



Höegh Galleon on gas trials

Q2 2019
Presentation of financial results
22 August 2019

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 second quarter of 2019 and subsequent events

Highlights

- EBITDA of USD 45.7 million
- Net loss of USD 3.6 million
- Dividend of USD 0.025 per share paid in the second quarter of 2019
- Representative office opened in Shanghai, China

Subsequent events

- Dividend of USD 0.025 per share declared for the third quarter of 2019
- Interim charter for Höegh Galleon executed
- Class renewal survey completed afloat for PGN FSRU Lampung

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Commercial progress – continued operational excellence – financing according to plan

Commercial

- 18-months interim TCP for Höegh Galleon before moving to AIE/Australia
- Höegh Esperanza chosen as FSRU for AGL/Australia
- Important progress on selected FSRU projects
- Representative office opened in Shanghai, China

Operational

- 99.5% technical availability across the global fleet
- Excellent HSEQ statistics - Zero LTIs last 23 months
- Class renewal completed for Höegh Gallant and FSRU Lampung
- Delivery of Höegh Galleon marks end of current newbuilding programme

Financing

- Attractive sale and leaseback financing of Höegh Galleon completed with CCBL
- Fully debt and equity funded for current capex programme
- Contract backlog providing solid support for up-coming refinancings

Clear progress made for projects with near-term FID decision



- Port Kembla, New South Wales, Australia
- Governmental approval achieved
- TCP close to completion
- AIE signed 1st gas sales agreement
- Conditional on FID
- Start-up 2020/21



- Crib Point, Victoria, Australia
- EIS process past mid-point
- TCP signed in December 2018
 - 10-year contract
 - Annual EBITDA USD 29-31 million
- Conditional on FID
- Start-up 2021/22

