GOLAR LNG LTD
Form 6-K
June 24, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16 OR 15D-16 OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2014

Commission File Number: 000-50113

GOLAR LNG LIMITED
(Translation of registrant's name into English)

Par-la-Ville Place
14 Par-la-Ville Road
Hamilton
HM 08
Bermuda
(Address of principal executive office)
Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F [X]   Form 40-F [ ]

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): [ ].

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): [ ].

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Attached as Exhibit 99.1 is the Operating and Financial Review for the three months ended March 31, 2014 and the unaudited condensed consolidated interim financial statements of Golar LNG Limited (the "Company" or "Golar") as of and for the three months ended March 31, 2014.

The information contained in this Report on Form 6-K is hereby incorporated by reference into the Company's registration statement on Form F-3 ASR (File no. 333-175376), which was filed with the U.S. Securities and Exchange Commission on July 6, 2011.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GOLAR LNG LIMITED.
(Registrant)

Date: June 24, 2014	By:	/s/ Brian Tienzo
	Name:	Brian Tienzo
	Title:	Principal Financial and Accounting Officer Golar Management Ltd. (Principal Financial Officer)

Exhibit 99.1

UNAUDITED CONDENSED INTERIM FINANCIAL REPORT

Forward Looking Statements

This report and any other written or oral statements made by us or on our behalf may include forward-looking statements, which reflect our current views with respect of future events and financial performance. When use in this report, the words "believe", "anticipate", "intend", "estimate", "forecast", "project", "plan", "potential", "will", "may", "should", "expect", and similar expressions identify forward-looking statements.

The forward-looking statements in this report are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitations, management's examination of historical operating trends, data contained in the our records and other data available for third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies, which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections. As a result, you are cautioned not to rely on any forward-looking statements.

In addition to these important factors and matters discussed elsewhere herein, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward looking statements include among other things:

- changes in liquefied natural gas, or LNG, floating storage and regasification unit, or FSRU, and floating liquefaction natural gas vessel, or FLNGV, market trends, including charter rates, ship values and technological advancements;
- changes in our ability to retrofit vessels as FSRUs and FLNGVs, our ability to obtain financing for such conversions on acceptable terms or at all, and the timing of the delivery and acceptance of such converted vessels;
- changes in demand for natural gas carried by sea;
- a material decline or prolonged weakness in rates for LNG carriers or FSRUs;
- changes in trading patterns that affect the opportunities for the profitable operation of LNG carriers, FSRUs or FLNGVs;
- changes in the supply of or demand for natural gas generally or in particular regions;
- changes in our relationships with major chartering parties;
- changes in the availability of vessels to purchase, the time it takes to construct new vessels, or vessel's useful lives;
- failure of shipyards to comply with delivery schedules on a timely basis or at all;
- our ability to integrate and realize the benefits of acquisitions;
- changes in our ability to sell vessels to Golar LNG Partners LP, or Golar Partners;
- changes in our relationship with Golar Partners;

- changes to rules and regulations applicable to LNG carriers, FSRUs or FLNGVs;
- actions taken by regulatory authorities that may prohibit the access of LNG carriers, FSRUs or FLNGVs to various ports;
- our inability to achieve successful utilization of our expanded fleet and inability to expand beyond the carriage of LNG;
- increases in costs including among other things crew wages, insurance, provisions, repairs and maintenance;
- changes in domestic and international political conditions, particularly where our vessels operate;
- continuing turmoil in the global financial markets; and

- other factors listed from time to time in registration statements, reports and other materials that we have filed with or furnished to the U.S. Securities and Exchange Commission, or the Commission.

We caution readers of this report not to place undue reliance on these forward-looking statements, which speak only as of their dates. Hence forward looking statements are not guarantees of our future performance, and actual results and future developments may vary materially from those projected in the forward looking statements.

All forward-looking statements included in this report are made only as of the date of this report and we assume no obligation to update any written or oral forward-looking statements made by us or on our behalf as a result of new information, future events or other factors.

The following is a discussion of our financial condition and results of operations for the three months ended March 31, 2014 and 2013. Unless otherwise specified herein, references to "the Company", "we", "us", and "our", shall include Golar LNG Limited and its subsidiaries. You should read the following discussion and analysis together with the financial statements and related notes included elsewhere in this report. For additional information relating to management's discussion and analysis of financial condition and results of operation, please see our annual report on Form 20-F for the year ended December 31, 2013, which was filed with the Commission, on April 30, 2014.

Overview

We are a mid-stream LNG company engaged primarily in the transportation, regasification and liquefaction and trading of LNG. We are engaged in the acquisition, ownership, operation and chartering of LNG carriers and FSRUs through our subsidiaries and affiliates and the development of mid-stream LNG projects. As of the date of this report, our fleet consisted of eight vessels and nine newbuildings.

Recent and other developments

In February 2014, we executed a four ship sale and leaseback transaction with ICBL Finance Leasing Co. Ltd ("ICBCL"). The financing structure will fund 90% of the shipyard purchase price of each newbuilding. No funds had been drawn down on this facility as of March 31, 2014.

In February 2014, we took delivery of the FSRU, the Golar Igloo. On March 28, 2014, we completed our sale of our equity interest in the company that owns and operates the Golar Igloo to Golar Partners for the price of $310.0 million for the vessel (including charter) less the assumed $161.3 million of bank debt, plus the fair value of the interest rate swap asset of $3.6 million and plus other purchase price adjustments and paid us the remaining balance in cash using the proceeds of Golar Partner's equity offering in December 2013.

