



HÖEGH LNG

Höegh LNG – The FSRU provider



2Q 2017
Presentation of financial results
24 August 2017

Picture courtesy of LDT

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.

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2Q 2017 highlights and subsequent events

- EBITDA of USD 37.7 million, profit after tax of USD 8.5 million
- Dividend of USD 0.125 per share
- Signed MoU with Nakilat for the development of new FSRU projects
- Secured debt financing for FSRU #8
- Höegh LNG Partners increasing its ownership in Neptune FSRUs



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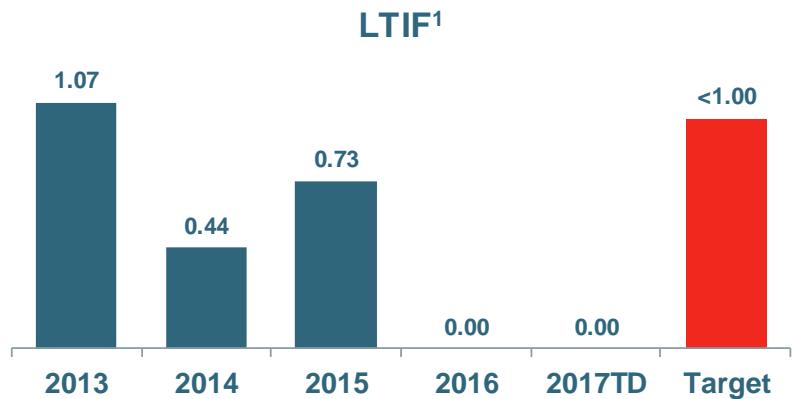
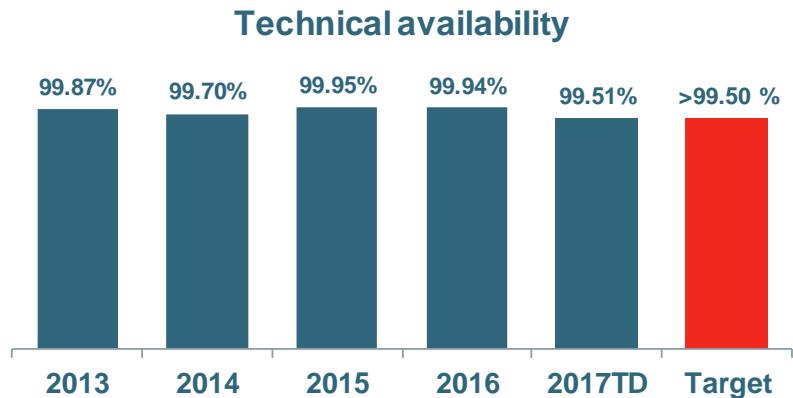
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Solid operational performance



¹ Lost Time Injury Frequency

Short/medium term focus

Operations

- To operate all FSRUs and LNGCs according to contract
- Maintaining operational KPIs ahead of targets

Project execution

- Preparation for the start-up of FSRU contracts in Ghana, Pakistan and Chile
- Securing FID for the Pakistan infrastructure project

Commercial

- Secure long-term contracts for FSRU #10 and optional FSRU newbuildings
- Optimisation of interim trading periods
- Complete detailed JV agreements with Nakilat

Financial

- Drop-down of the remaining 49% equity interest in Höegh Grace
- Financing for FSRU #9, delivering end-2018

Status on-going projects, Pakistan: On track

Port Qasim, Karachi, Pakistan



- FSRU under construction
- Project progressing according to its timeline with start-up under the FSRU contract in the second half of 2018
- The EPC contract for the jetty and pipeline close to completion
- The consortium partners (Qatar Petroleum, ExxonMobil, Total, Mitsubishi and Höegh LNG) plans to take FID for the jetty and infrastructure in the near future
- In 2016 Pakistan imported 3 million tonnes of LNG. Target by 2022 is to import 30 million tonnes, requiring more FSRUs



Picture: Googlemaps

Status on-going projects, Ghana and Chile

Quantum Power Ghana FSRU project update



- Awaiting final governmental approval, originally expected by mid-2017. Delays in the approval process could affect the project's timeline
- Ghana in government to government deal with Equatorial Guinea to import LNG already from 2018



Penco LNG Chile project update



- The revised environmental process is well under way, anticipated finalisation towards the end of the year
- Project owners EDF, BioBio and Cheniere have long-term power purchase agreement in place, underpinning project economics
- Power plant fully permitted
- Höegh LNG remains fully committed to provide the FSRU for the project



Höegh LNG Partners acquiring 2x 23.5% in Neptune vessels



Neptune (50%→73.5%)

- Operating as an FSRU in Turkey under subcontract from Engie



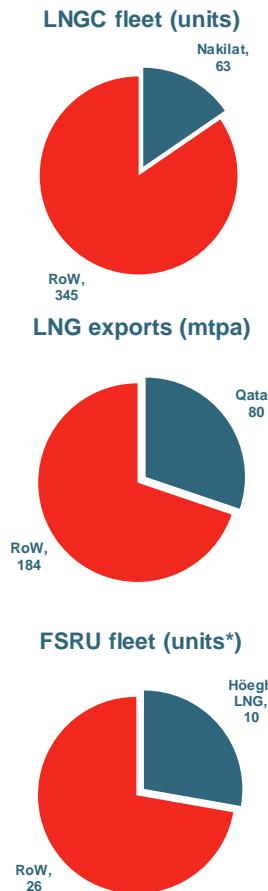
GDF Suez Cape Ann (50%→73.5%)

- Operating within Engie's LNGC/FSRU fleet before the start of a reported contract in Jaigarh, India

- Höegh LNG Partners entering into term-sheet to acquire additional 23.5% interest of joint ventures owning FSRUs Neptune and GDF Suez Cape Ann for \$27.3 million¹
- Increasing exposure to attractive assets:
 - More than 12 years remaining on both contacts plus extensions
 - High quality counterparty
- Expected to be highly accretive to distributable cash flow
- Transaction will support distribution growth, to the benefit of Höegh LNG Holdings and other unitholders

¹ Closing of the acquisition is subject to the execution of a definitive purchase agreement as well as certain other documentation and final board approvals. HMLP expects the acquisition to close by September 30, 2017.