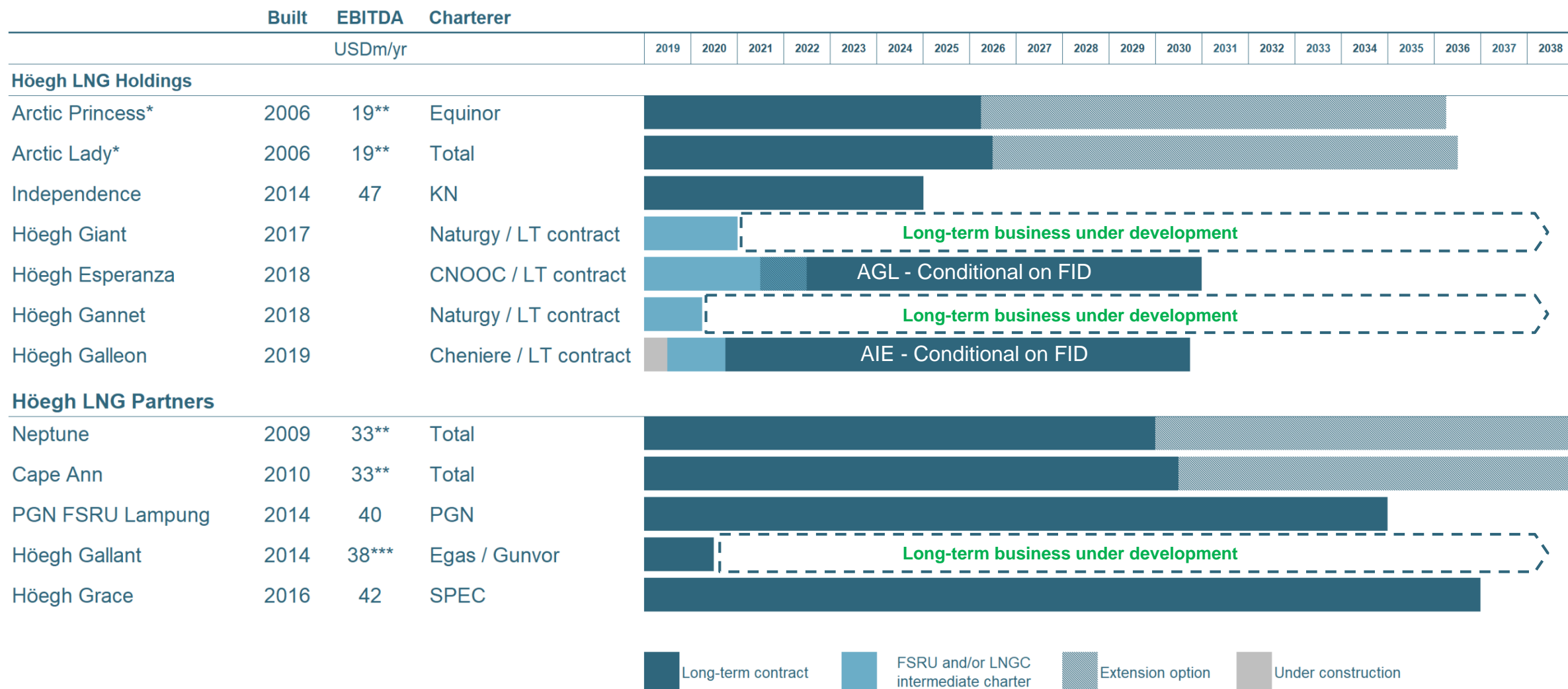
FSRU project #3

- Asian based project
- Höegh LNG has achieved exclusivity
- Conditional on FID
- Sponsor in the process of seeking permit and governmental approval
- Start-up 2020/21

FSRU project #4

- In final tender round
- TCP close to completion
- Conditional on FID
- Start-up 2020/21

Improving contract coverage



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



HÖEGH LNG

*** Currently on LNG charter with Clearlake Shipping (Gunvor subsidiary) with annual EBITDA contribution of around USD 16 million. The difference in revenue between the original FSRU contract with Egas and the new LNG carrier time charter for the balance of the charter was recognised in Q4 2018 although Egas continues to compensate for this difference on a monthly basis until the expiration of the original FSRU contract

Avenir LNG making steady progress in the small-scale LNG market



First 750 cbm LNGC newbuild at Keppel/Nantong shipyard



Higas LNG receiving terminal in Sardinia

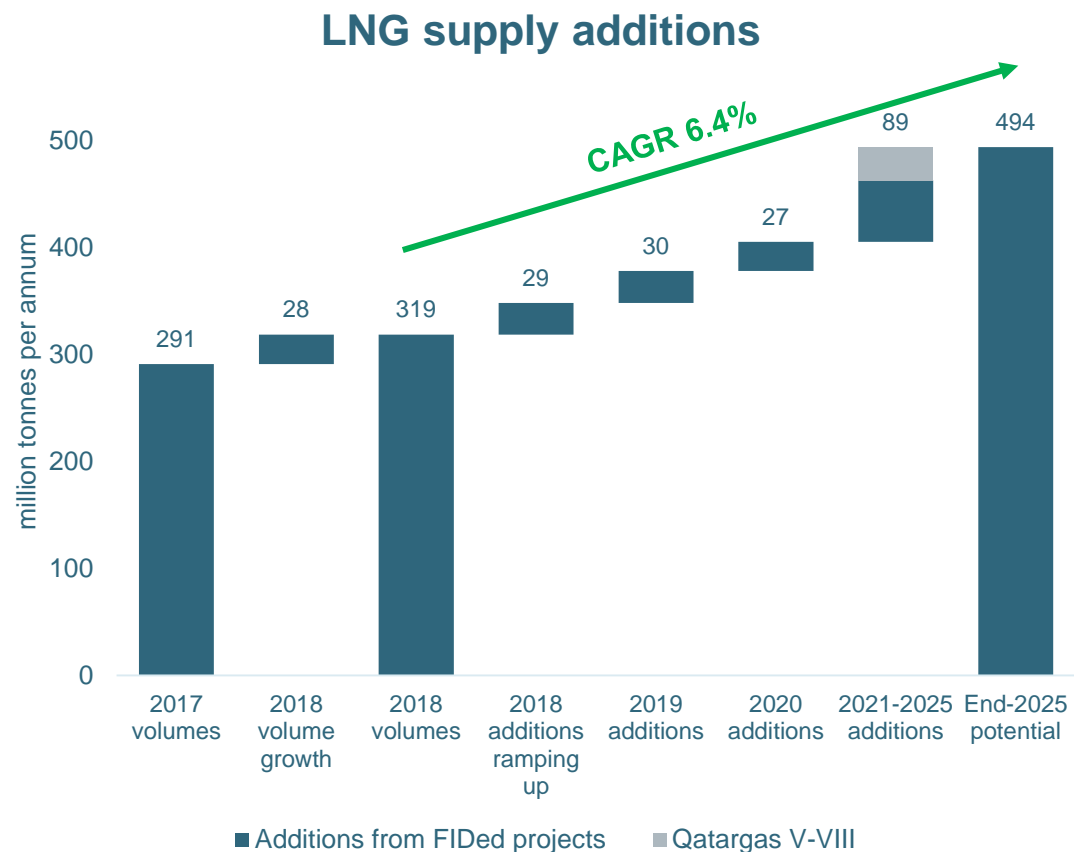
- Business model: Supply LNG to small scale energy markets replacing primarily oil products, and to the fast-growing LNG bunkering market
- 6 small-scale LNGCs with LNG bunkering capabilities under construction. To be delivered from 2019-2021
- 1 small scale LNG receiving terminal under construction in Sardinia, to be completed mid 2020. On schedule, LNG sales ongoing
- Development of joint HLNG/Avenir business using HLNG's existing fleet of FSRUs. Making good progress
- Expecting HLNG's remaining capital commitment of USD 18 million to be paid in during 2019