During the three months ended March 31, 2014, we issued 45,000 new common shares with the exercise of the same number of options. Following the exercise of these options, 0.5 million options remain outstanding. As at March 31, 2014 there were 80.6 million common shares outstanding excluding the common shares underlying the outstanding options.

In May 2014, we took delivery of the LNG Carrier, the Golar Crystal. She is currently available for charter on the spot market while long-term opportunities are being pursued.

In May 2014, we declared a dividend of $0.45 per share in respect of the quarter ended March 31, 2014 which will be paid in June 2014. In addition, Golar Partners made a final cash distribution of $0.5225 per unit in April 2014 in respect of the quarter ended March 31, 2014, of which we received $14.8 million of dividend income in relation to our common, subordinated and general partner units and incentive distribution rights ("IDRs") held at the record date.

In May 2014, we have entered into a definitive documentation with Singapore's Keppel Shipyard Limited, or Keppel, for the conversion of the LNG carrier, the Hilli to an FLNGV. However, the effectiveness of the conversion documents is conditional upon the satisfaction of certain conditions precedent.

Delays in the completion of new liquefaction facilities mean that the current LNG shipping sector is lacking incremental LNG cargoes for transportation. In contrast incremental shipping capacity has been arriving on time. This has caused shipping rates to decrease and ship utilization to be erratic, which has led to and we expect that we may continue to see significant fluctuations in our quarterly results. In some quarters, our results may be below analysts' or investors' expectations. If this occurs, the price of our common stock could decline.

While the quarter ending June 30, 2014 is not yet complete, we expect to recognize an operating loss for the quarter ending June 30, 2014 compared to operating income for the quarter ended March 31, 2014. This is primarily due to the fact that we will not receive a similar one time gain of $35.5 million from the sale of assets to Golar Partners that we realized in the quarter ended March 31, 2014. Accordingly, excluding this one-time gain our operating loss for the quarter ending June 30, 2014 is expected to be consistent with that of the prior quarter ended March 31, 2014. Our actual results for the quarter ending June 30, 2014 may change due to developments that may arise between now and the end of the quarter or due to the completion of financial closing procedures or final adjustments. We can give you no assurance as to the results for such quarter until such information is released.

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Operating and Financial Review

Three Month Period Ended March 31, 2014 Compared with the Three Month Period Ended March 31, 2013

Vessels operations segment

	Three Months Ended March 31,			
(in thousands, $USD, except average daily TCE)	2014	2013	Change	% Change
Operating revenues	20,966	35,811	(14,845)	(41)%
Vessel operating expenses	(13,767)	(9,599)	(4,168)	43%
Voyage expenses	(6,114)	(1,720)	(4,394)	255%
Administrative expenses	(4,791)	(4,946)	155	(3)%
Depreciation and amortization	(12,181)	(8,652)	(3,529)	41%
Gain on disposals to Golar Partners (includes amortization of deferred gain)	35,519	65,239	(29,720)	(46)%
Dividend income	6,416	8,202	(1,786)	(22)%
Interest income	283	974	(691)	(71)%
Interest expense	(2,164)	—	(2,164)	(100)%
Other financial items, net	(16,460)	(2,753)	(13,707)	498%
Taxes	614	787	(173)	(22)%
Equity in net earnings of affiliates	3,114	2,417	697	29%
Net income	11,435	85,760	(74,325)	(87)%
TCE [1] (to the closest $100)	18,200	66,200	(48,000)	(73)%

(1) Time Charter Equivalent, or TCE, is a non-GAAP financial measure. See the section of this report entitled "Non-GAAP measures" for a discussion of TCE.

Operating revenues: Total operating revenues decreased by $14.8 million to $21.0 million for the three months ended March 31, 2014 compared to the same period in 2013. This was principally due to:

- An overall decline in charter rates and lower utilization levels of our vessels trading on the spot market, the Golar Viking, Gimi. The Gimi also entered into lay-up in January 2014. In addition, although our newbuildings, the Golar Seal and the Golar Celsius were delivered in October 2013, they have been mostly offhire, contributing only $1.9 million to revenue in the first quarter of 2014;

- Reduction in revenues of $3.0 million in relation to the Golar Maria following her disposal to Golar Partners in February 2013; and

Partially offset by an increase in operating revenues arising from:

- revenue contribution in the three months ended March 31, 2014 of $4.2 million from the Golar Igloo following her delivery and the commencement of her charter with Kuwait National Petroleum Company ("KNPC") in March 2014 and for the period prior to her disposal to Golar Partners on March 28, 2014.

Accordingly, this resulted in a lower daily time charter equivalent, or TCE, for the first quarter of 2014 of $18,200 compared to $66,200 for the same period in 2013.