Nakilat alliance a confirmation of Höegh LNG's leading market position



Qatar plans to increase its export capacity by 30%, or ~24 million tonnes annually

FSRUs required to provide access to new markets

Alliance to further enhance Höegh LNG's market position

- Access to new FSRU opportunities
- Access to attractively priced capital

* Includes units under construction

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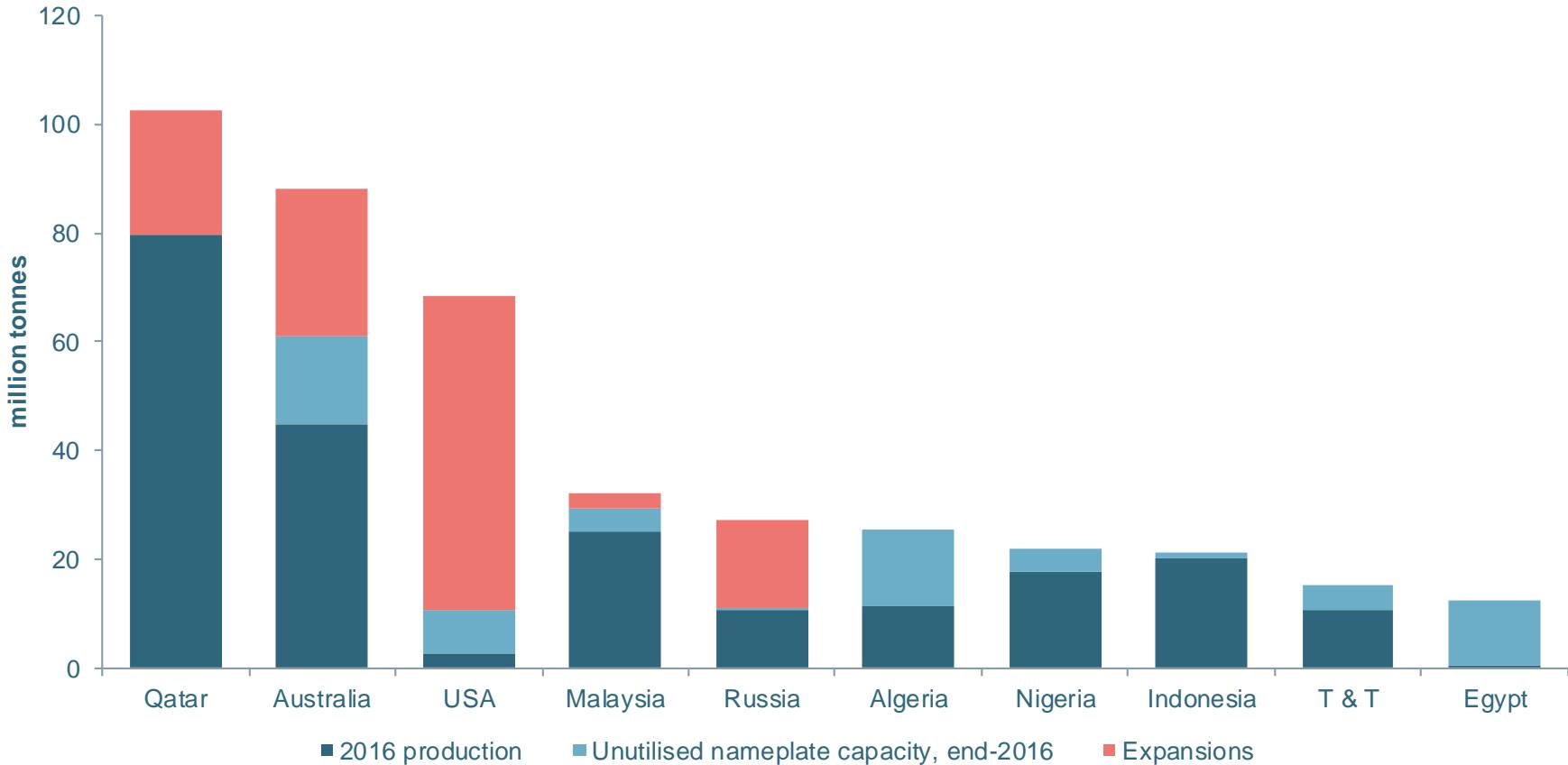
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Massive growth in LNG supply