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Sanctioned liquefaction capacity at 15-year high



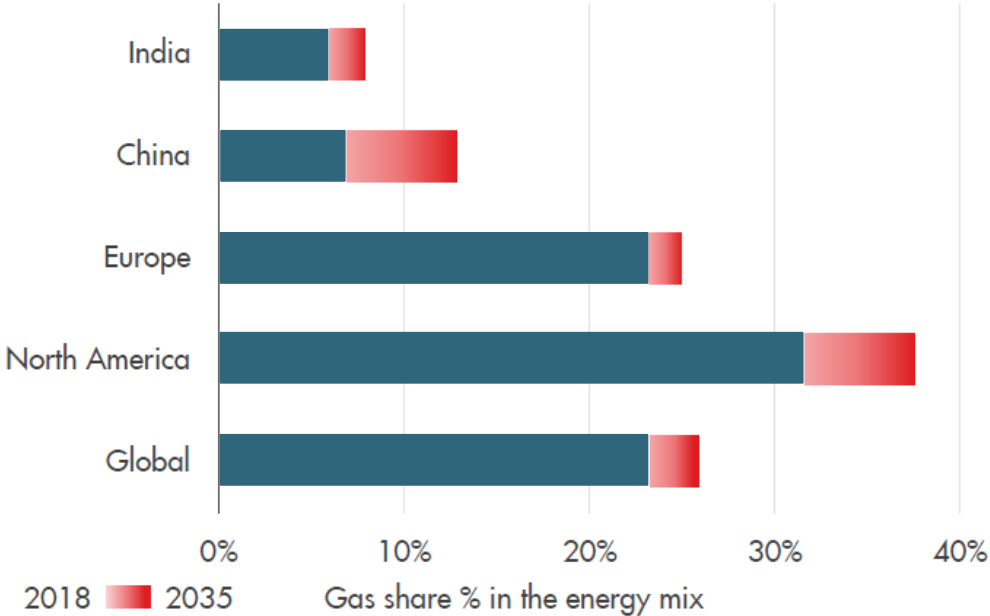
Source: IHS Markit

- Sanctioned liquefaction capacity in H1 2019 has reached 33 MMtpa
- Two FIDs in the second quarter:
 - Mozambique LNG FID June 2019, 12.88 MMtpa
 - Sabine Pass T6 FID May 2019, 4.5 MMtpa
- Additional projects forecast for FID¹ in H1 2019
 - Sanctioned liquefaction capacity likely to exceed peak from 2005 of 50MMtpa
 - 2020 also forecast to be strong
- Strong momentum for LNG, particularly in North-America
 - Several offtake or other commercial agreements signed

1 FID: Final Investment Decision.

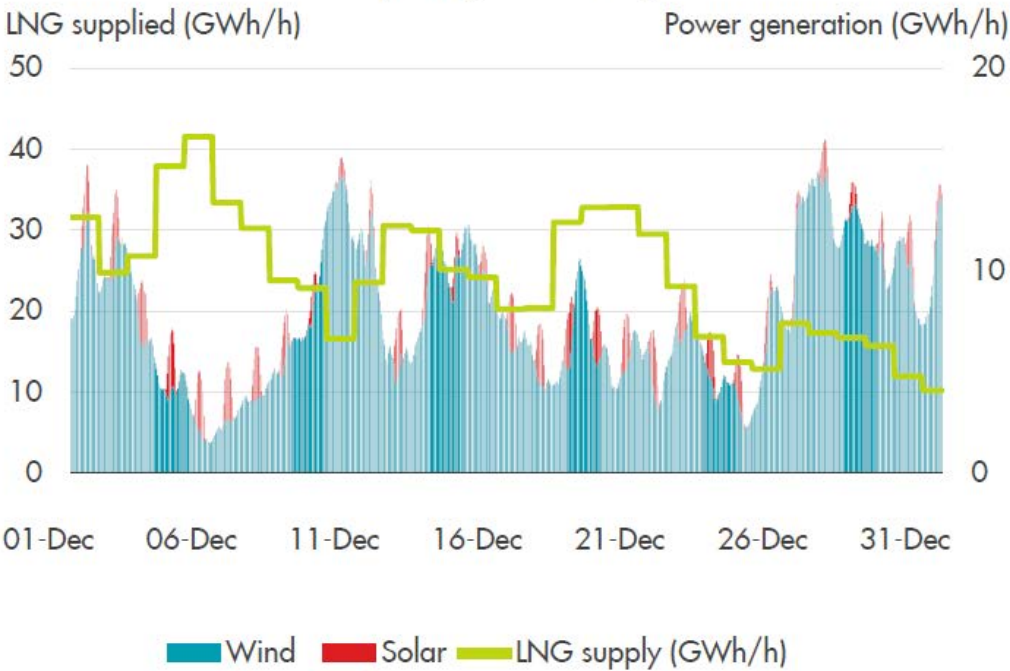
LNG demand driven by coal/oil to gas switching and need for flexible back-up for renewable energy