Vessel operating expenses: Vessel operating expenses increased by $4.2 million to $13.8 million for the three months ended March 31, 2014 compared to the same period in 2013. The increase was primarily due to:

- Additional operating costs in relation to our newbuildings, the Golar Seal and the Golar Celsius delivered in October 2013 and the Golar Igloo delivered in February 2014. There were no comparable costs in the same period in 2013;

- higher operating costs in connection with the increase in our crewing pool in anticipation of the delivery of our newbuilds. Total operating costs in respect of our newbuilding crew pool for the first quarter of 2014 was $4.2 million compared to $1.4 million in the same period in 2013;

Partially offset by a decrease in operating expenses arising from:

- Lower operating costs from our vessels in lay-up. The Hilli and the Golar Gandria entered into lay-up in April 2013 followed by the Gimi in January 2014; and

- Reduced operating costs in relation to Golar Maria following her sale to Golar Partners in February 2013.

Voyage expenses: Voyage expenses largely relate to fuel costs associated with commercial waiting time and vessel positioning costs. While a vessel is on-hire, fuel costs are typically paid by the charterer, whereas during periods of commercial waiting time, fuel costs are paid by us. The increase in voyage expenses of $4.4 million to $6.1 million for the three months ended March 31, 2014 compared to $1.7 million for the same period in 2013 was primarily due to (i) lower utilization of our spot vessels the Golar Viking and Gimi (prior to her entry into lay-up); and (ii) our newbuildings, the Golar Seal and the Golar Celsius, which were delivered in October 2013, were mostly off-hire during the first quarter of 2014 which further contributed to higher voyage expenses. There were no comparable costs for these newbuildings in the same period in 2013.

Administrative expenses: Administrative expenses of $4.8 million for the three months ended March 31, 2014 compared to $4.9 million for the same period in 2013 were broadly in line.

Depreciation and Amortization: Depreciation and amortization increased by $3.5 million to $12.2 million for the three months ended March 31, 2014 compared to $8.7 million for the same period in 2013. This was primarily due to additional depreciation expense on the newbuildings, the Golar Seal and Golar Celsius both delivered in October 2013 and the Golar Igloo, delivered in February 2014. This was partially offset by lower depreciation and amortization expense on the Golar Maria following her disposal to Golar Partners in February 2013.

Gain on disposals to Golar Partners (including amortization of deferred gain):

In March 2014, we sold a 100% interest in the company that owns and operates the FSRU, the Golar Igloo, to Golar Partners and made a gain on disposal of $35.4 million. This excludes the deferred gain of $8.7 million which is being amortized over the useful economic life of the vessel or until disposal. The purchase consideration was $310.0 million for the vessel less the assumed bank debt of $161.3 million plus the fair value of the interest rate swap asset of $3.6 million and other purchase price adjustments of $3.6 million.

In February 2013, we sold a 100% interest in the company that owns and operates the LNG carrier, Golar Maria, to Golar Partners and made an initial gain on disposal of $65.2 million. This excludes the deferred gain of $17.1 million which is being amortized over the useful economic life of the vessel or until disposal. The purchase consideration was $215.0 million for the vessel less the assumed bank debt of $89.5 million and the fair value of the interest rate swap liability of $3.1 million plus other purchase price adjustments of $5.5 million.

Dividend income: We recognized dividend income relating to cash distributions received from Golar Partners in respect of our interests in common units and general partner interests (during the subordination period) and IDRs. The decrease in dividend income of $1.8 million to $6.4 million for the three months ended March 31, 2014 compared to $8.2 million for the same period in 2013 was due to our sale of 3.4 million of our common units held in Golar Partners in December 2013.

Interest income: Interest income decreased by $0.7 million to $0.3 million for the three months ended March 31, 2014 compared to $1.0 million for the same period in 2013. The decrease was primarily due to our disposal of our participation in Golar Partner's high-yield bonds in November 2013. There was no comparable income earned in the first quarter of 2014 compared to $0.6 million for the same period in 2013.

Interest expense: Interest expense increased to $2.2 million for the three months ended March 31, 2014 compared to $nil for the same period in 2013. This was due to higher interest costs incurred compared to the same period in 2013 where interest expense incurred was fully offset by the effect of the capitalization of deemed interest costs in respect of our newbuilds.

Other financial items: Other Financial items reported a loss of $16.5 million and $2.8 million for the three months ended March 31, 2014 and 2013, respectively. The movement of $13.7 million was primarily due to:

Net realized and unrealized (losses) gains on interest rate swap agreements: Net realized and unrealized losses on interest rate swaps increased to $14.7 million for the three months ended March 31, 2014, from $2.0 million for the same period in 2013, as set forth in the table below:

	Three months ended March 31,			
(in thousands of $)	2014	2013	Change	% change
Unrealized (mark-to-market) (losses) gains for interest rate swaps	(10,063)	560	(10,623)	(1,897)%
Interest expense on undesignated interest rate swaps	(4,625)	(2,517)	(2,108)	84%
	(14,688)	(1,957)	(12,731)	651%

As of March 31, 2014, we have an interest rate swap portfolio with a notional amount of $1.5 billion, of which 8% by notional amount are designated as hedges for accounting purposes. Accordingly, a further $1.2 million of unrealized gains were accounted for as a change in other comprehensive income which would have otherwise been recognized in earnings for the three months ended March 31, 2014. The increase in mark-to-market losses from our interest rate swaps was due to the decrease in long-term swap rates during the first quarter of 2014.

In addition, we incurred interest expense of $1.8 million for the three months ended March 31, 2014 on forward start swaps entered into in the fourth quarter of 2012. There was no comparable cost for the same period in 2013.

