearing debt	1,149	1,156	936
Other	78	98	182
Total equity and liabilities	1,970	1,959	1,713
<i>NIBD</i>	<i>909</i>	<i>908</i>	<i>585</i>
<i>Adjusted equity</i>	<i>774</i>	<i>763</i>	<i>677</i>
<i>Adjusted equity ratio</i>	<i>40.0%</i>	<i>39.0%</i>	<i>40.0%</i>

Comments

- Equity ratio, adjusted for mark-to-market of swaps, stable at 40%
- Limited capital expenditures during the period

- Main terms agreed with an export credit agency (ECA) for debt financing of FSRU #9, which are subject to credit approval
- Discussions have started over financing for FSRU #10, to be delivered in May 2019, with various sources under consideration
- Various sources of financing under consideration for the refinancing of Höegh Gallant / Höegh Grace facility maturing in Q4 2019 / Q2 2020

Debt repayment schedule

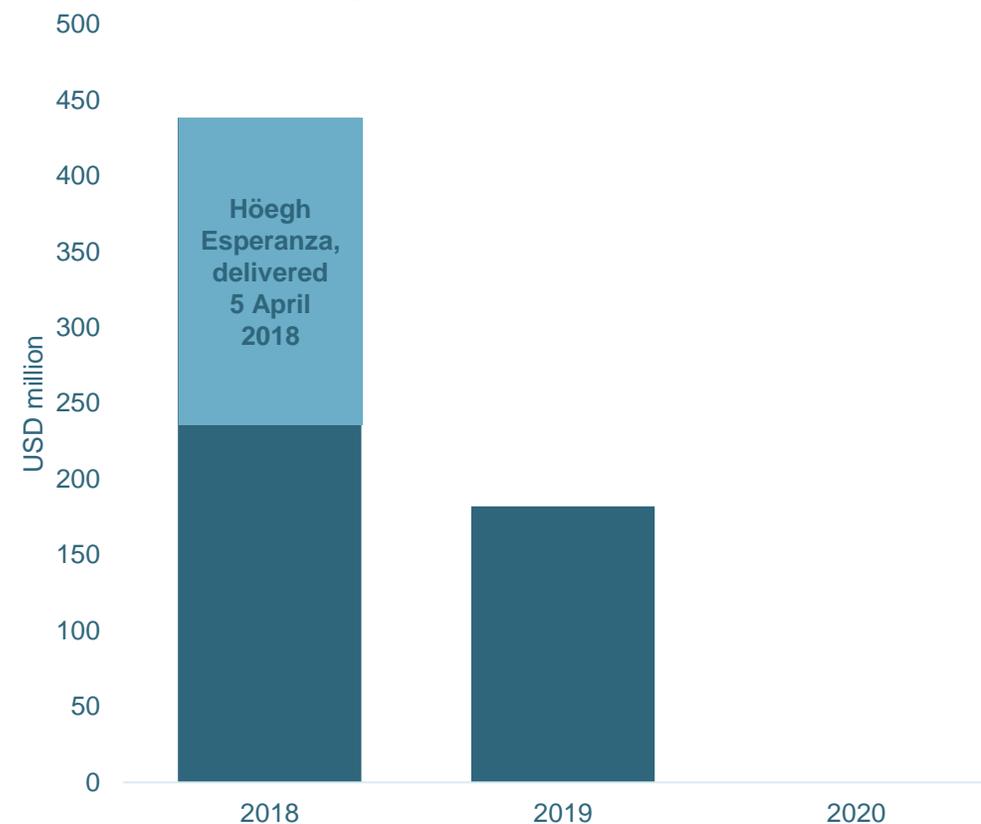


* Amortisation includes debt on FSRUs #8-10, assuming that financing for FSRUs #9-10 are structured similarly to FSRU #8. Amortisation of refinanced debt assumes similar amortisation profile as the current facilities, and that balloons are refinanced in full.

Capital expenditures and financing status

Available liquidity at 31 Mar 2018	USDm
Cash, net of HMLP	142
Marketable securities	49
Revolving credit facility	58
Debt for FSRU #8	200
Available liquidity	449
Debt financing of FSRUs #9 and #10	340 – 390
Increased leverage on Höegh Giant / Höegh Esperanza	59
Planned financing	848 - 898
Outstanding capital expenditures, 31 Mar	~630

Capital expenditures at 31 Mar 2018



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EBITDA of 38 million and net profit of USD 13 million in Q1 2018

Agreed terms for medium-term employment for Höegh Esperanza

Continued active tendering market for two FSRUs under construction

Soil progress on debt financing process for FSRU #9



Q&A session

Call-in details:

Norway +47 21 00 26 10

United Kingdom +44 (0)330 336 9105

United States +1 323 794 2093

Participant passcode: 4502606

Webcast:

<http://webtv.hegnar.no/presentation.php?webcastId=83474069>