Gas growth in the energy mix 2018-2035



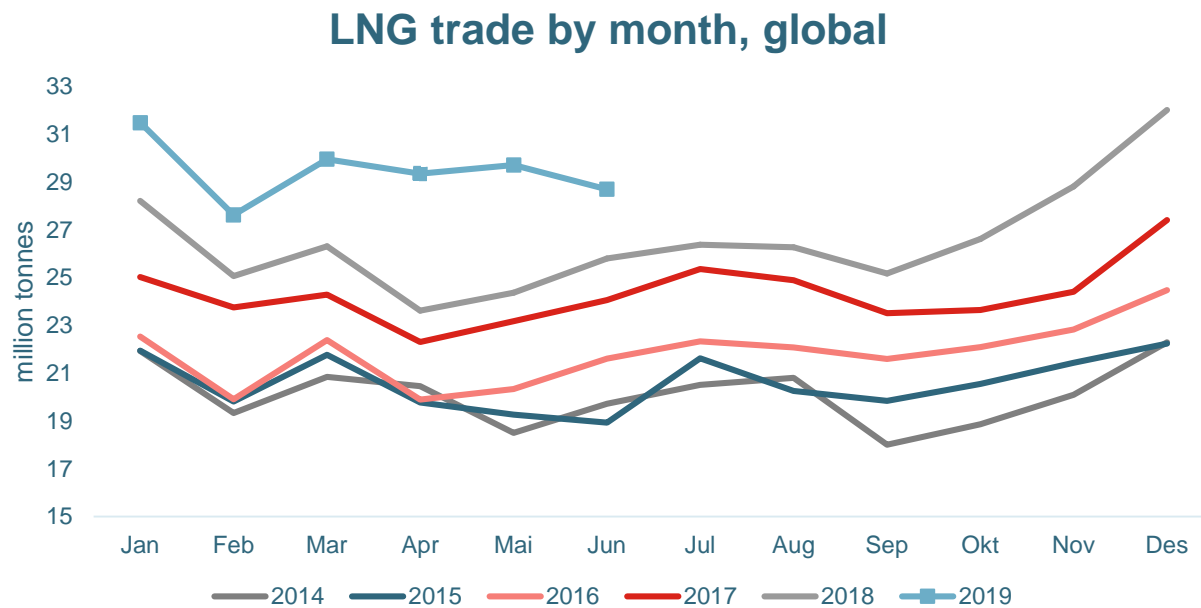
Source: Shell interpretation of Wood Mackenzie Q4 2018 data

LNG complements wind and solar
Spain (Dec-2017)



Source: Shell interpretation ENTSOG, REE, World Nuclear Association 2017 and 2018

