Company Presentation

FLEX LNG

October 2018

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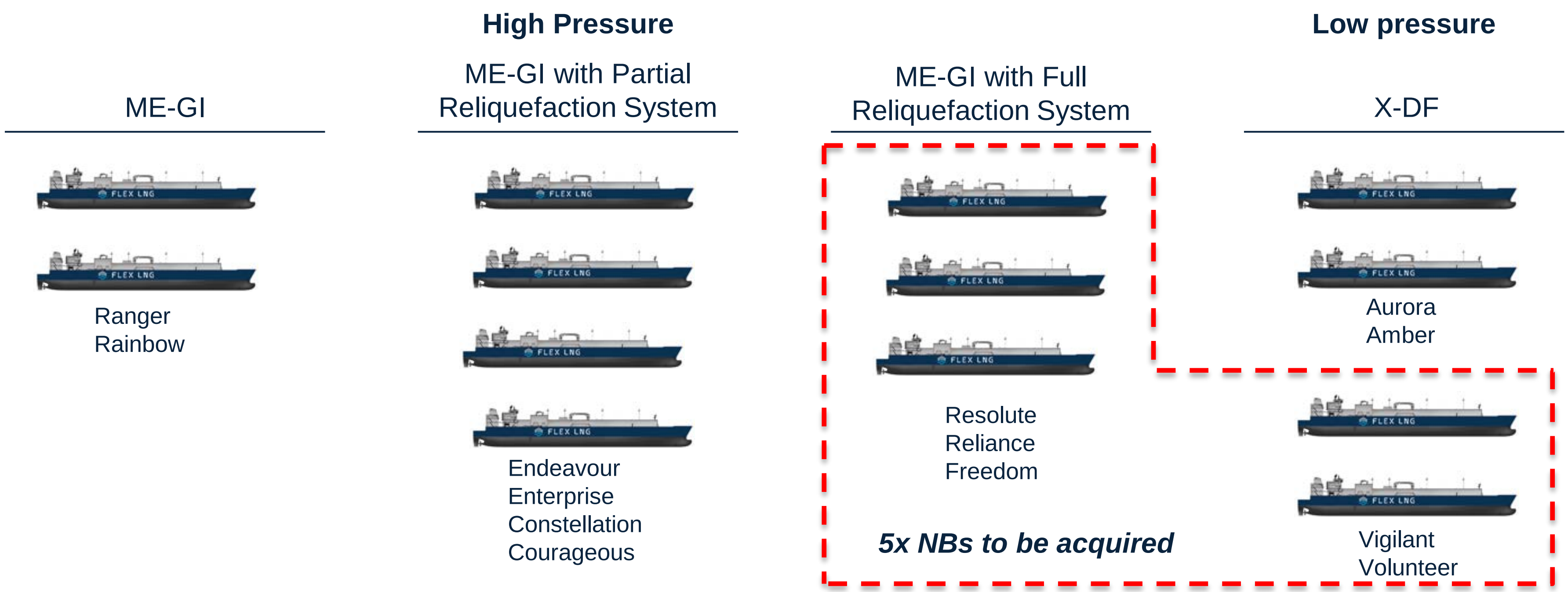
Company update

FLEX a leading LNGC shipping company with significant operating leverage towards a LNG market in early recovery

Acquisition of 5x LNGC newbuilds at attractive terms	• Acquisition of five 5th generation LNGC newbuilds with delivery in 2020 and 2021 • Purchase price per vessel of USD 180m incl. supervision implying a yard cost of USD 177.5m, well below latest newbuild quotes of approx. USD 182m • 3x DSME vessels to be fitted with Full Reliquefaction Systems at additional cost of USD 6m per vessel • Attractive payment terms with 30% upfront and 70% at delivery
Leading 5th generation LNGC company	• FLEX to become the leading 5th generation owner with 13 LNGCs • 5th generation assets with superior fuel economics and earnings capacity • Presence in all the three major basins providing for enhanced customer relationships, increased vessel utilization and shorter distance to load ports • Pro-forma market capitalisation of approximately USD 1bn
Leverage towards LNG market in early recovery	• Tightening supply demand balance and long term favourably outlook • Indications of vessel shortage 2019 and onwards • Attractive delivery schedule • One of the few owners with significant uncommitted tonnage delivered in 2018-2021
Strong support from sponsor	• Sponsor with unrivalled performance in timing the market right • Demonstrated ability to build world leading shipping companies • Transaction reflect sponsor’s unique ability to source attractive deals

Unique fleet comprising 13 modern 5th generation LNGCs

ME-GI and X-DF vessels are the most fuel-efficient and technically advanced LNGCs



ME-GI and X-DF vessels are the most fuel-efficient and technically advanced LNGCs

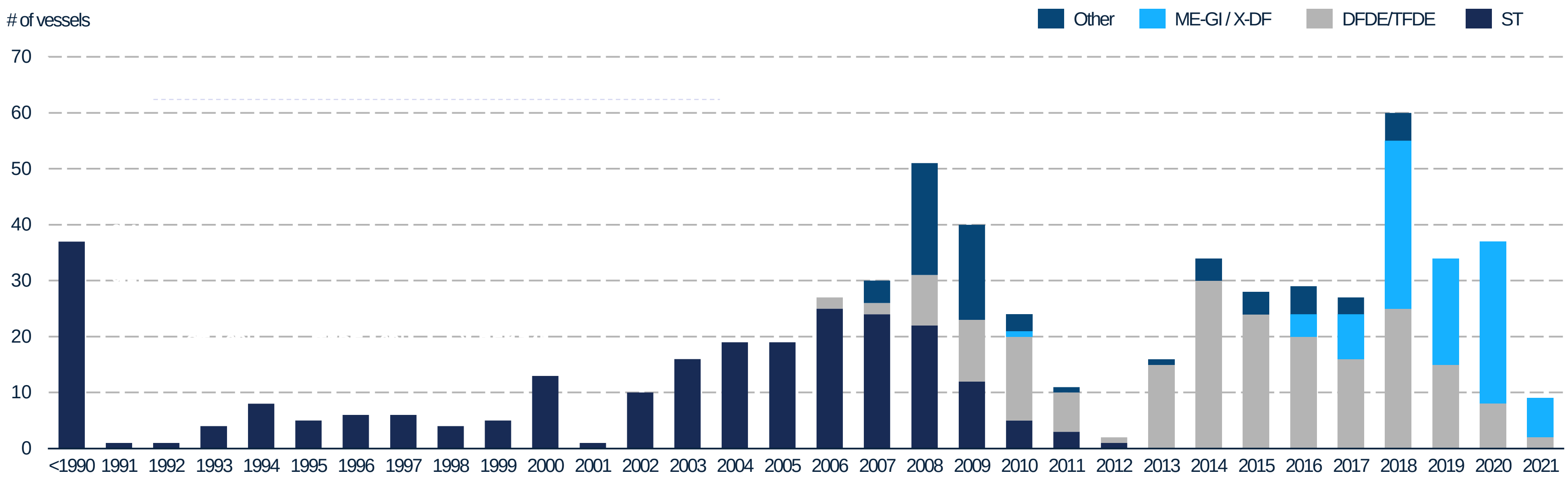
- Three 174,000 CBM LNGC newbuildings at DSME with ME-GI engines and Full Reliquefaction System bringing BOR to 0.035%
- Two additional X-DF LNGC with Mark III Cargo Containment System with BOR of 0.085
- All newbuildings fitted with Selective Catalytic Reduction (SCR) to comply with IMO Tier III regulation both in gas and liquid mode giving them very high trading flexibility

Source: Company

FLEX LNG

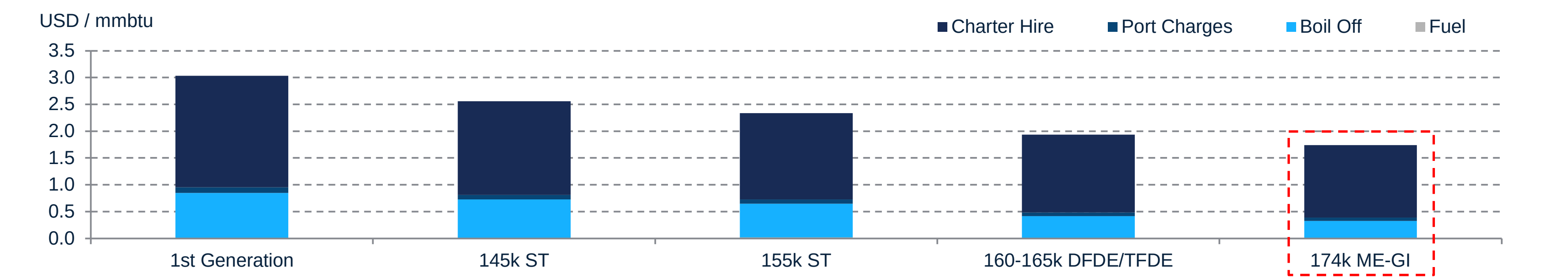
ME-GI and X-DF vessels with significant fuel cost savings