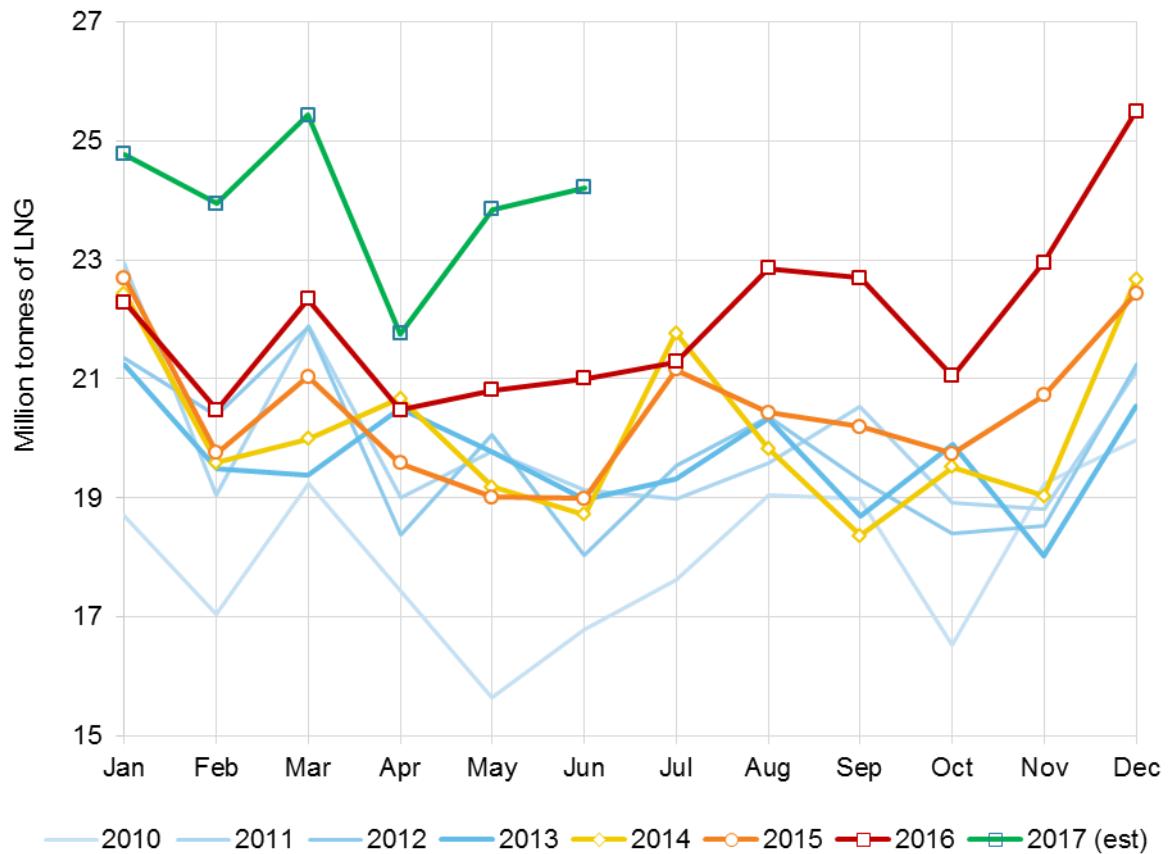
LNG exports and nameplate capacity and additions



Source: GIIGNL, Höegh LNG

Global LNG trade up 13% so far 2017

Global monthly LNG trade, 2010-2017



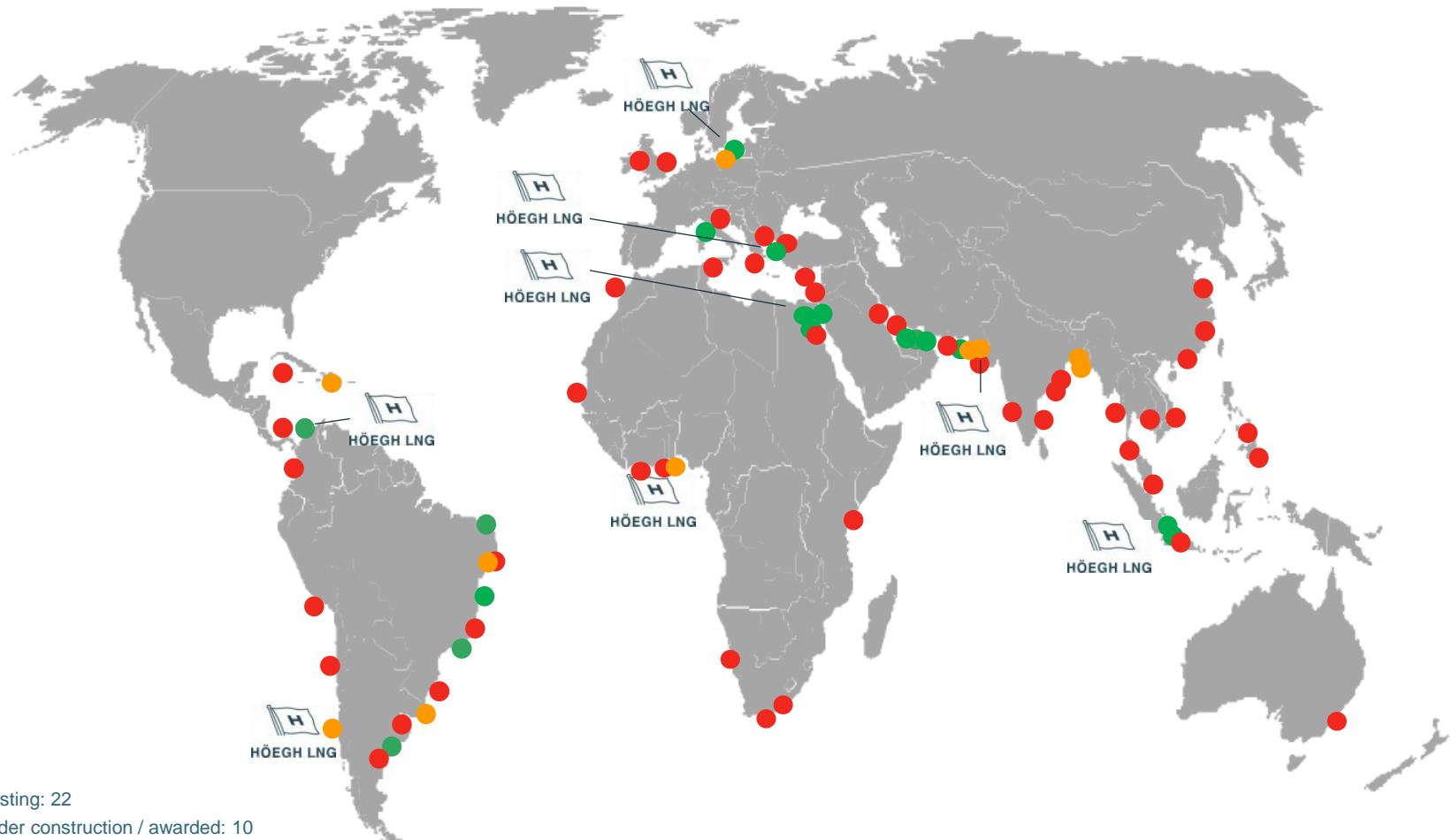
Region	Trade mt	Change (%)
Europe	23.4	+15%
Americas	9.4	+1%
Middle East	8.1	+3%
NE Asia	86.6	+14%
Other Asia	16.4	+17%
World Total	144.0	+13%