Solid LNG trade growth continues in the second quarter

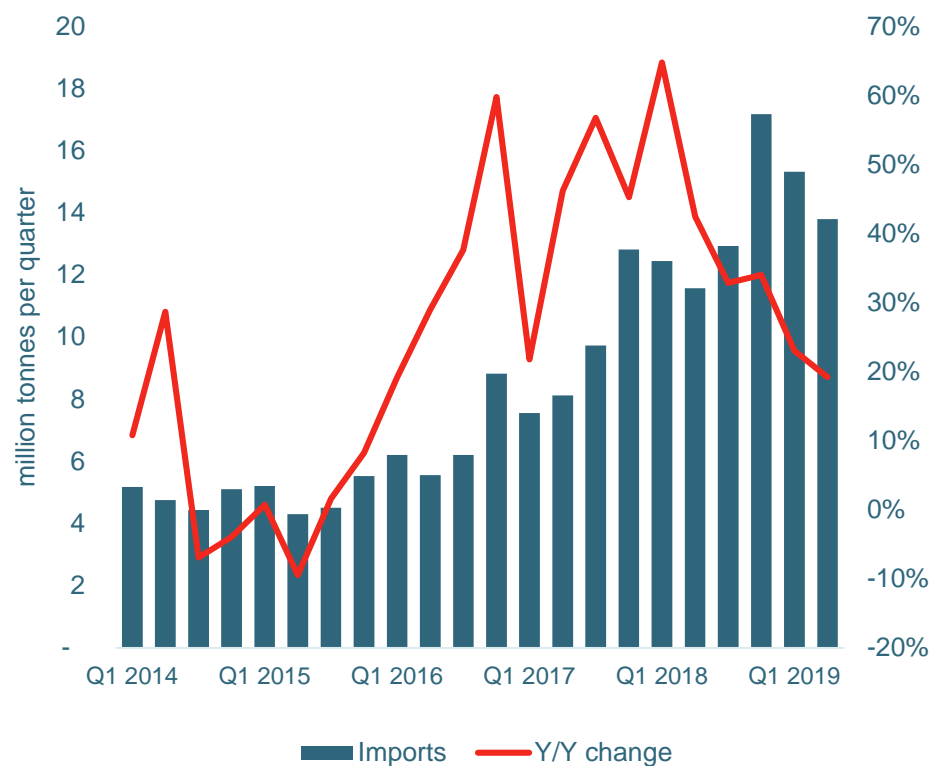


Source: IHS Markit / Waterborne

- Total volumes up 19% y/y in Q2 2019 and 16% y/y in H1 2019
- Europe taking a larger share of imports owing to a favourable pricing environment

China continues to be the high-growth market for LNG

Chinese LNG imports

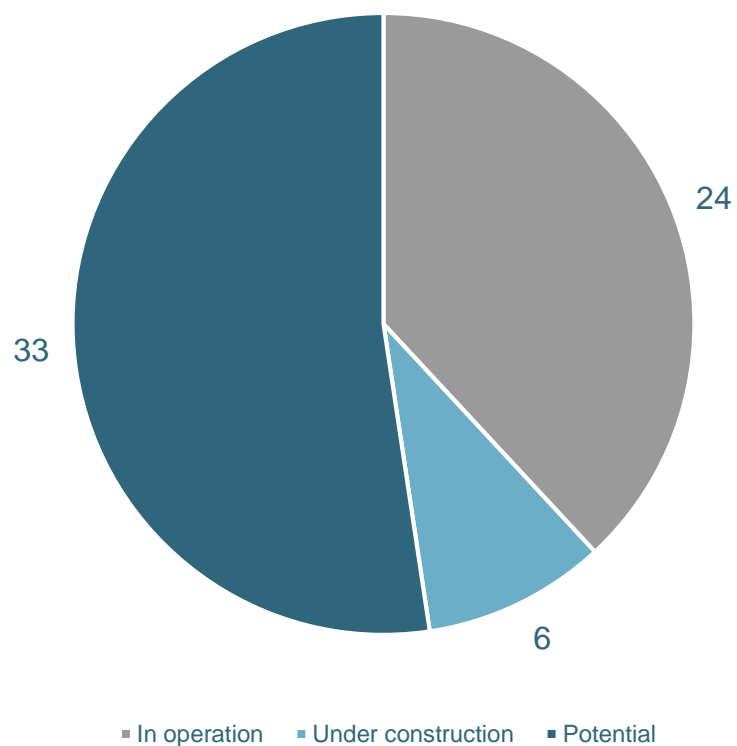


Source: IHS Markit/Waterborne LNG

- Y-o-Y growth in Chinese LNG demand was 5.3MMt in H1 2019, equal to 22%
 - Offsetting declining importers as total Asian demand growth was 3.2MMt
- Strong LNG import potential as domestic gas production lags growth in demand
- Höegh LNG executing on its China growth strategy:
 - Only FSRU operator with operations in China through contract with CNOOC
 - Sale and leaseback agreement with CCBL marks the start of a long-term relationship and provides opportunities for future growth
 - HLNG opened representative office in Shanghai in July 2019