LNGC existing fleet and orderbook by propulsion type



Ship fuel consumption comparison

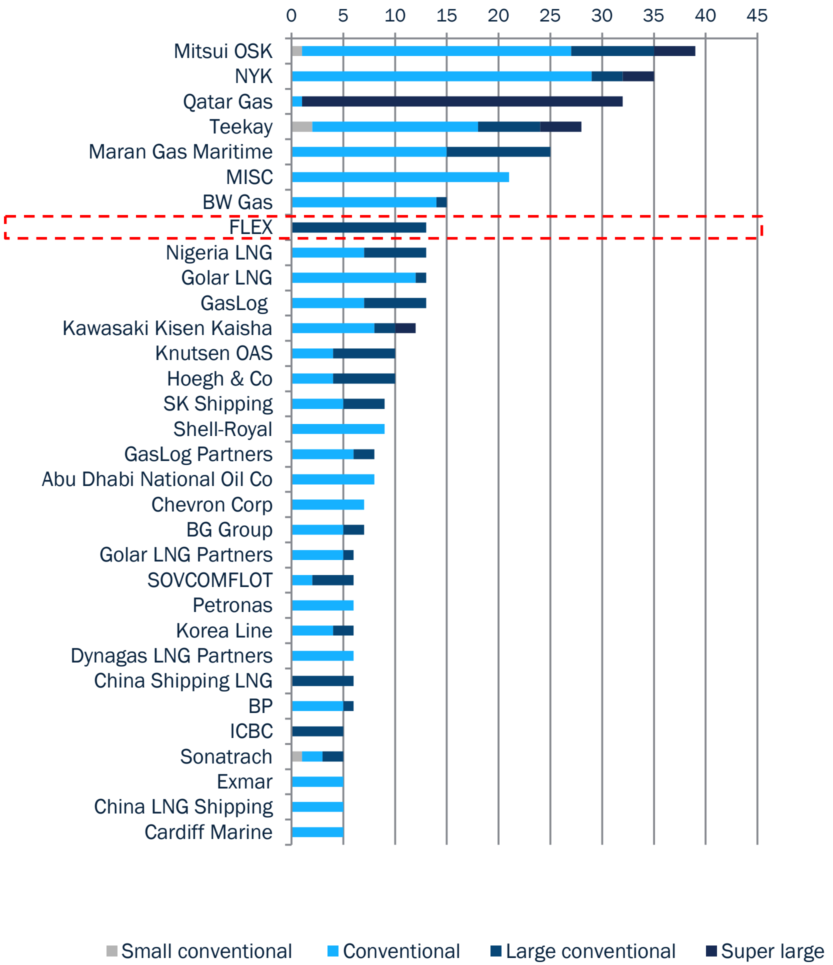
LNG shipping unit transportation costs (U.S. Gulf – China round trip)



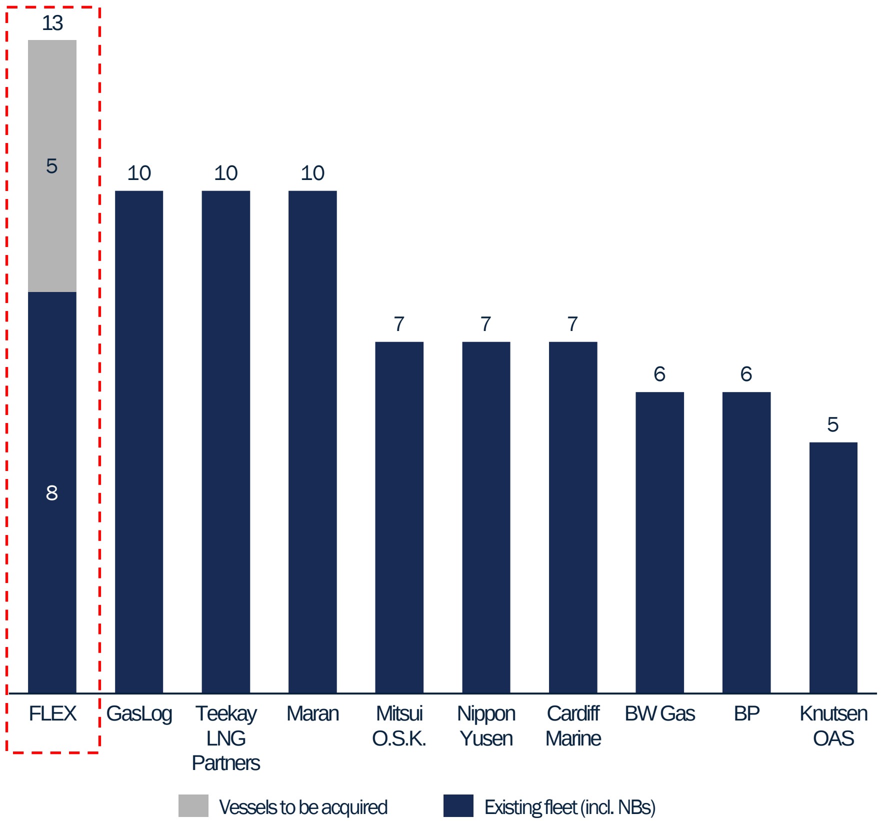
Notes: (1) Assuming speed of 16.5 knots (~74 days round trip), term charter rate of USD 70k/day, boil off gas priced at USD 5 / mmbtu, port cost of USD 250k, and allowance for port fees and loadring discharge time. Source: Poten & Partners

FLEX to become the leading owner of 5th generation LNGCs

Largest LNG shipping companies[1]



FLEX will be the leading operator of 5th gen LNG vessels[2]



Notes: (1) Based on commercial ownership of the vessels (source: Braemar ACM); (2) Source: Clarksons SIN

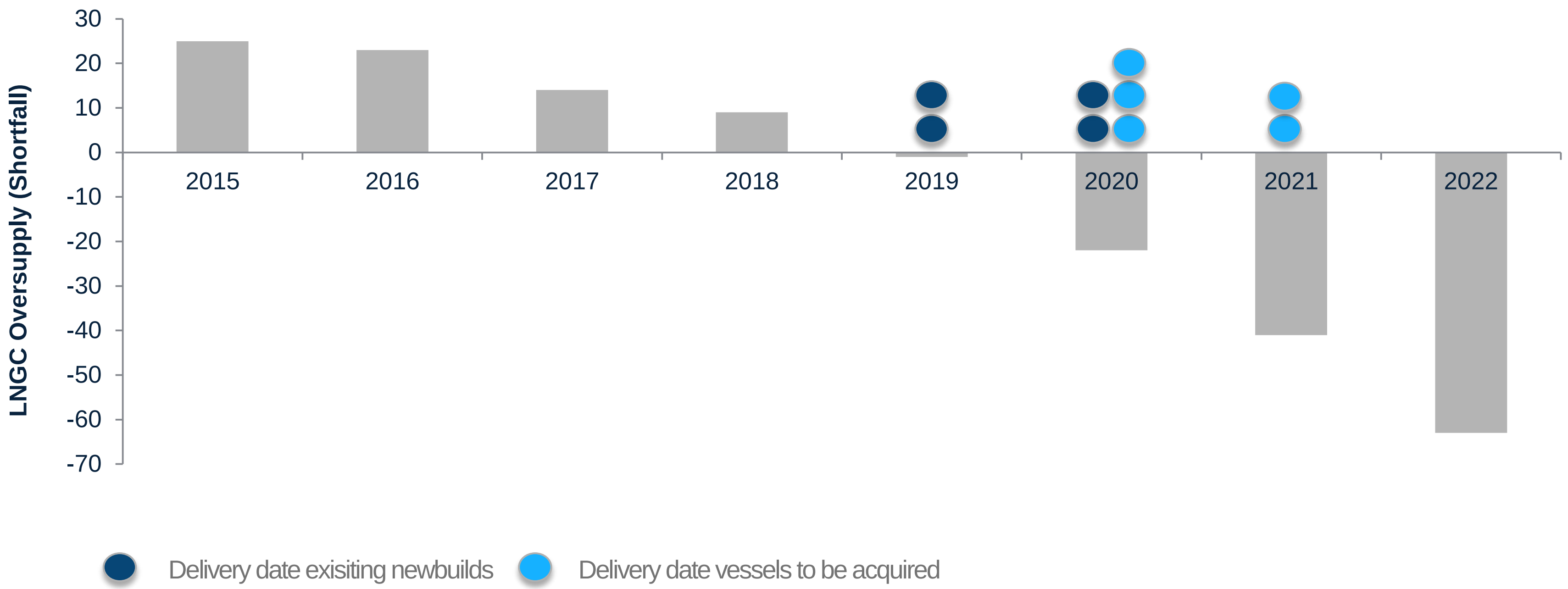
FLEX LNG

Well positioned to benefit from a tightening LNG shipping market

FLEX is one of the few Owners with uncommitted tonnage being delivered in 2018-2021