Source: Clarksons Platou

FSRU demand increasing steadily



Pipeline of around 40 projects around the globe



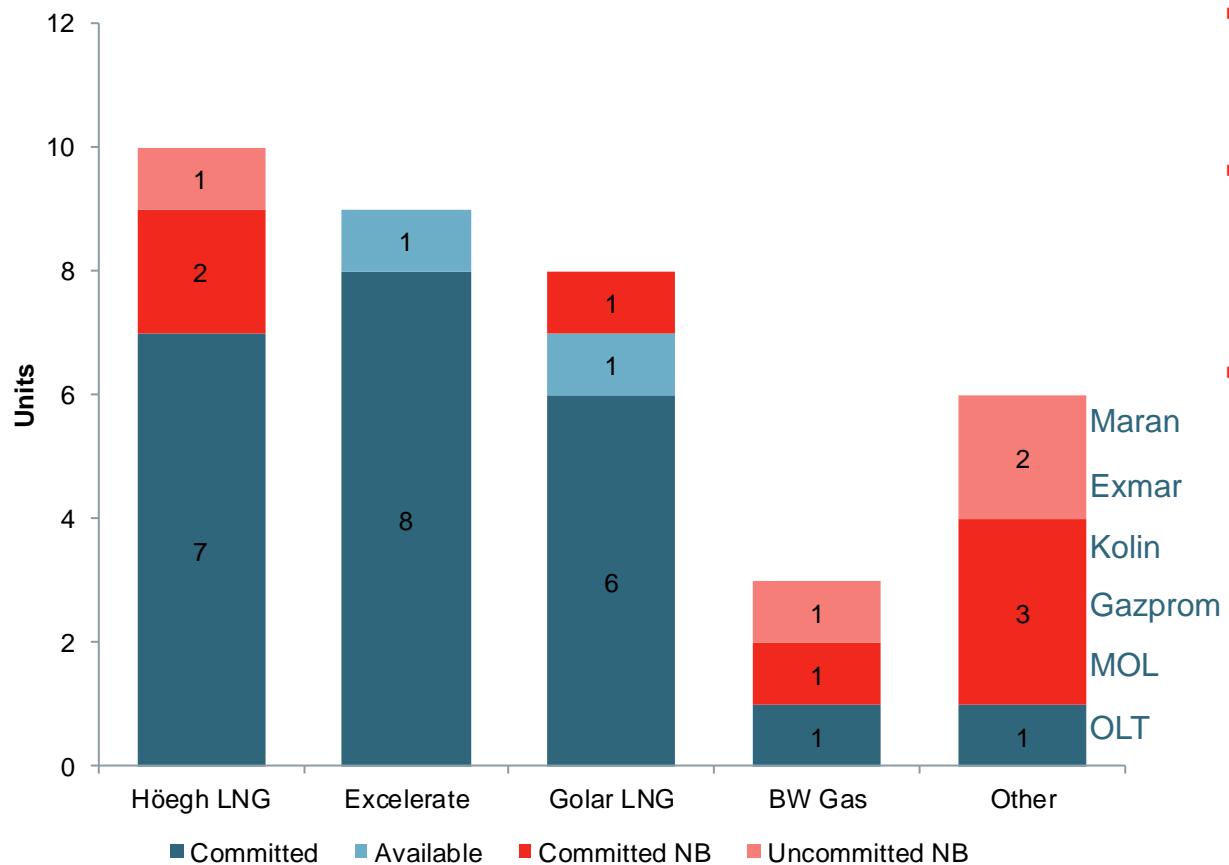
Existing: 22

Under construction / awarded: 10

Potential: 40+

Stable orderbook

FSRU fleet and orderbook¹ by owner/employment



- The orderbook stands at 11 FSRUs, of which 4 are uncommitted
- Uncommitted FSRUs (4 newbuildings, 2 existing units) compare to 17% of the total fleet and orderbook of FSRUs
- Long-lead items ordered and in progress for 3-5 conversion projects