Strong FSRU market potential

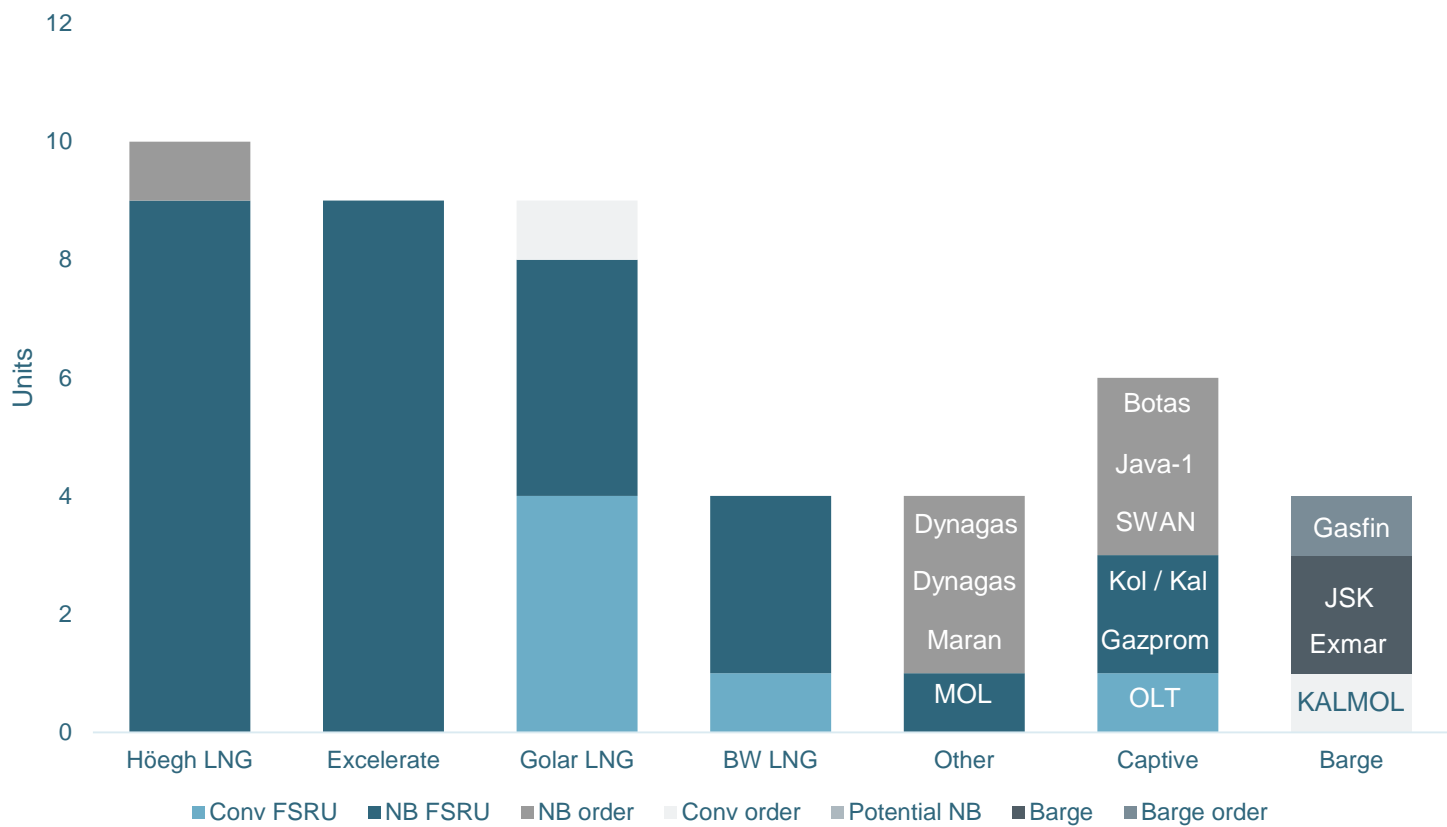
FSRU projects globally



Source: Høegh LNG

- 24 FSRUs operating by end Q2 2019
- 6 projects currently under construction
- 33 projects possible to reach FID within 2024
- Several potential projects making important progress:
 - Governmental approvals achieved
 - FSRU suppliers selected
 - Offtake agreements signed
- Potential projects are geographically widespread and driven by different rationales:
 - Projects in progress on all continents
 - Rationales differ from project to project:
 - Fuel switching to reduce CO₂
 - Flexible back-up for renewables
 - Reduction of energy costs

FSRU fleet by owner and orderbook¹ by owner



- World fleet: 36 FSRUs
 - 28 purpose-built FSRUs
 - 6 LNGC-to-FSRU conversions
 - 2 barges
- Global orderbook: 10 units
 - 7 purpose-built FSRUs
 - 1 LNGC-to-FSRU conversions
 - 2 barges
 - Scheduled delivery through 2022