The LNG shipping market is expected to gradually tighten from the end of 2018, with Australia, the U.S. and Russia being the driving forces for soaking up tonnage

- Q3 2018 shipping balance is forecasted to increase due to delivery of newbuildings ahead of project start-up. On the other hand, new volumes from e.g. Cove Point and Yamal LNG may counter this effect
- Q4 2018 / Q1 2019 the shipping balance starts to tighten as new export capacity comes to the market and outdated tonnage comes off charter and will result in vessel replacement
- By 2020, additional export projects starts producing, triggering vessel demand against a thin orderbook



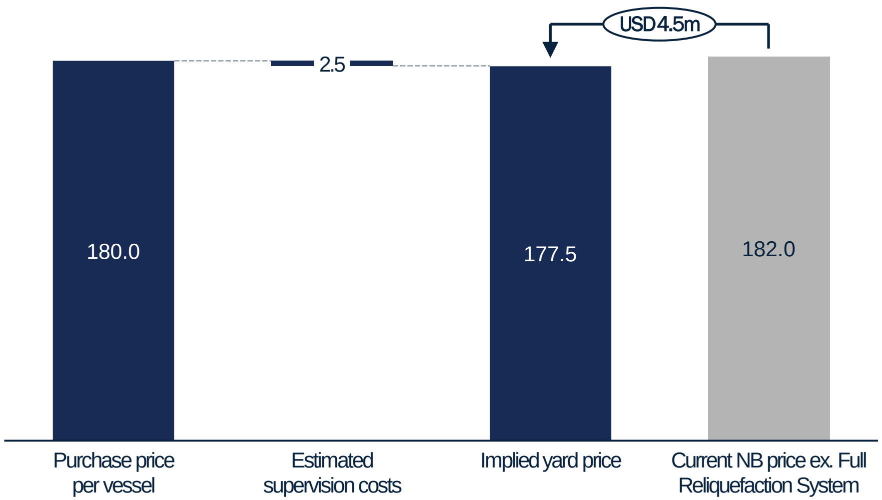
Source: Fearnley

FLEX LNG

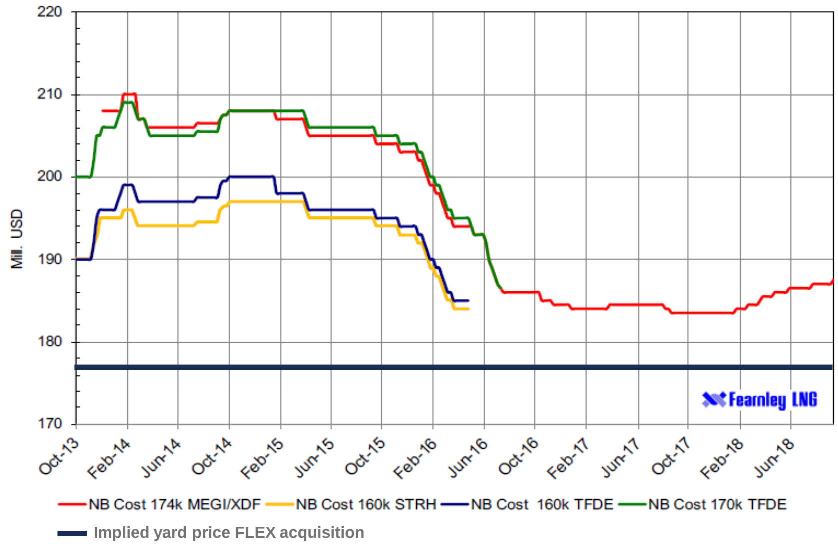
Accretive fleet acquisition in early stage of a LNG market recovery

Attractive price illustrating the value of being part of the Seatankers group

Highly accretive to FLNG shareholders



Development LNGC yard prices ex. supervision



Attractive terms and conditions

- Purchase price of USD 180m for 2x X-DF and 3x ME-GI LNGC respectively from an affiliates of Geveran
  - 3x ME-GI NBs to include Full Reliquefaction System at cost of USD 6m per vessel (total cost USD 186m per DSME vessel)
  - Purchase price includes supervision cost which typically cost USD 2-3m
- Transaction accretive both on implied pricing and NB pricing
- Advantageous slot delivery in 2020 and 2021 in an expected tight market
- Better than market payment terms with 30% advance payment and 70% payment at delivery vs customary 60% at delivery

Significant benefits for FLEX

- ✓ Company reaching critical mass enabling presence in all the three major basins providing for enhanced customer relationships, increased vessel utilization and shorter distance to load ports
- ✓ Broadening of technology offering
- ✓ Commercial and operating costs will benefit from scale efficiencies
- ✓ Highly attractive all-in price, including supervision, of USD 180m per vessel
- ✓ Increased market capitalization enabling higher stock liquidity

Source: Clarksons SIN

Next generation LNGC fleet for the next wave of LNG

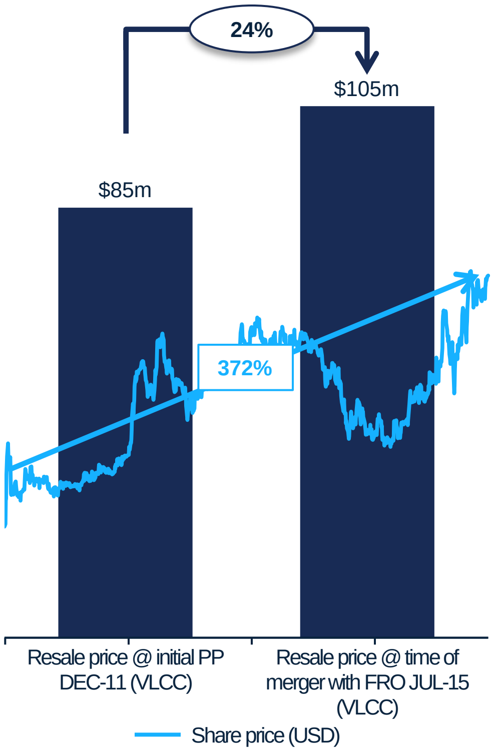
Vessel Name	Builder	Engine	Cargo system	BOR	Built	Size m3	Employment
FLEX Endeavour	DSME	ME-GI	NO-96-GW+PRS	0,075 %	2018	173 400	Employed until Q2 2019
FLEX Enterprise	DSME	ME-GI	NO-96-GW+PRS	0,075 %	2018	173 400	Spot Market
FLEX Ranger	SHI	ME-GI	Mark III FLEX	0,085 %	2018	174 000	Spot Market
FLEX Rainbow	SHI	ME-GI	Mark III FLEX	0,085 %	2018	174 000	Employed until Q1 2019
H2470 / FLEX Constellation	DSME	ME-GI	NO-96-GW+PRS	0,075 %	2019	173 400	Available Jun 2019
H2471 / FLEX Courageous	DSME	ME-GI	NO-96-GW+PRS	0,075 %	2019	173 400	Available Aug 2019
H8010 / FLEX Aurora	HSHI	X-DF	Mark III FLEX	0,085 %	2020	174 000	Available Q2 2020
H8011 / FLEX Amber	HSHI	X-DF	Mark III FLEX	0,085 %	2020	174 000	Available Q3 2020
H2479 / FLEX Reliance	DSME	ME-GI	NO-96-GW+FRS	0,035 %	2020	173 400	Available Q3 2020
H2480 / FLEX Resolute	DSME	ME-GI	NO-96-GW+FRS	0,035 %	2020	173 400	Available Q3 2020
H2492 / FLEX Freedom	DSME	ME-GI	NO-96-GW+FRS	0,035 %	2020	173 400	Available Q4 2020
H8012 / FLEX Volunteer	HSHI	X-DF	Mark III FLEX	0,085 %	2021	174 000	Available Q1 2021
H8013 / FLEX Vigilant	HSHI	X-DF	Mark III FLEX	0,085 %	2021	174 000	Available Q2 2021