Maran

Exmar

Kolin

Gazprom

MOL

OLT

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

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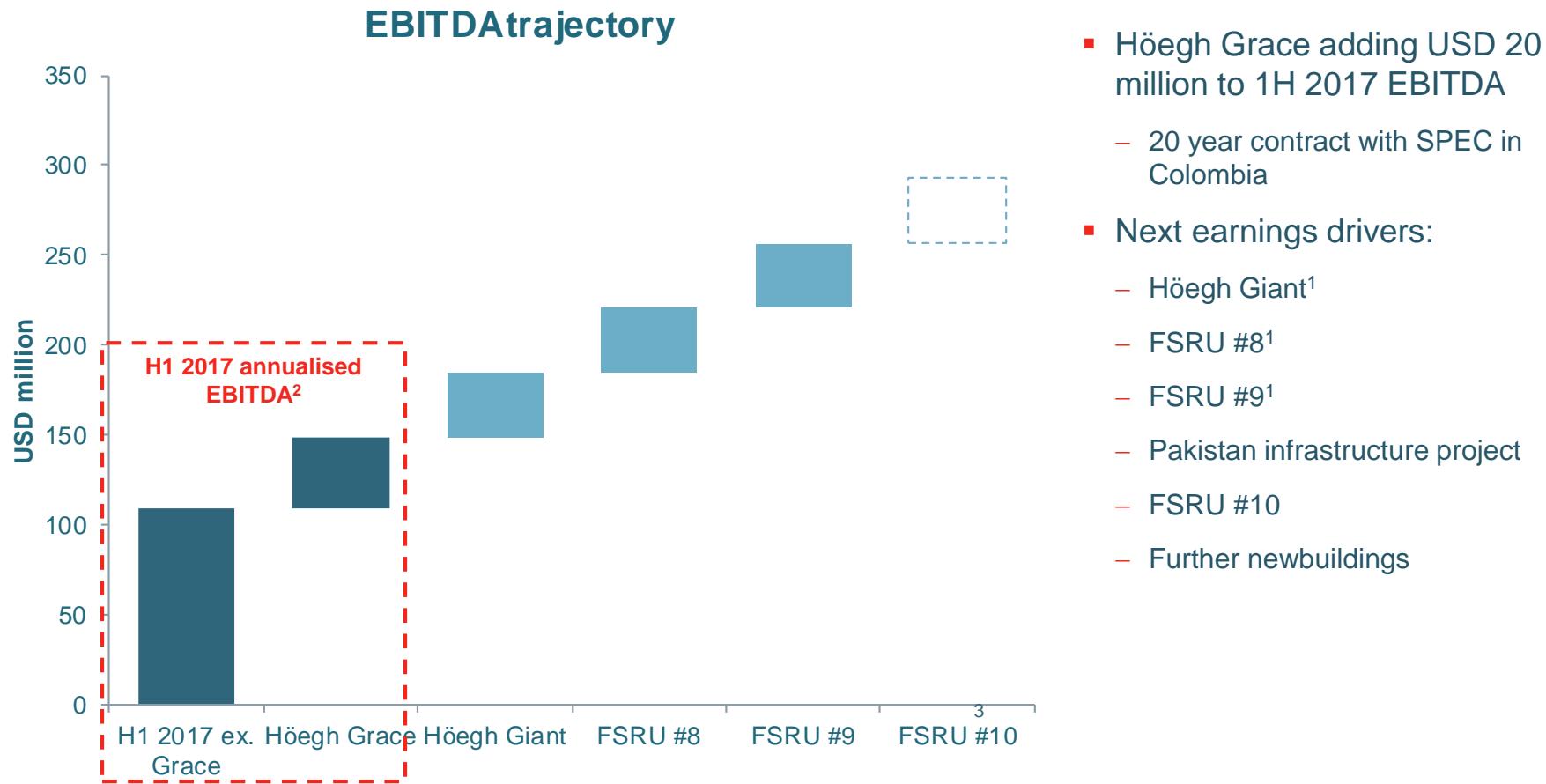
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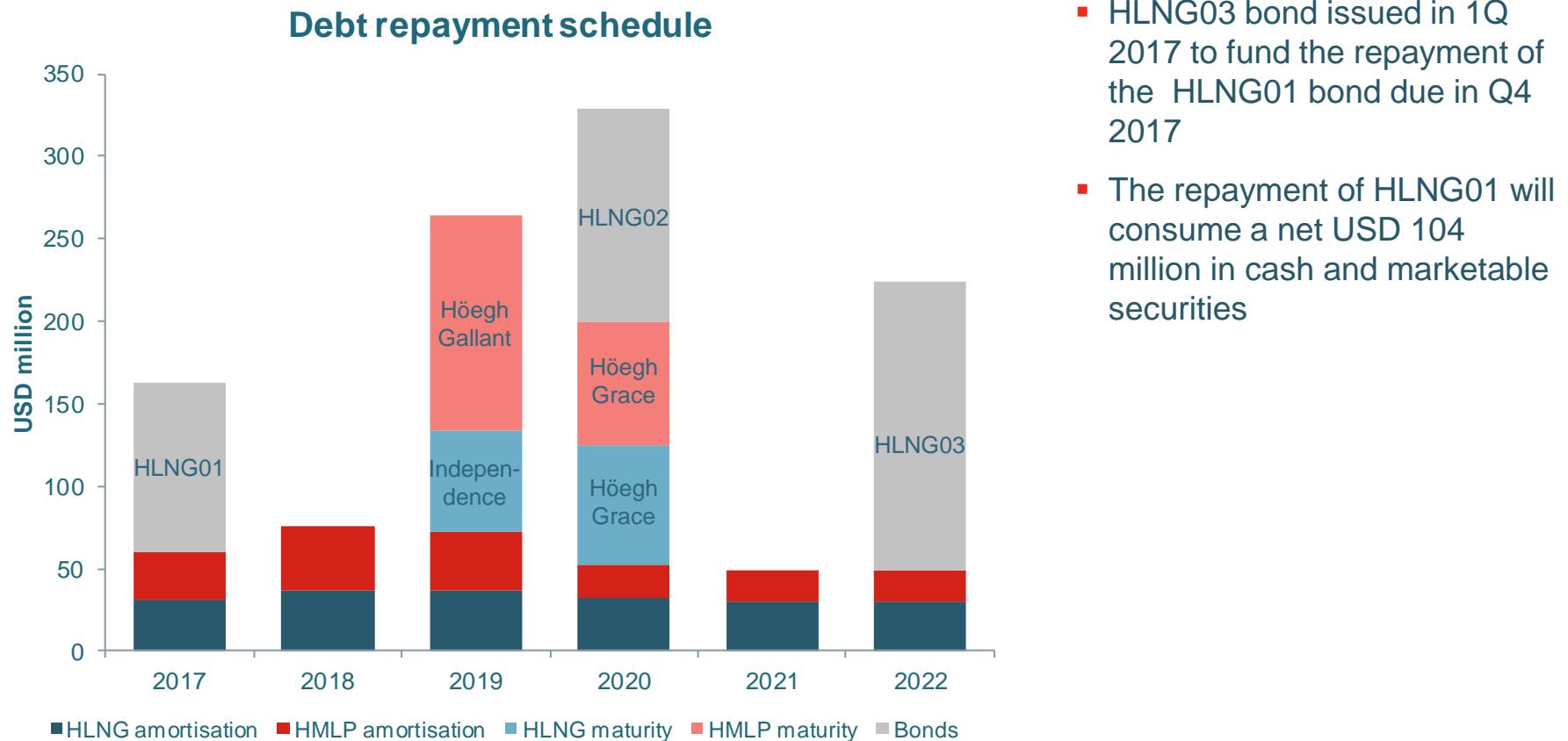
Financial highlights