Finance arrangement fees: Finance arrangement fees increased by $1.5 million to $1.8 million for the three months ended March 31, 2014, compared to $0.3 million for the same period in 2013. This was due to higher commitment fees in respect of our $1.125 billion newbuild facility entered into in July 2013. There were no comparable costs for the same period in 2013.

Income taxes: Income taxes relate principally to the taxation of U.K. based entities offset by the amortization of the deferred gains on the intra-group transfers on long-term assets resulting in an income tax credit.

Equity in net earnings of affiliates:

	Three months ended March 31,			
(in thousands of $)	2014	2013	Change	% Change
Share of net earnings in Golar Partners	2,911	2,560	351	14%
Share of net earnings (loss) in other affiliates	203	(143)	346	(242)%
	3,114	2,417	697	29%

Our share of the results of Golar Partners is calculated with reference only to our interests in its subordinated units, but partially offset by a charge for the amortization of the basis difference in relation to the gain on loss of control recognized on deconsolidation in 2012.

Net income: As a result of the foregoing, we earned net income of $11.4 million and $85.8 million for the three months ended March 31, 2014 and 2013, respectively.

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LNG trading commodity segment

(in thousands, $)	Three months ended March 31, 2014	2013	Change	% Change
Administrative expenses	(73)	(42)	(31)	74 %
Depreciation and amortization	(154)	(154)	—	— %
Other operating gains	1,317	—	1,317	100 %
Other non-operating income	718	—	718	100 %
Net financial expenses	(252)	—	(252)	(100)%
Net income (loss)	1,556	(196)	1,752	(894)%

The total income (loss) for LNG trading for the three months ended March 31, 2014 and 2013 amounted to income of $1.6 million and loss of $0.2 million, respectively. Administrative expenses of $0.1 million for the three months ended March 31, 2014 were broadly in line with the same period in 2013.

Other operating gains represent realized gains on physical cargo trades, financial derivative contracts and proprietary trades entered into. During the first quarter of 2014, we entered into a Purchase and Sales Agreement to buy and sell LNG cargo. The LNG cargo was acquired and subsequently sold on a delivered basis to Kuwait Petroleum Corporation to facilitate the commissioning of the Golar Igloo which entered into her long-term charter with KNPC in March 2014. This resulted in a gain of $1.3 million. The transaction was our first since 2011 when we scaled back our LNG trading activities but it's now our intention to position the Company for managing and trading a number of LNG cargoes for the Golar Igloo during the course of her charter with KNPC.

Liquidity and Capital Resources

As of March 31, 2014, we had cash and cash equivalents including restricted cash of $185.1 million and our outstanding long-term debt (includes debt to related parties) amounted to $715.9 million. We believe our current financial resources that are available to us, including our existing undrawn credit facilities of $672 million, proceeds from the sale and leaseback new build financing arrangement of $742.4 million which will be available when the associated vessels are delivered, distributions from Golar Partners, potential sale of our vessel interests and surplus funds from our two newbuilding finance facilities will be sufficient to meet our liquidity requirements for our business, for at least the next twelve months. We have performed stress testing of our forecast cash reserves under extreme and largely theoretical scenarios, which include assumptions such as nil revenue contribution from our fleet, full operating costs and maintaining our dividend payments at current levels, and accordingly are confident of our ability to manage through the near term cash requirements.

Our medium and long-term liquidity requirements are primarily for funding the investments for our conversion projects and repayment of long-term debt balances. As of May 28, 2014, $1.2 billion of our newbuilding contractual commitments remain outstanding. Following the execution of both our $1.125 billion facility (eight-unit facility) in July 2013 and the four-unit ICBCL facility in February 2014, the undrawn balance on these facilities will cover our remaining newbuild commitments and indeed will provide surplus funds for use elsewhere in the business.

Sources of funding for our medium and long-term liquidity requirements include new loans, refinancing of existing arrangements, public and private debt and equity offerings, potential sales of our interests in our vessel-owning subsidiaries operating under long-term charters, that may include the Golar Eskimo which is due for delivery in 2014 and will operate under a long-term time charter and sale of our holding in the common units of Golar Partners. We may also enter into financing arrangements with our related parties, such as World Shipholding (including its related companies) to provide intermediate financing for capital expenditures until longer term financing is obtained, at which time we will use all or a portion of the proceeds from the longer-term financings to repay outstanding amounts due under these arrangements. In addition, with respect to the Arctic debt facility, which matures with a balloon payment of $86.3 million due in January 2015, we are currently in the process of refinancing this debt and do not anticipate any issue with securing new debt finance prior to its maturity date.

Cash flow

Net cash from operating activities decreased by $97.9 million for the three months ended March 31, 2014 compared to the same period in 2013. This was primarily due to the softening of the LNG shipping market resulting in an overall decline in charter rates and lower utilization levels of our vessels trading on the spot market, in addition to our decision to place three vessels in lay-up (pending conversion opportunities).

Net cash used in investing activities for the three months ended March 31, 2014 arose mainly due to:

- higher installment payments in respect of our newbuilds; and
- granting of a short-term loan to Golar Partners.

Partially offset by:

- consideration of $148 million received from Golar Partners in respect of the sale of the Golar Igloo in March 2014.

Net cash used in investing activities of $65.3 million for the three months ended March 31, 2013 was primarily due to (i) installment payments made in respect of newbuilds; and (ii) contributions of $2.6 million to Golar Partners to maintain our 2% general partner interest and payment of $12.4 million to acquire additional common units in connection with Golar Partner's January 2013 equity offering. This was partially offset by consideration of $117.5 million received from Golar Partners in respect of the sale of the Golar Maria in February 2013.