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

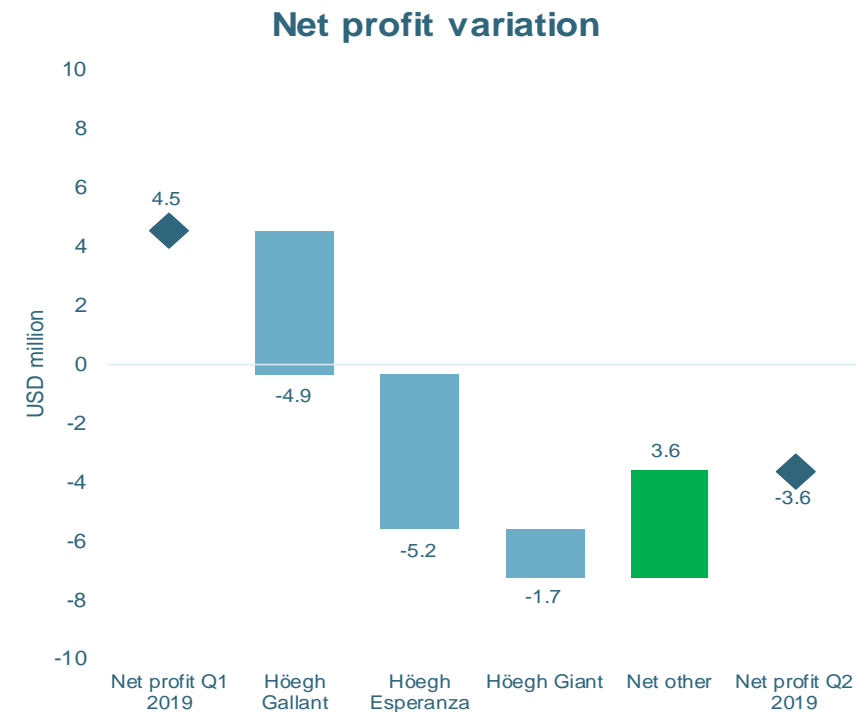
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Income statement for the quarter ended 30 June 2019

<i>USD million</i>	Q2 2019	Q1 2019
Total income	75.5	84.3
Charterhire and other expenses	-0.2	0.2
Operating expenses	-18.9	-15.8
Administrative and BD expenses	-10.7	-12.8
EBITDA	45.7	55.9
Depreciation	-26.4	-26.1
EBIT	19.2	29.7
Net finance	-21.7	-23.5
Profit before taxes	-2.4	6.2
Corporate income tax	-1.2	-1.7
Profit for the period	-3.6	4.5



- Höegh Gallant off-hire (USD 2.2 million) and additional maintenance (USD 2.7 million)
 - Main overhaul of all four main engines done while in dry dock to minimize downtime. Usually part of regular Opex and spread out in time when operating as FSRU

Financial position at 30 June 2019

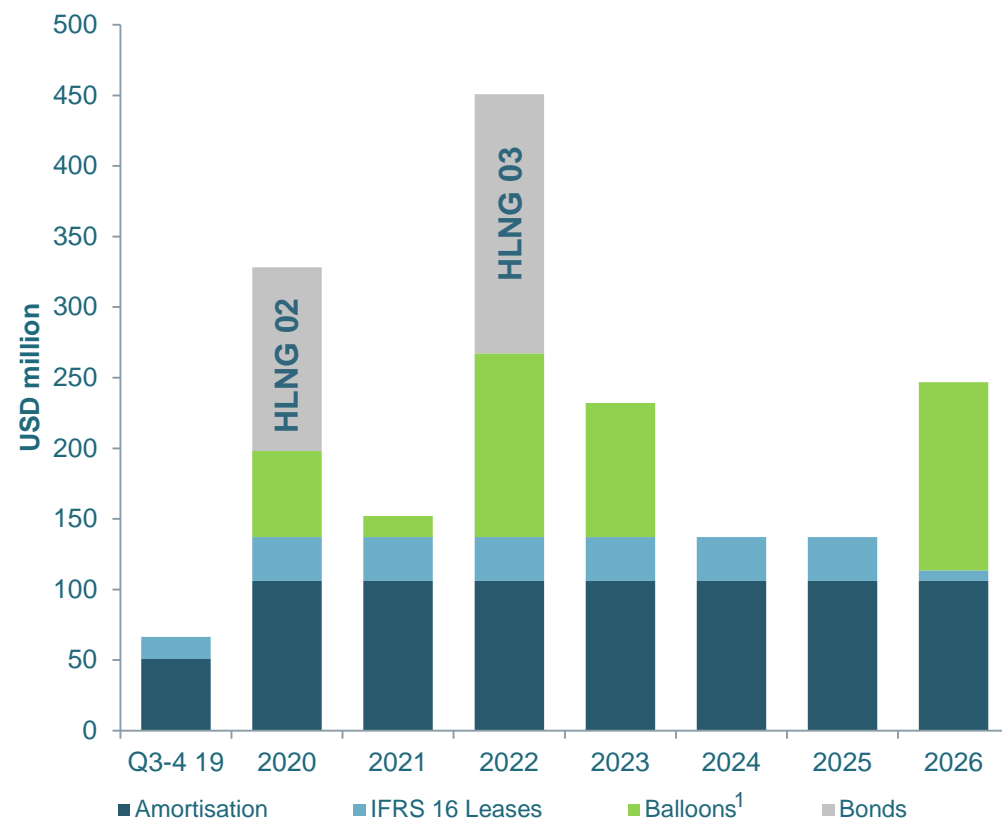
<i>USD million</i>	Q2 2019	Q1 2019
Investments in FSRUs ¹	2 086	2 106
Investments in new buildings	95	91
Other	115	130
Cash and short-term restricted cash	140	165
Total assets	2 437	2 492
Equity attributable to the parent	431	474
Non-controlling interests	274	281
Total equity	705	755
Interest bearing debt	1 622	1 647
Other	110	91
Total equity and liabilities	2 437	2 492
<i>NIBD</i>	<i>1 461</i>	<i>1 463</i>
<i>Adjusted equity</i>	<i>809</i>	<i>822</i>
<i>Adjusted equity ratio</i>	<i>33 %</i>	<i>33 %</i>