<i>USD million</i>	2Q 2017	1Q 2017	YTD 2017	YTD 2016
Income statement				
Total income	70.6	68.7	139.2	112.6
EBITDA	37.7	36.7	74.3	53.6
Net profit after tax	8.5	11.4	20.0	9.9
Dividend per share (USD per share)				
Free cash flow	0.125	0.125	0.25	0.20
	15.7	14.1	29.7	8.1
Financial position				
Cash and marketable securities	303	365	303	365
Total assets	2,002	1,843	2,002	1,843
Adjusted equity	664	672	664	672
Net interest bearing debt	947	705	947	705
Adjusted equity ratio				
	33.3 %	36.6 %	33.3 %	36.6 %

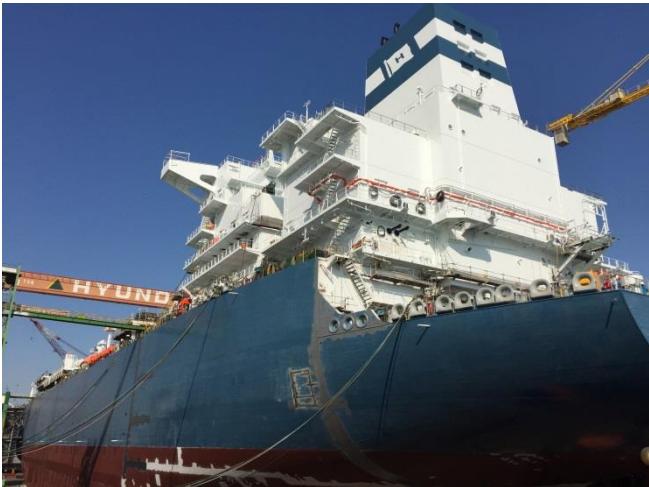
Earnings to make further stepwise improvements as new contracts start up



Manageable and laddered out debt schedule



Debt financing secured for FSRU #8



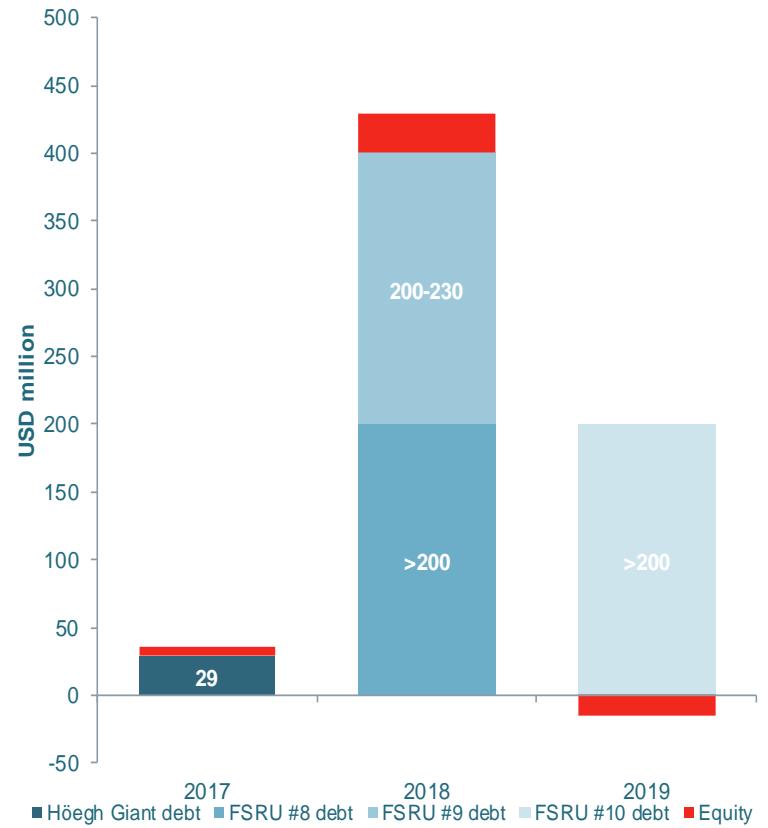
- **USD 230 million debt facility comprising**
 - USD 150 million export credit agency (ECA) tranche with 12 year tenor and profile
 - Up to USD 80 million non-amortizing commercial tranche with 5 year tenor
- **Facility available to fund**
 - Up to 65% of delivered cost with no employment requirement
 - Up to 75% of delivered cost upon securing long-term employment, stretching the amortisation profile to 18.4 years
- **Interest rate swapped and will not exceed 4.0%**