Vessels being acquired

FLEX has positioned its advanced LNGC fleet to capitalize on a tight market as vessel demand is set to improve going forward

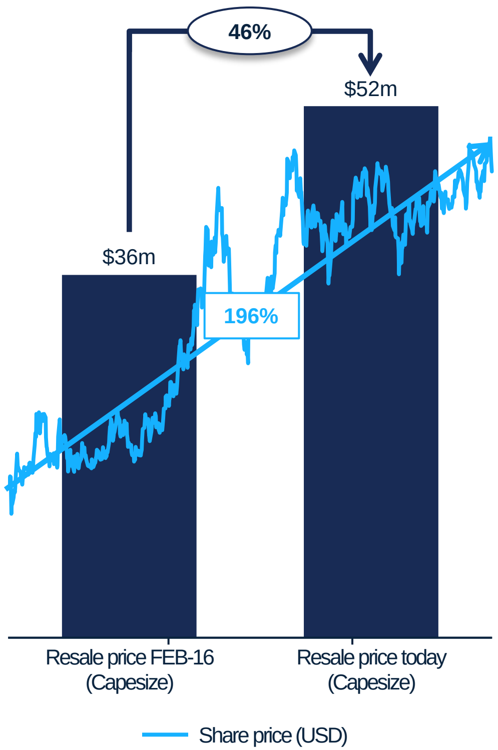
Sponsor with proven track-record in timing the market

Frontline 2012 (1)



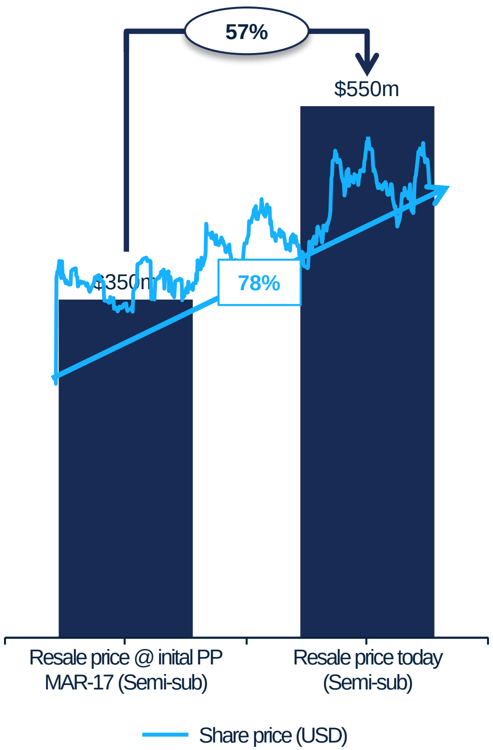
- Frontline 2020 merged with Frontline LTD
  - USD 285m capital raise
- Superior financial and operational structure, securing a position among the lowest cash cost break-even
- Unparalleled support from Hemen

Golden Ocean (1)



- Strengthening of balance sheet in Feb-16
  - USD 200m raised in connection with bank waiver
- Acquisition of Quintana in 2017
- Reinstated dividend payments in Q4-2017

Northern Drilling (1)



- Distressed asset play on a recovery in the drilling market
- Listed on Oslo Axess in Oct-2017
- USD 730m raised since inception

Notes: (1) Total return calculated over the indicated periods. Dividends assumed reinvested. Source: FactSet (as of 05.10.2018)

FLEX LNG

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Market update

FLEX LNG

Market for seaborne LNG transport is maturing

From point-to-point utility business to global tradeable commodity business

LNG 1.0

- 1960s to mid 2000s
- Traditional liner model (P2P)
- Back2back contracts 20yr+
- Steam vessels (≈180tpd)
- Leverage: 80-100%
- Utility business
- Libor spread yield

LNG 2.0

- Mid-2000s – about now
- Portfolio players
- Term contracts (7-15yr)
- DFDE/TFDE vessels (≈135tpd)
- Leverage: 70-80%
- MLP business
- MLP yield

LNG 3.0

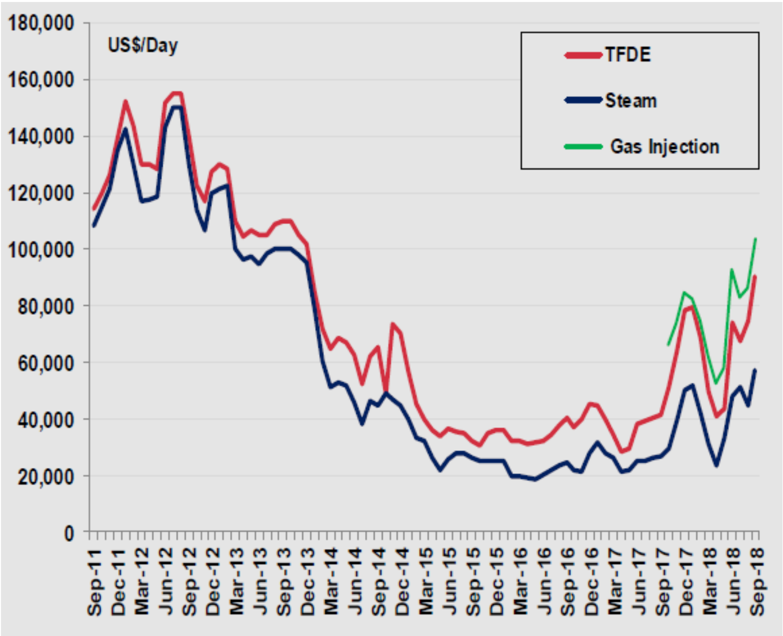
- The way of the future
- Commoditization of LNG
- Short and medium term contracts
- Two-stroke low-speed (≈100tpd)
- Leverage: 50-75%
- Capital market business
- ROCE

Yearly liquefaction capacity:

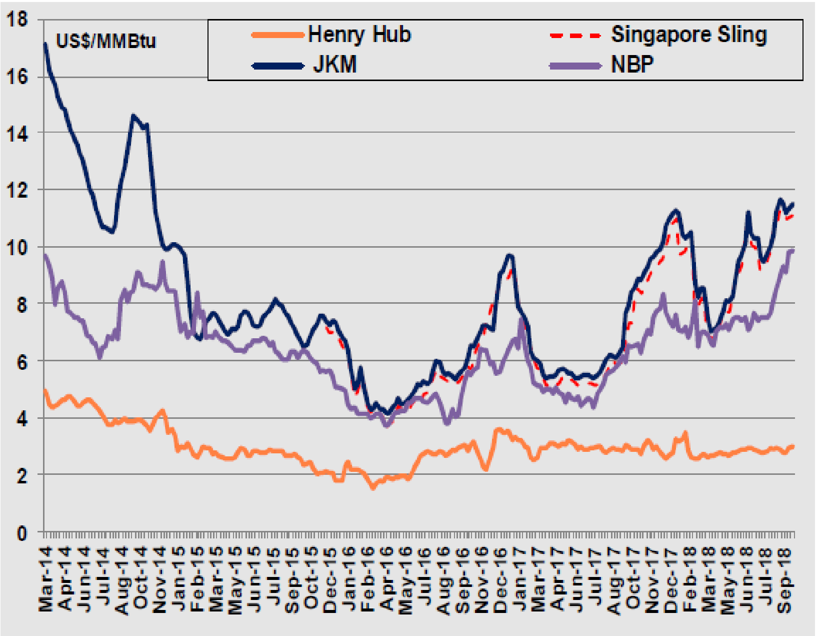
2000: ≈100MMtpa *+100%* ***2010: ≈200MMtpa*** *+100%* ***2020: ≈400MMtpa***