Net cash provided by financing activities is principally generated from funds from new debt, partially offset by debt repayments and cash dividends.

Net cash provided by financing activities was $184.2 million for the three months ended March 31, 2014 mainly relating to the following:

- $161.3 million draw down in respect of our $1.125 billion facility to fund the final installment payments on the Golar Igloo less payment of $6.4 million of related financing costs. This debt was assumed by Golar Partners on acquisition of the company that owns and operates the Golar Igloo in March 2014; and
- $67.6 million draw down from a short-term facility to fund the LNG cargo trade during the first quarter of 2014. This was paid subsequently in April 2014.

This was partially offset by the payment of dividends of $36.3 million.

Net cash used in financing activities for the three months ended March 31, 2013 of $2.4 million was related to the repayments on our long-term debt.

NON-GAAP measures

Time Charter Equivalent

The average time charter equivalent, or TCE, rate of our fleet is a measure of the average daily revenue performance of a vessel. For time charters, this is calculated by dividing total operating revenues, less any voyage expenses, by the number of calendar days minus days for scheduled off-hire. Under a time charter, the charterer pays substantially all of the vessel voyage related expenses. However, we may incur voyage related expenses when positioning or repositioning vessels before or after the period of a time charter, during periods of commercial waiting time or while off-hire during drydocking. TCE rate is a standard shipping industry performance measure used primarily to compare period-to-period changes in an entity's performance despite changes in the mix of charter types (i.e. spot charters, time charters and bareboat charters) under which the vessels may be employed between the periods. We include average daily TCE, a non-GAAP measure, as we believe it provides additional meaningful information in conjunction with total operating revenues, the most directly comparable GAAP measure, because it assists our management in making decisions regarding the deployment and use of its vessels and in evaluating their financial performance. Our calculation of TCE may not be comparable to that reported by other entities. The following table reconciles our total operating revenues to average daily TCE.

(in thousands of $USD except number of days and average daily TCE)	Three months ended March 31,	
	2014	2013
Time charter revenues	18,536	33,947
Voyage expenses	(6,114)	(1,720)
	12,422	32,227
Calendar days less scheduled off-hire days	681	487
Average daily TCE (to the closest $100)	18,200	66,200

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GOLAR LNG LIMITED
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in thousands of $)	2014 Jan-Mar	2013 Jan-Mar
Time charter revenues	18,536	33,947
Vessel and other management fees	2,430	1,864
Total operating revenues	20,966	35,811
Vessel operating expenses	13,767	9,599
Voyage expenses	6,114	1,720
Administrative expenses	4,864	4,988
Depreciation and amortization	12,335	8,806
Total operating expenses	37,080	25,113
Gain on disposals to Golar Partners (includes amortization of deferred gain)	35,519	65,239
Other operating gains and losses	1,317	—
Operating income	20,722	75,937
Other non-operating income		
Dividend income	6,416	8,202
Other non-operating income	718	—
Total other non-operating income	7,134	8,202
Financial income (expenses)		
Interest income	283	974
Interest expense	(2,164)	—
Other financial items, net	(16,712)	(2,753)
Net financial expenses	(18,593)	(1,779)
Income before taxes and equity in net earnings of affiliates	9,263	82,360
Taxes	614	787
Equity in net earnings of affiliates	3,114	2,417
Net income	12,991	85,564
Basic earnings per share ($)	$0.16	$1.06
Diluted earnings per share ($)	$0.16	$1.00
Cash dividends declared and paid	$0.45	$0.45

The accompanying notes are an integral part of these condensed consolidated financial statements.

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GOLAR LNG LIMITED
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands of $)	2014 Jan-Mar	2013 Jan-Mar
Net income	12,991	85,564
Other comprehensive income (loss):		
Unrealized net gain on qualifying cash flow hedging instruments [(1)]	1,238	1,962
Unrealized (loss) gain on investments in available-for-sale securities	(3,092)	38,645
Other comprehensive (loss) income	(1,854)	40,607
Comprehensive income	11,137	126,171

[(1)] Includes share of net gain of $0.3 million and $nil for the quarter ended March 31, 2014 and 2013, respectively on qualifying cash flow hedging instruments held by an affiliate.

The accompanying notes are an integral part of these condensed consolidated financial statements.

GOLAR LNG LIMITED
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands of $)	2014 Mar-31	2013 Dec-31
ASSETS		
Current		
Cash and cash equivalents	158,579	125,347
Restricted cash	23,432	23,432
Trade accounts receivable	74,646	81
Inventory	6,176	11,951
Other current assets	11,858	14,574
Amounts due from related parties	13,324	6,311
Short-term debt due from a related party	20,000	—
Total current assets	308,015	181,696
Non-current		
Restricted cash	3,111	3,111
Investment in available-for-sale securities	264,259	267,352
Investment in affiliates	345,985	350,918
Cost method investments	204,172	204,172
Newbuildings	707,779	767,525
Vessels and equipment, net	803,528	811,715
Other long-term assets	60,462	78,732
Total assets	2,697,311	2,665,221
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current		
Short-term debt	67,559	—
Current portion of long-term debt	115,784	30,784
Other current liabilities	47,085	59,427
Amounts due to related parties	482	363
Total current liabilities	230,910	90,574
Long-term		
Long-term debt	550,120	636,244
Long-term debt due to related parties	50,000	50,000
Other long-term liabilities	86,860	84,266
Total liabilities	917,890	861,084
Equity		
Stockholders' equity	1,779,421	1,804,137
Total liabilities and stockholders' equity	2,697,311	2,665,221

The accompanying notes are an integral part of these condensed consolidated financial statements.