Fully equity funded for remaining newbuilding programme

Liquidity reserve 30 June 2017 (ex HMLP)

Source	USDm
Cash & cash equivalents	80
Marketable securities	193
Outstanding amount seller's credit	35
HMLP revolver	20
HLNG01 repayment	-104
Cash, receivables and marketable securities	224
Financing FSRU #8 no employment requirement	200
Total committed funding	424
Incremental financing Höegh Giant upon l/t employment	29
Incremental financing FSRU #8 upon l/t employment	30
Available upon lifting CPs for long-term employment	483
Assumed financing FSRU#9-10	>400
Total funding	>883
Remaining newbuilding capex¹	~700

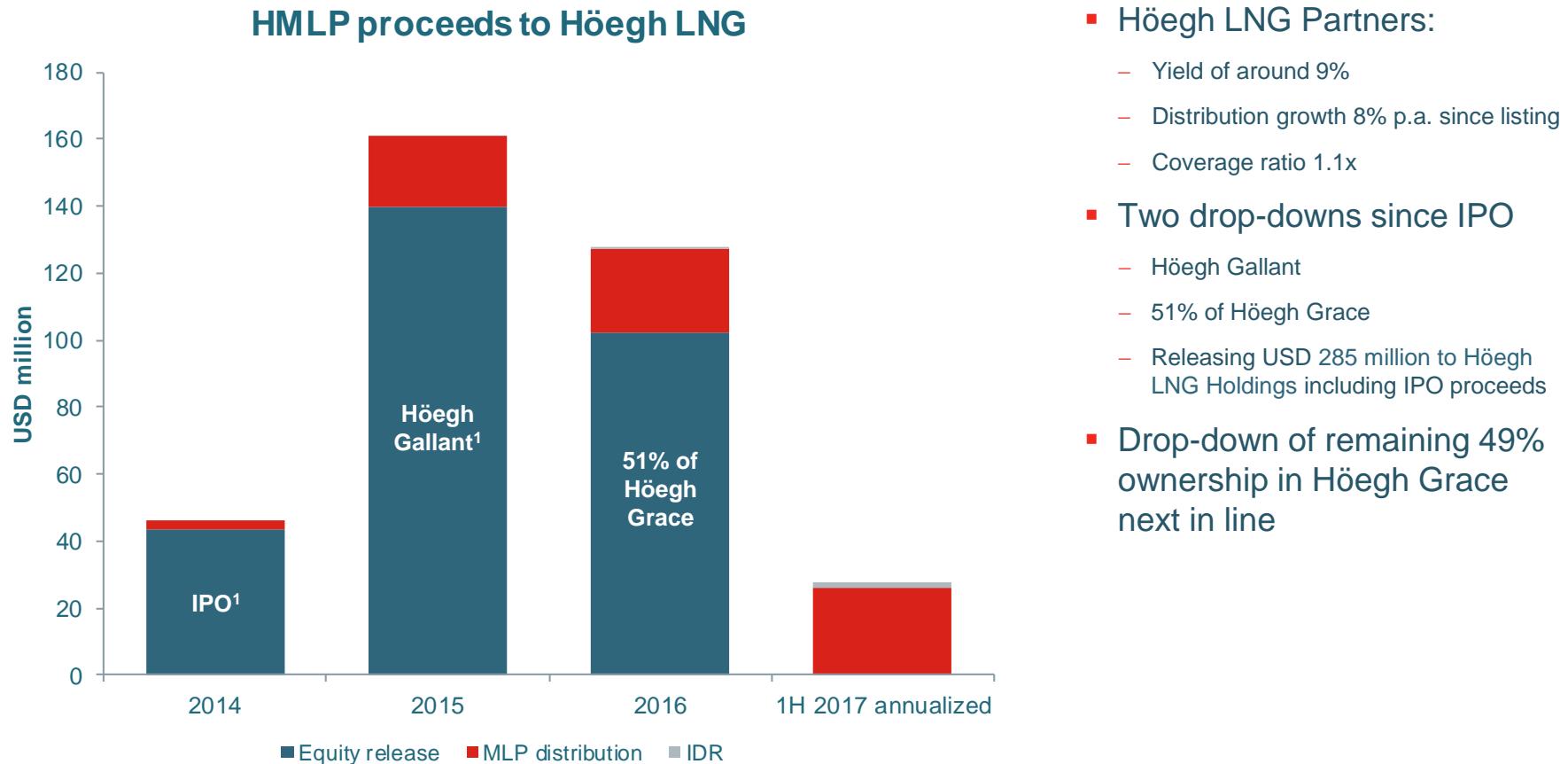
Funding of remaining capex (USD ~0.7 billion)¹⁺²



1 Does not include incremental capital expenditures on Ghana or Pakistan infrastructure

2 Due to timing differences between lifting of CP on projects and scheduled capital expenditures, equity contributions to the newbuilding programme may occur at a different timing than illustrated

Höegh LNG Partners remains an attractive source of equity



1 Pre-funding of Höegh Gallant acquisition in IPO proceeds in 2014

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EBITDA of 37.7 million, remaining at record levels in 2Q 2017