The recovery cycle have started

Estimated LNGC Spot Earnings



Natural Gas Prices by Region

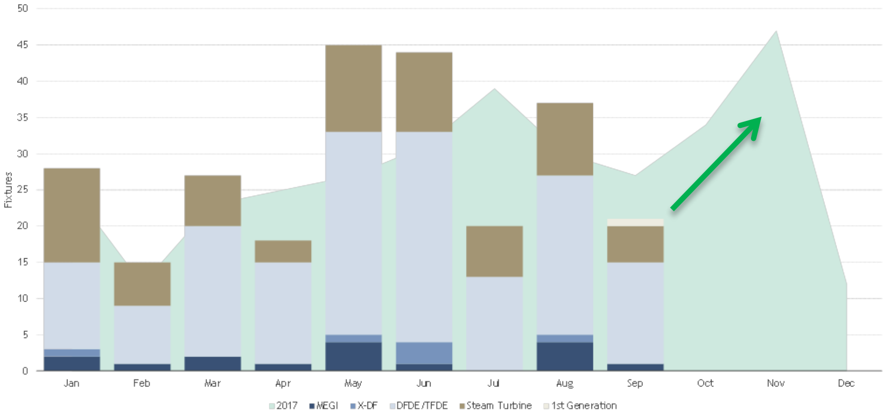


- Early phase of the recovery cycle for LNGC shipping
- Spot rate improved before winter season 2017/18
  - Rates have rebounded after glut of available tonnage depressed rates coming out of the winter early 2018
  - Arbitrage opportunities due to volatile spread between European and Asian prices
  - Unusual strong European gas prices have limited re-export, normalized European gas price will tighten LNGC market further

Source: SSY

FLEX LNG

And charter rates are firming up

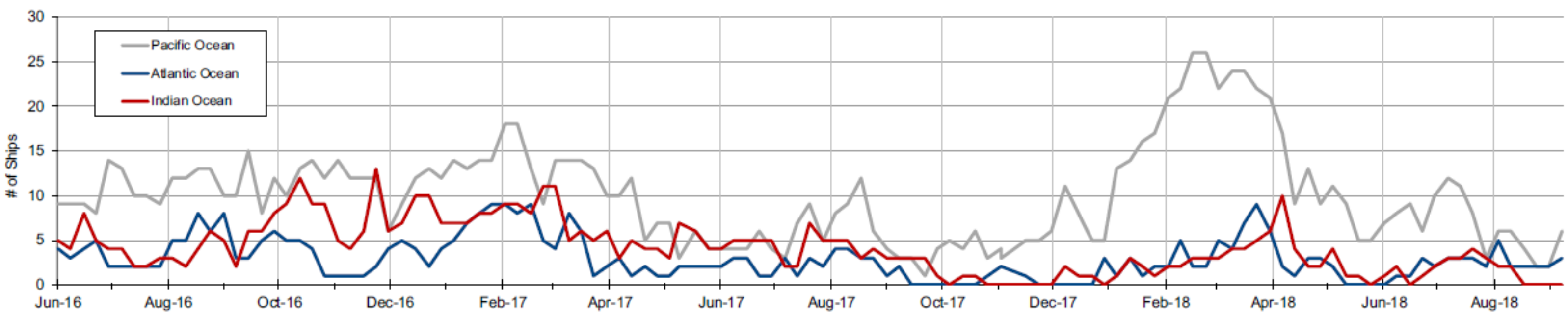


Source: Arctic Securities

DAILY RATES ($)	Atlantic	Middle East	Pacific
174 cbm 2-Stroke	115,000	115,000	115,000
change	*10%*	-	-
160 cbm TFDE	95,000	95,000	95,000
change	*7%*	*3%*	*3%*
145 cbm ST	70,000	70,000	70,000
change	*8%*	-	-
Ballast Bonus	RT + POS	RT + POS	RT + POS
SENTIMENT			
Short Term	Bullish	Bullish	Bullish
Medium Term		Bullish	

Source: Affinity

Available spot vessels in different basins

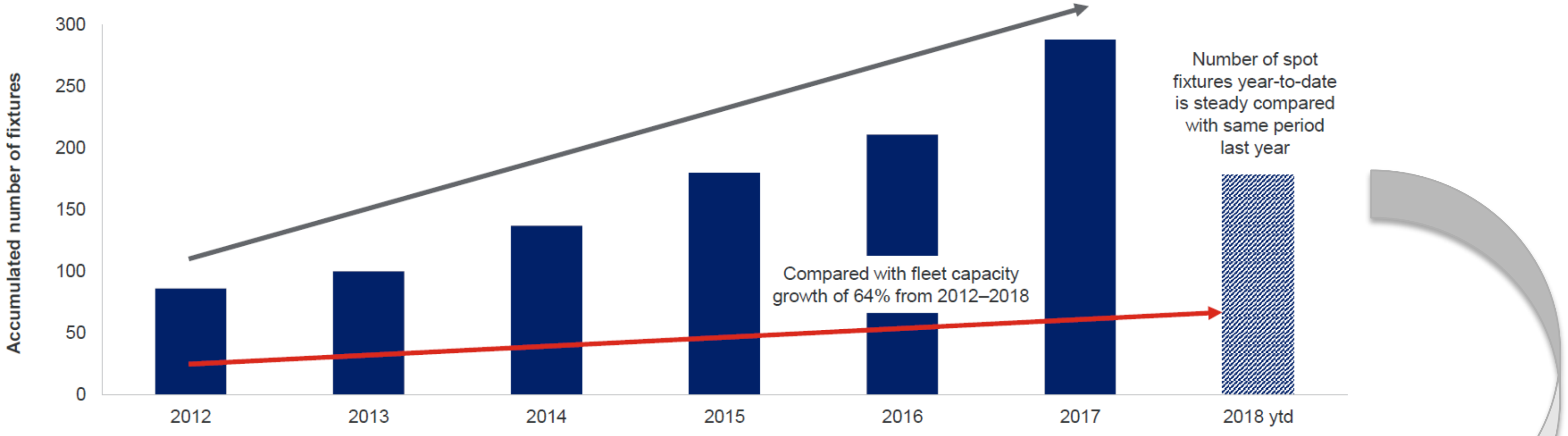


Source: Fearnleys

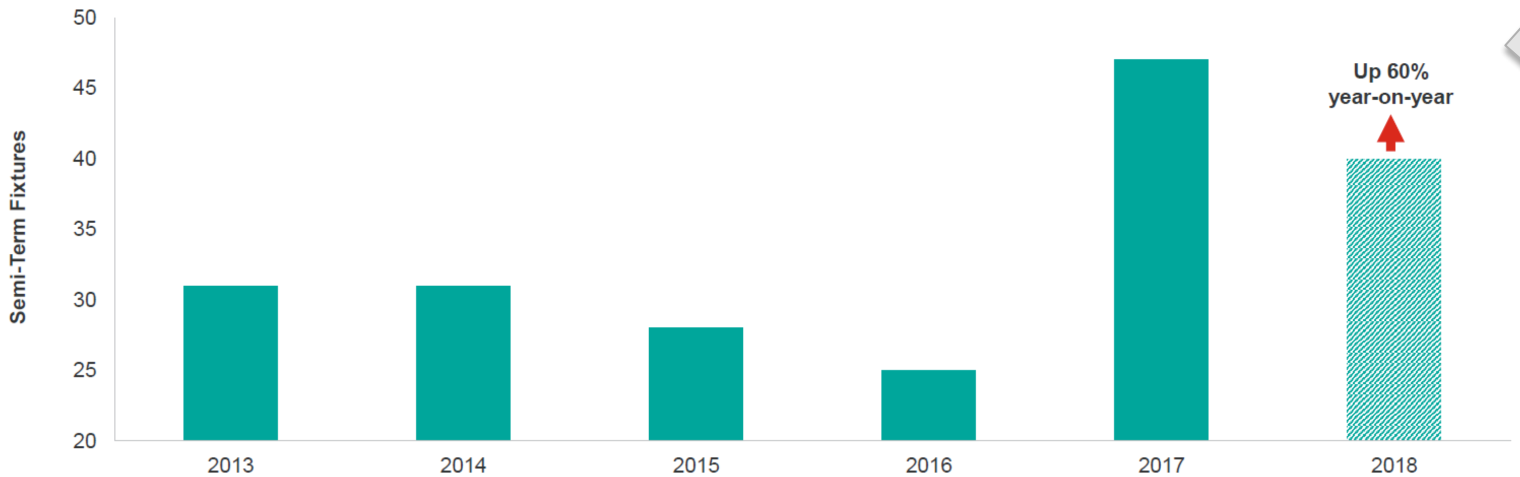
- Modern slow-speed two-stroke tonnage above USD 100k mark
- Vessel availability significantly reduced as charterers absorbed tonnage to secure capacity for the winter season