GOLAR LNG LIMITED
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOWS

(in thousands of $)	2014 Jan-Mar	2013 Jan-Mar
OPERATING ACTIVITIES		
Net income	12,991	85,564
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	12,335	8,806
Amortization of deferred tax benefits on intra-group transfers	(872)	(872)
Amortization of deferred charges and parent guarantee	536	(154)
Gain on disposals to Golar Partners (net of amortization of deferred gain)	(35,519)	(65,239)
Equity in net earnings of affiliates	(3,114)	(2,417)
Dividend income from available-for-sale securities and cost investments recognized in operating income	(6,416)	(8,202)
Dividends received	14,750	14,422
Drydocking expenditure	(719)	(789)
Stock-based compensation	84	83
Net foreign exchange gain	(542)	—
Change in assets and liabilities, net of effects from disposals to Golar Partners:		
Trade accounts receivable	(80,760)	(837)
Inventories	1,704	(2,762)
Prepaid expenses, accrued income and other assets	12,915	(6,320)
Amounts due from/to related companies	764	3,556
Trade accounts payable	(4,263)	774
Accrued expenses and deferred income	4,957	(5,707)
Other liabilities	(9,795)	(2,999)
Net cash (used in) provided by operating activities	(80,964)	16,907

The accompanying notes are an integral part of these condensed consolidated financial statements.

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GOLAR LNG LIMITED
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOWS

(in thousands of $)	2014 Jan-Mar	2013 Jan-Mar
INVESTING ACTIVITIES		
Additions to vessels and equipment	(1,411)	—
Additions to newbuildings	(196,608)	(167,797)
Short-term loan granted to Golar Partners	(20,000)	—
Additions to listed investments	—	(2,620)
Additions to available-for-sale securities	—	(12,400)
Proceeds from disposal of business to Golar Partners, net of cash disposed [1]	148,048	117,517
Net cash used in investing activities	(69,971)	(65,300)
FINANCING ACTIVITIES		
Proceeds from short-term debt	67,559	—
Proceeds from long-term debt (including related parties)	161,270	—
Repayments of long-term debt (including related parties)	(2,350)	(2,350)
Financing costs paid	(6,375)	—
Cash dividends paid	(36,271)	—
Proceeds from exercise of share options	334	—
Net cash provided by (used in) financing activities	184,167	(2,350)
Net increase (decrease) in cash and cash equivalents	33,232	(50,743)
Cash and cash equivalents at beginning of period	125,347	424,714
Cash and cash equivalents at end of period	158,579	373,971

[1] In addition to cash consideration received for the disposals to Golar Partners, there was non-cash consideration, including assumption of bank debt, interest rate swap asset/liability and other purchase price adjustments (see note 4).

The accompanying notes are an integral part of these condensed consolidated financial statements.

GOLAR LNG LIMITED
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in thousands of $)	Share Capital	Additional Paid in Capital	Contributed Surplus	Accumulated Other Comprehensive (loss)/income	Accumulated Retained Earnings	Total Equity
Balance at December 31, 2012	80,504	654,042	200,000	(18,730)	848,503	1,764,319
Net income	—	—	—	—	85,564	85,564
Grant of share options	—	83	—	—	—	83
Other comprehensive income	—	—	—	40,607	—	40,607
Balance at March 31, 2013	80,504	654,125	200,000	21,877	934,067	1,890,573

(in thousands of $)	Share Capital	Additional Paid in Capital	Contributed Surplus	Accumulated Other Comprehensive loss	Accumulated Retained Earnings	Total Stockholders Equity
Balance at December 31, 2013	80,580	656,018	200,000	(6,757)	874,296	1,804,137
Net income	—	—	—	—	12,991	12,991
Dividends	—	—	—	—	(36,271)	(36,271)
Grant of share options	—	84	—	—	—	84
Exercise of share options	45	542	—	—	(253)	334
Other comprehensive income	—	—	—	(1,854)	—	(1,854)
Balance at March 31, 2014	80,625	656,644	200,000	(8,611)	850,763	1,779,421

The accompanying notes are an integral part of these condensed consolidated financial statements.

GOLAR LNG LIMITED
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL

Golar LNG Limited (the "Company" or "Golar") was incorporated in Hamilton, Bermuda on May 10, 2001 for the purpose of acquiring the liquefied natural gas ("LNG") shipping interests of Osprey Maritime Limited ("Osprey"), which was owned by World Shipholding Limited ("World Shipholding"). As of both March 31, 2014 and December 31, 2013, World Shipholding owned 45.61% of Golar.

As of March 31, 2014, the Company owns and operates a fleet of seven LNG carriers and operates Golar LNG Partner LP's ("Golar Partners" or the "Partnership") fleet of nine LNG carriers and Floating Storage Regasification Units ("FSRUs").