USD 0.125 per share dividend declared in 3Q 2017

LNG demand increasing 13% in H1 2017 underpinning FSRU demand

Securing flexible debt financing of up to 75% on FSRU #8

Accretive acquisition in Neptune FSRUs by Höegh LNG Partners

Q&A session

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Segment reporting¹

Segment information USDm	HMLP ²	Group ex. HMLP						Total		
		Operations		BD and project execution		Corporate and other				
	Q2 2017	Q2 2016	Q2 2017	Q2 2016	Q2 2017	Q2 2016	Q2 2017	Q2 2016	Q2 2017	Q2 2016
Income statement										
Freight revenues	36.8	24.1	28.4	28.2	-	-	-	-	65.2	52.3
Management and other income	-	-	0.8	1.4	1.2	-	-	-	2.0	1.5
Share of results from inv. in JVs	2.3	2.2	1.1	1.1	-	-	-	-	3.4	3.3
TOTAL INCOME	39.1	26.3	30.3	30.7	1.2	-	-	-	70.6	57.1
Charterhire expenses	-	-	(8.9)	(8.8)	-	-	-	-	(8.9)	(8.8)
Bunker and other voyage related expenses	-	-	(0.5)	-	-	-	-	-	(0.5)	-
Operating expenses	(5.9)	(4.6)	(6.9)	(6.8)	(0.2)	(0.3)	-	-	(13.0)	(11.7)
Project administrative expenses	(1.0)	(0.8)	(1.7)	(1.4)	(2.1)	(0.8)	-	-	(4.8)	(3.0)
Group administrative expenses	(1.4)	(1.5)	-	-	-	-	(2.5)	(3.3)	(3.9)	(4.8)
Business development expenses	-	-	-	-	(1.8)	(1.8)	-	-	(1.8)	(1.8)
EBITDA	30.8	19.4	12.3	13.7	(2.9)	(2.9)	(2.5)	(3.3)	37.7	27.0
EBITDA from assets owned by HMLP, including 100% consolidation of Höegh Grace		EBITDA from commercial contracts and assets on the water		Costs of securing new business		The cost of managing the group				

Income Statement

USD million	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016
Freight revenues	65.2	64.5	56.9	53.6	52.3
Management and other income	2.0	0.7	1.7	1.0	1.5
Share of results from investments in joint ventures	3.4	3.4	3.7	3.5	3.3
TOTAL INCOME	70.6	68.6	62.3	58.1	57.1
Charterhire expenses	(8.9)	(8.8)	(8.9)	(8.9)	(8.8)
Bunker expenses	(0.5)	(0.1)	(0.2)	(0.2)	(0.1)
Operating expenses	(13.0)	(11.7)	(10.6)	(12.1)	(11.7)
Project administrative expenses	(4.8)	(4.3)	(4.3)	(2.9)	(2.9)
Group administrative expenses	(3.9)	(5.1)	(5.7)	(5.2)	(4.8)
Business development expenses	(1.8)	(1.9)	(1.4)	(2.3)	(1.8)
EBITDA	37.7	36.7	31.2	26.5	27.0
Depreciation	(10.6)	(9.3)	(9.1)	(9.2)	(9.2)
Reversal of impairment (impairment)	(0.4)	-	-	-	-
EBIT	26.7	27.4	22.1	17.3	17.8
Interest income	0.8	0.4	0.3	0.3	0.4
Interest expenses	(16.3)	(13.8)	(13.3)	(14.3)	(14.6)
Other financial items	(1.0)	(0.6)	(5.6)	1.1	0.4
PROFIT (LOSS) BEFORE TAX	10.2	13.4	3.5	4.4	4.0
Taxes	(1.6)	(1.9)	(2.7)	(1.1)	(0.5)
NET PROFIT (LOSS)	8.5	11.4	0.8	3.3	3.5

Financial position

USD million	30.06.2017	31.03.2017	31.12.2016	30.09.2016	30.06.2016
Newbuildings under construction and FSRUs	1 604	1 374	1 269	1 245	1 247
Shareholder loans to joint ventures	0	6	7	9	10
Mark-to-market on hedging instruments	6	8	8	0	0
Other assets	75	77	78	71	73
Restricted cash (non-current)	14	14	19	23	20
Current cash and marketable securities	303	364	332	268	294
TOTAL ASSETS	2 002	1 843	1 713	1 616	1 644
Total equity	582	593	596	442	434
Investments in joint ventures	39	41	49	76	85
Interest-bearing debt	1 264	1 084	936	955	966
Mark-to-market on hedging instruments	46	51	57	72	86
Other liabilities	71	74	75	71	73
TOTAL EQUITY AND LIABILITIES	2 002	1 843	1 713	1 616	1 644
Total equity adjusted for hedging reserves	664	672	677	576	585
Equity ratio adjusted for hedging reserves	33 %	37 %	40 %	36 %	36 %
Net interest bearing debt	947	705	585	663	650

Cash flow statement

USD million	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016
Net profit or (loss) before tax	10	13	4	4	4
Adjustments of non-cash P&L items and interest	23	20	21	19	19
Net changes in working capital, other	-	(5)	(3)	(4)	(4)
Net cash flow from operating activities	33	28	22	19	19
Net (investments) proceeds in marketable securities	20	(75)	55	25	10
Investments newbuildings under construction and vessels	(238)	(111)	(33)	(4)	(30)
Proceeds of repayment on shareholders loans, other	2	1	2	2	2
Net cash flow from/(used in) investing activities	(216)	(185)	24	23	(18)
Net proceeds form equity issuance	-	-	112	-	-
Proceeds from borrowings	191	175	-	-	-
Repayment of borrowings	(15)	(27)	(15)	(15)	(15)
Dividend paid to non-controlling interest (MLP)	(8)	(7)	(5)	(4)	(4)
Dividend paid to shareholders of the parent	(9)	(10)	(8)	(8)	(8)
Interest paid	(18)	(14)	(14)	(14)	(14)
Increase/decrease in restricted cash	(3)	3	(1)	-	(2)
Other financing activities	(1)	(8)	1	-	-
Net cash flow from/(used in) financing activities	137	112	70	(41)	(43)
TOTAL CASH FLOW	(46)	(45)	116	1	(42)