LNGC market has become more liquid

Number of spot fixtures (less than 3 months)



Number of semi-term fixtures (3mth to 5yrs)



Source: Clarksons LNG

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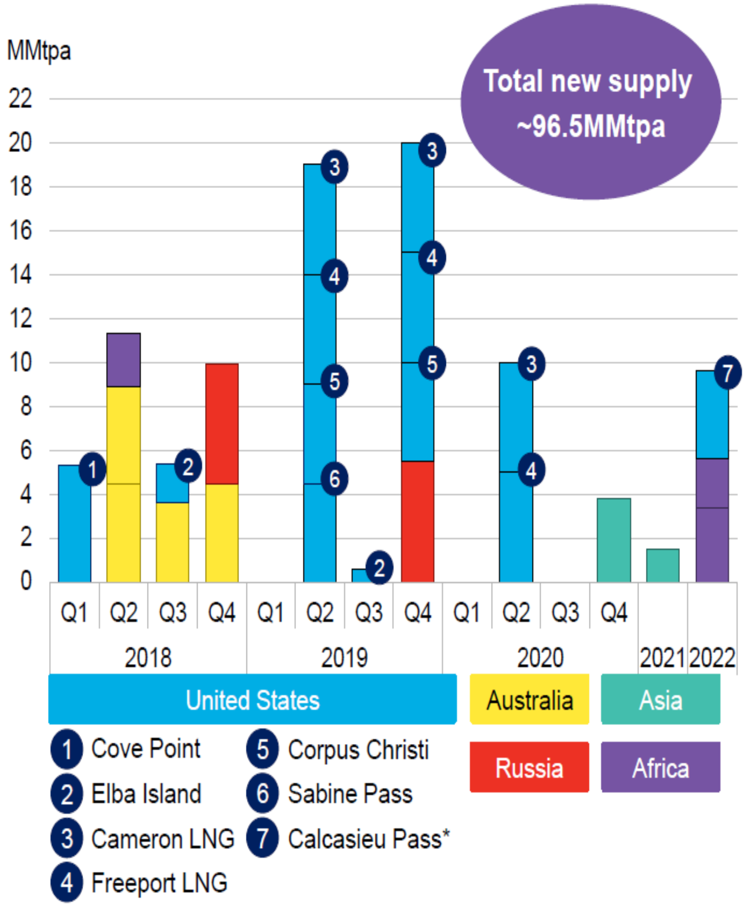
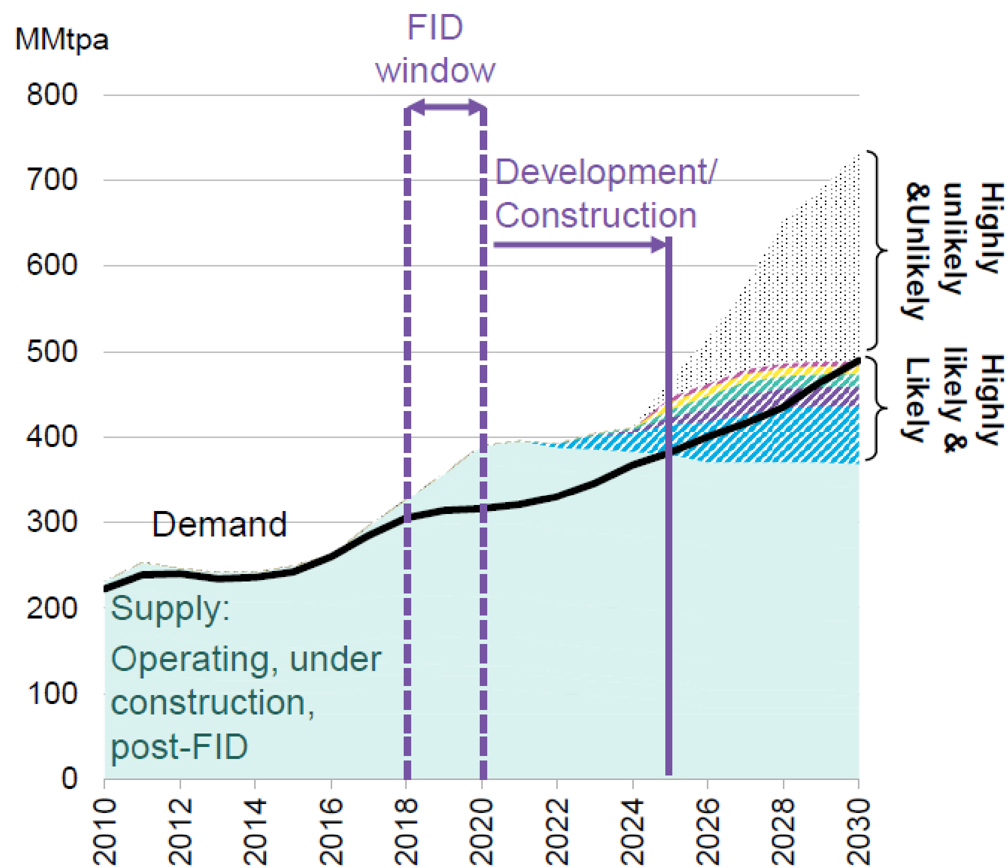
A wave of LNG is coming on-stream



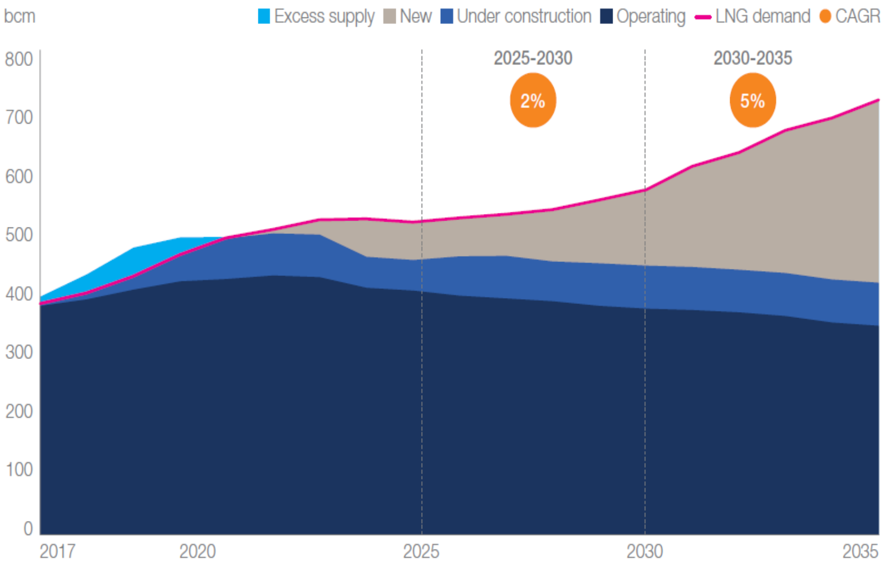


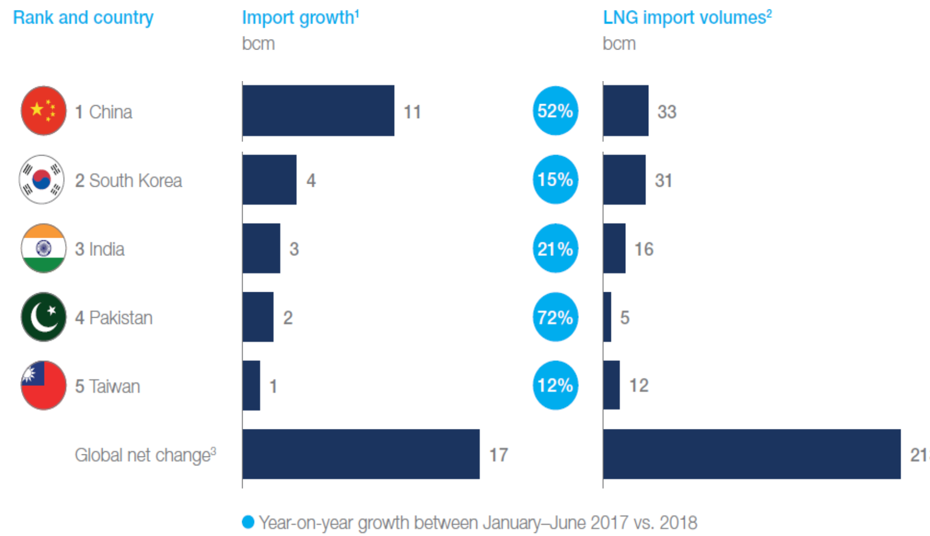
- Demand expected to outstrip supply on or about 2025
- This means FID window for new projects are in 2018-2020 time frame