As used herein and unless otherwise required by the context, the terms "Golar", the "Company", "we", "our" and words of similar import refer to Golar or anyone or more of its consolidated subsidiaries, or to all such entities.

2. ACCOUNTING POLICIES

Basis of accounting
The condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. The condensed consolidated financial statements do not include all of the disclosures required in the annual consolidated financial statements, and should be read in conjunction with our annual financial statements for the year ended December 31, 2013.

Significant accounting policies
The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of our audited consolidated financial statements for the year ended December 31, 2013.

3. RECENTLY ISSUED ACCOUNTING STANDARDS

Adoption of new accounting standards

In February 2013, the FASB issued guidance for the recognition, measurement and disclosure of obligations resulting from joint and several liability arrangements for which the total amount of the obligation is fixed at the reporting date, including debt arrangements, other contractual obligations and settled litigation and judicial rulings. The guidance requires an entity to measure obligations resulting from joint and several liability arrangements for which the total amount of the obligation within the scope of this guidance is fixed at the reporting date, as the sum of (a) the amount the reporting entity agreed to pay on the basis of its arrangement among its co-obligors and (b) any additional amount the reporting entity expects to pay on behalf of its co-obligors. The guidance also requires an entity to disclose the nature and amount of the obligation as well as other information about those obligations. The amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. The amendment did not have a material impact on our consolidated financial statements.

In July 2013, the FASB issued guidance for the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists to provide guidance on the presentation of unrecognized tax benefits. The guidance requires an entity to present an unrecognized tax benefit, or a portion of an unrecognized tax benefit, in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, to the extent a net operating loss carryforward, a similar tax loss, or a tax credit carryforward is not available at the reporting date under the tax law of the applicable jurisdiction to settle any additional income taxes that would result from the disallowance of a tax position or the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. The amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. The amendment did not have a material impact on our consolidated financial statements.

Accounting pronouncements to be adopted

In April 2014, the FASB issued guidance that amends the definition of a discontinued operation and requires entities to provide additional disclosures about disposal transactions. The revised guidance will change how entities identify and disclose information about disposal transactions. The guidance is effective prospectively for all disposals (except disposals classified as held for sale before the adoption date) or components initially classified as held for sale in periods beginning on or after December 15, 2014, with early adoption permitted. We are assessing what impact, if any, the adoption of this guidance will have on our consolidated financial position, results of operations and cash flows.

4. DISPOSAL OF SUBSIDIARIES

In February 2013 and March 2014, we sold our interests in the companies that own and operate the Golar Maria and Golar Igloo, respectively, to Golar Partners.

(in thousands of $)	Golar Igloo	Golar Maria
Consideration received [1]	156,001	127,900
Carrying value of the assets sold to Golar Partners	(111,898)	(45,630)
Gain on disposal	44,103	82,270
Deferred gain on sale	(8,709)	(17,114)
Gain recognized on sale	35,394	65,156

The gain from the sale of the Golar Igloo was $44.1 million of which $35.4 million had been recognized at the time of the sale in the Condensed Consolidated Statements of Income under "Gain on disposals to Golar Partners (including amortization of deferred gain)". The remaining $8.7 million which represents profit based on our holding in the subordinated units in Golar Partners measured as of the date of the dropdown has been deferred under "Other current liabilities" and "Other long-term liabilities" and is being released to income over the remaining useful life of the vessel or until it is sold. As of March 31, 2014, the unamortized portion of the gain is $8.7 million.

The gain from the sale of the Golar Maria was $82.3 million of which $65.2 million had been recognized at the time of the sale in the Condensed Consolidated Statements of Income under "Gain on disposals to Golar Partners (including amortization of deferred gain)". The remaining $17.1 million which represents profit based on our holding in the subordinated units in Golar Partners measured as of the date of the dropdown has been deferred under "Other current liabilities" and "Other long-term liabilities"and is being released to income over the remaining useful life of the vessel or until it is sold. As of March 31 2014, the unamortized portion of the gain is $16.5 million.

[1] The cash consideration for the Golar Igloo comprised of $310.0 million for the vessel and charter less the assumed bank debt of $161.3 million plus the interest rate swap asset and other purchase price adjustments of $3.6 million and $3.6 million, respectively. While the cash consideration for the Golar Maria comprised of $215.0 million for the vessel less the assumed bank debt and interest rate swap liability of $89.5 million and $3.1 million, respectively, plus other purchase price adjustments of $5.5 million.

5. SEGMENTAL INFORMATION

We own and operate LNG carriers and operate FSRUs and provide these services under time charters under varying periods, and trade in physical and future LNG contracts. There have not been any intersegment sales during the periods presented. Segment results are evaluated based on net income. The accounting principles for the segments are the same as for our consolidated financial statements. Indirect general and administrative expenses are allocated to each segment based on estimated use.

Our reportable segments are as follows:

- Vessel Operations - We own and subsequently charter out LNG carriers on fixed terms to customers.
- LNG Trading - Provides physical and financial risk management in LNG and gas markets for our customers around the world. Activities include structured services to outside customers, arbitrage service as well as proprietary trading.

We aggregate our vessel operations into one reportable segment as they exhibit similar expected long-term financial performance.

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The LNG trading operations meets the definition of an operating segment as the business is a financial trading business and its financial results are reported directly to the chief operating decision maker. The LNG trading segment is a distinguishable component of the business from which it earns revenues and incurs expenses and whose operating results are regularly reviewed by the chief operating decision maker, and which is subject to risks and rewards different from the vessel operations segment.