- No significant changes to the financial position Q-o-Q
- Book equity ratio of 33% (adjusted for mark-to-market of hedges)
- Net interest-bearing debt at USD 1,461 million

¹ Includes Right of Use assets (LNGCs)

Manageable and laddered-out debt repayment profile

Debt repayment schedule



- Financing completed in Q2 2019:
 - Sale and leaseback financing for Höegh Galleon (FSRU#10) executed. Diversifies sources of funding at an attractive price with long repayment profile and tenor
- Next refinancing - debt maturing in H1 2020:
 - Independence, commercial tranche: USD 61 million
 - HLNG02 bond loan: USD 130 million
- Material remaining capex commitments:
 - Höegh Galleon remaining installments and expenses: USD 171 million. To be financed with CCBL sale and leaseback transaction upon delivery
 - Avenir LNG: USD 18 million remaining capital commitment

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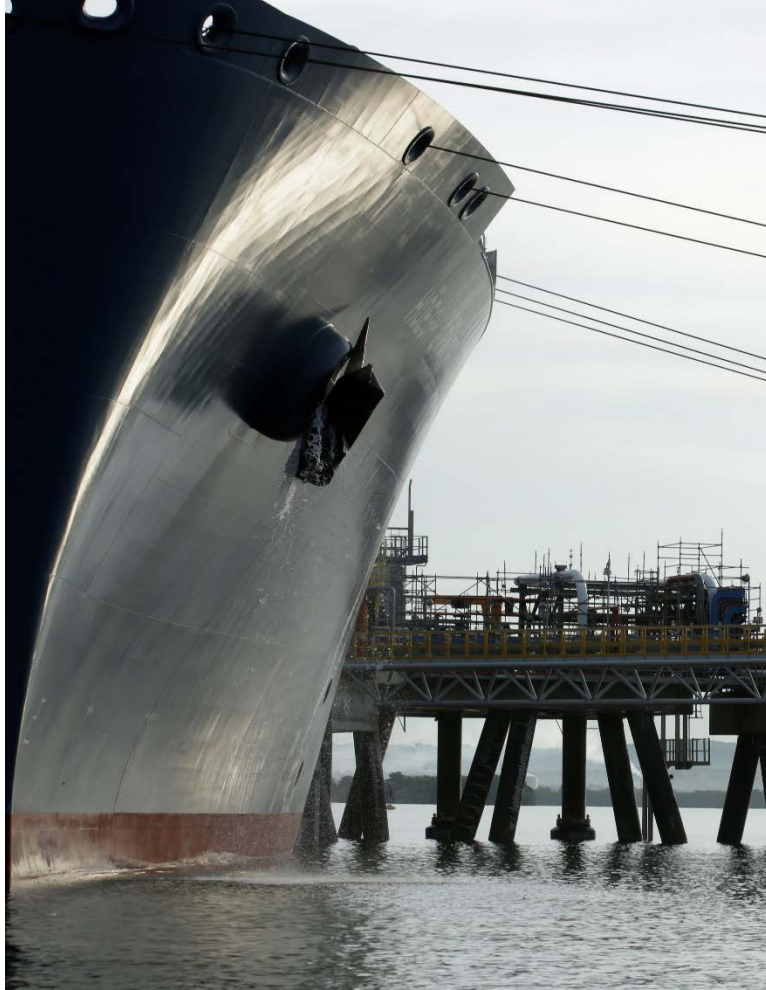
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EBITDA of USD 45.7 million and net loss of USD 3.6 million for Q2 2019

Important commercial progress on HLNG FSRU projects, particularly in Australia

China continues to be the high-growth market for LNG

Further financial diversification secured



Q&A session

22 August 2019 - 09:00 CET

Call-in details:

Norway +47 2100 2610

United Kingdom +44 (0)330 336 9125

United States +1 323 794 2597

Participant passcode: 4895221

Webcast:

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