Source: Bloomberg New Energy Finance

FLEX LNG

Strong growth ahead for LNG





- High future demand growth is expected as natural gas increase it's market share in the energy matrix
- All top five growth countries located in Asia
- China's increased demand was about half of the added volume in 2017 and continued strong growth as aim is to increase natural gas from 6% to 10% of energy use by 2020

Source: McKinsey

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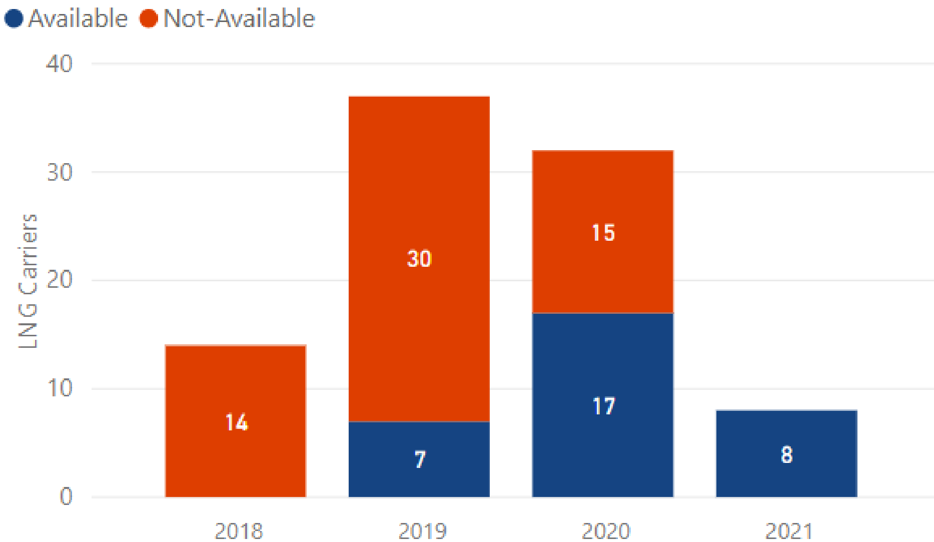
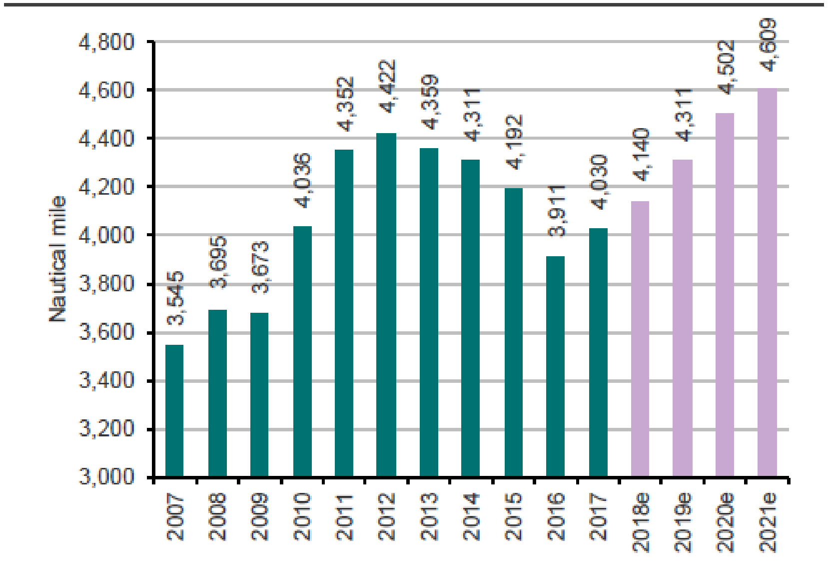
Few available modern vessels despite recent ordering

Order book for large LNG carriers



Source: Fearnleys

Average sailing distances (laden)



Source: DNB Markets (forecast), GIIGNL and Poten (historical)

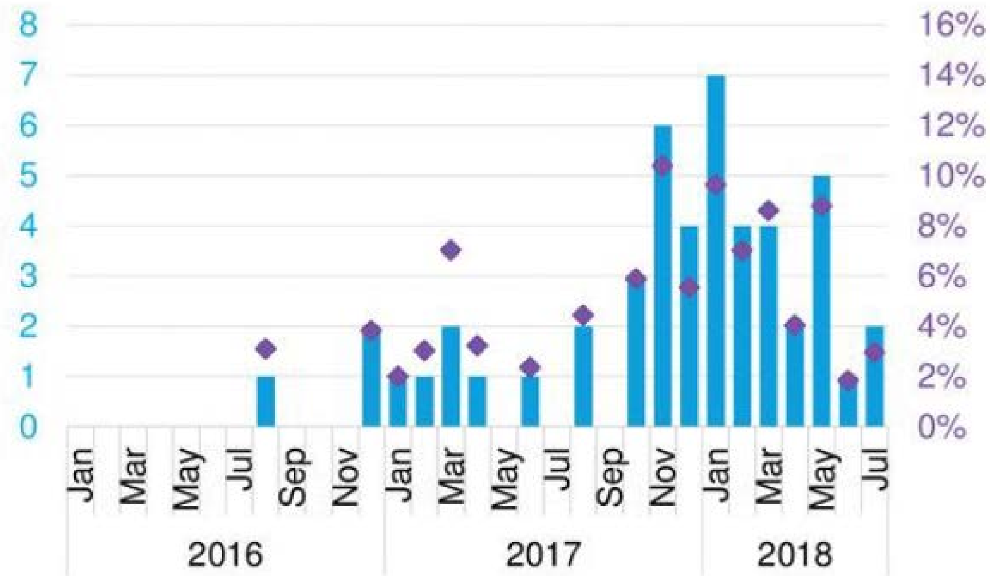
- About 90 orders for delivery in the period until 2021
- A deficit of about 40 vessels given start-up of about 96.5MMtpa in period 2018-2022
- Increased sailing distances supportive of LNGC demand

FLEX LNG

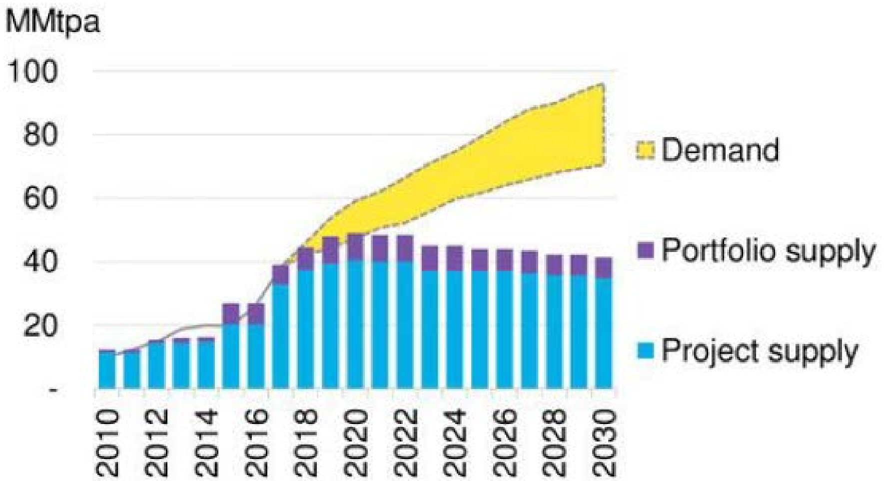
US-China trade conflict and impact for LNG trade

China's quarterly LNG import by country

of US cargos to China and US LNG market share in China



China's LNG demand and existing LNG contracts



"China is building a new coal-fired power plant every week and is set to surpass America as the biggest source of greenhouse gases within a year. If the world is to contain its carbon emissions, America must not only clean up its own act but also help China to green its economic growth."

Economist, 17 May 2007

Source: Bloomberg New Energy Finance

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Financials

Key financials

Condensed Consolidated Income Statement

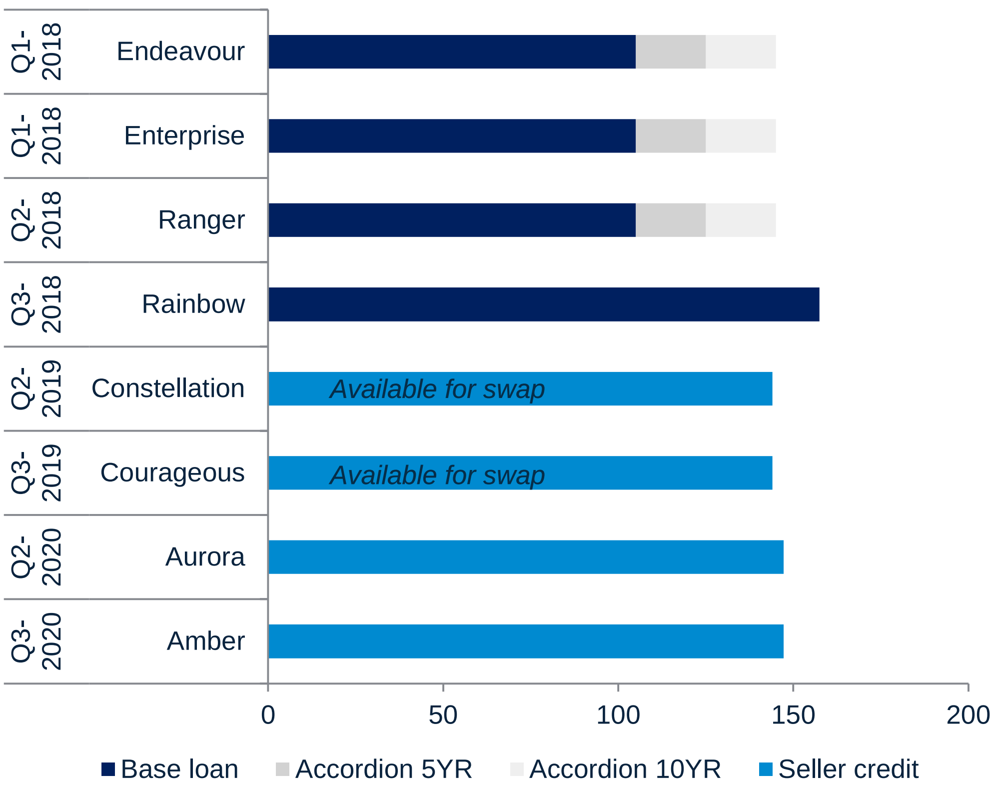
Figures in USD '000s	Q2 2018	Q2 2017
Vessel operating revenues	7 048	8 012
Vessel operating costs	(3 108)	(14 444)
Administrative expenses	(929)	(996)
Operating income (loss) before depreciation	**3 011**	**(7 428)**
Depreciation	(2 753)	-
Operating income (loss)	**258**	**(7 428)**
Finance income	79	57
Finance cost	(3 174)	-
Other financial items	(20)	719
Income (loss) before tax	**(2 857)**	**(6 652)**
Income tax expense	-	5
Net income (loss)	**(2 857)**	**(6 657)**

Condensed Consolidated Statement of Financial Position

Figures in USD '000s	H1 2018	H1 2017
New building assets and capitalized costs	173 845	591 385
Vessel purchase prepayment	145 878	72 000
Vessels and equipment	607 289	5
Total non-current assets	**927 012**	**663 390**
Inventory	2 615	2 169
Other current assets	1 520	4 230
Cash and cash equivalents	77 584	18 754
Total current assets	**81 719**	**25 153**
TOTAL ASSETS	**1 008 731**	**688 543**
Share capital	3 680	3 680
Share premium	885 388	885 417
Other equity	(373 568)	(366 153)
Total equity	**515 500**	**522 944**
Long-term debt	467 995	160 000
Total non-current liabilities	**467 995**	**160 000**
Current liabilities	10 798	5 599
Short term portion of long-term debt	14 438	-
Total current liabilities	**25 236**	**5 599**
Total liabilities	**493 231**	**165 599**
TOTAL EQUITY AND LIABILITIES	**1 008 731**	**688 543**

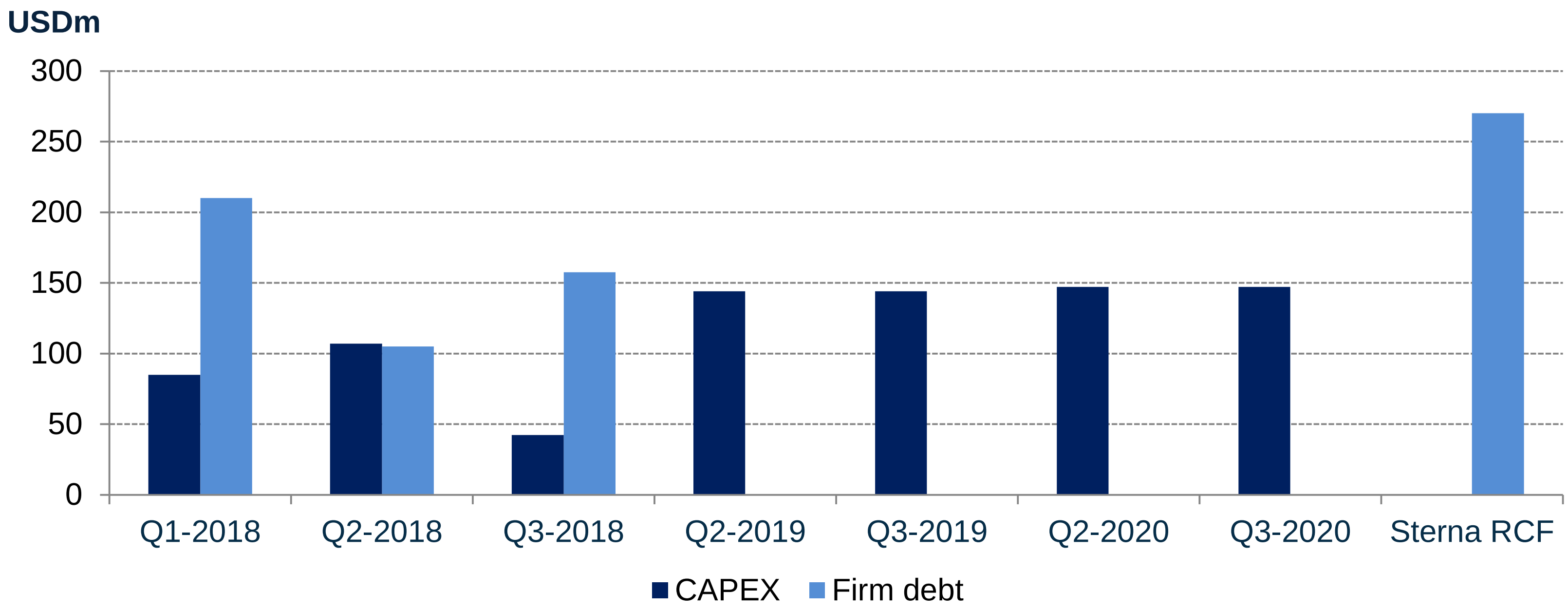
Flexible financing secured for all 2018 deliveries

- USD 472.5m of attractive credit raised during 2018
- No requirement for fixed employment of vessels so we can charter out vessels opportunistically
- No financial covenants linked to earnings, linked to balance sheet measures i.e. cash and book equity
- Built-in flexibility for asset swaps and increased leverage in event of longer term contracts
- Newbuildings provided with built-in seller credit feature where 20% of purchase price has already been paid-in, while remaining 80% payment due at delivery
- Sterna Finance, an affiliate of Geveran, provided USD 270 million Revolving Credit Facility (RCF) which mitigate financing risk for newbuildings
    - RCF has no commitment/arrangement fees.
    - As of today not utilized, but full amount available until mid-2020, thereafter USD 30 million available to 2023 unless otherwise agreed.



FLEX LNG

Comfortable funding situation



- Remaining capex of USD 582.4m i.e. about USD 145.6m per vessel
- So far raised USD 472.5m of debt for the four first vessels which gives average of USD 118.2m per vessel
- However, USD 270m available under Sterna RCF and we expect to generate free cashflow going forward as LNGC market continues to improve


FLEX ENDEAVOUR
MAJURO