(in thousands of $)	Three months ended March 31, 2014			Three months ended March 31, 2013		
	Vessel operations	LNG Trading	Total	Vessel operations	LNG Trading	Total
Time charter revenues	18,536	—	18,536	33,947	—	33,947
Vessel and other management fees	2,430	—	2,430	1,864	—	1,864
Vessel and voyage operating expenses	(19,881)	—	(19,881)	(11,319)	—	(11,319)
Administrative expenses	(4,791)	(73)	(4,864)	(4,946)	(42)	(4,988)
Depreciation and amortization	(12,181)	(154)	(12,335)	(8,652)	(154)	(8,806)
Other operating gains and losses	—	1,317	1,317	—	—	—
Gain on disposals to Golar Partners (including amortization of deferred gain)	35,519	—	35,519	65,239	—	65,239
Dividend income	6,416	—	6,416	8,202	—	8,202
Other non-operating income	—	718	718	—	—	—
Net financial expenses	(18,341)	(252)	(18,593)	(1,779)	—	(1,779)
Income taxes	614	—	614	787	—	787
Equity in net earnings of affiliates	3,114	—	3,114	2,417	—	2,417
Net income attributable to Golar LNG Ltd	11,435	1,556	12,991	85,760	(196)	85,564
Total assets	2,695,414	1,897	2,697,311	2,446,856	681	2,447,537

Revenues from external customers

The vast majority of our vessel operations arise under time charters and in particular three charters, a major Japanese trading company, Kuwait National Petroleum Company (or KNPC) and a major commodity trading company for the three months ended March 31, 2014. During the three months ended March 31, 2013, our vessels operated under time charters with three main charterers: GDF Suez, a major Japanese trading company and the BG Group. KNPC is the national oil refining company of Kuwait. BG Group Plc is headquartered in the United Kingdom. GDF Suez is a power, natural gas and energy services company headquartered in France.

In time charters, the charterer, not the Company, controls the choice of which routes our vessel will serve. These routes can be worldwide except for the FSRU which operates in a specific location. Accordingly, our management, including the chief operating decision maker, does not evaluate our performance either according to customer or geographical region.

For the three months ended March 31, 2014 and 2013, revenues from the following customers accounted for over 10% of our revenues:

(in thousands of $)	Three months ended March 31, 2014		Three months ended March 31, 2013	
Major Japanese trading company	12,375	67%	12,375	36%
KNPC	4,183	23%	—	—%

Major Commodity trading company	1,863	10 %	—	— %
BG Group plc	—	— %	13,114	39 %
GDF Suez	—	— %	5,490	16 %

6. EARNINGS PER SHARE

Basic earnings per share ("EPS") are calculated with reference to the weighted average number of common shares outstanding during the period. Treasury shares are not included in the calculation. The computation of diluted EPS for the three month periods ended March 31, 2014 and 2013.

The components of the numerator for the calculation of basic and diluted EPS are as follows:

(in thousands of $)	Three months ended March 31,	
	2014	2013
Net income attributable to Golar LNG Ltd stockholders - basic and diluted	12,991	85,564

The components of the denominator for the calculation of basic and diluted EPS are as follows:

	Three months ended March 31,	
(in thousands)	2014	2013
Weighted average number of common shares outstanding	80,538	80,514

	Three months ended March 31,	
(in thousands)	2014	2013
Diluted earnings per share:		
Weighted average of number of common shares outstanding	80,538	80,514
Effects of dilutive share options	92	93
Effect of dilutive convertible bonds	—	4,545
Common stock and common stock equivalent	80,630	85,152

Earnings per share are as follows:

	Three months ended March 31,	
	2014	2013
Basic	$0.16	$1.06
Diluted	$0.16	$1.00

7. OTHER FINANCIAL ITEMS

Other financial items comprise of the following:

	Three months ended March 31,	
(in thousands of $)	2014	2013
Unrealized (mark-to-market) (losses)/gains for interest rate swaps	(10,063)	560
Interest expense on undesignated interest rate swaps	(4,625)	(2,517)
Others	(2,024)	(796)
	(16,712)	(2,753)

8. TRADE ACCOUNTS RECEIVABLE

The significant movement in trade accounts receivable for the three months ended March 31, 2014 relate primarily to the LNG cargo sold to Kuwait Petroleum Corporation to facilitate the commissioning of the Golar Igloo. This balance was received in April 2014.

9. NEWBUILDINGS

As of March 31, 2014, we have a total of eight LNG carriers and two FSRUs on order. The total contract cost of these newbuilds is approximately $2.1 billion of which $1.4 billion remains outstanding as at March 31, 2014. As at March 31, 2014, $707.8 million of newbuild costs had been capitalized.

As of March 31, 2014, the remaining installments for these vessels are due to be paid as follows:

(in thousands of $)	
Payable in 9 months to December 31, 2014	1,163.5
Payable in 12 months to December 31, 2015	275.6
	1,439.1

10. VESSELS AND EQUIPMENT

Movement in vessels and equipment for the three months ended March 31, 2014 included the delivery of the newbuild FSRU, the Golar Igloo, in February 2014, at a total cost of $258.4 million. This vessel was sold to Golar Partners in March 2014.

11. DEBT

As of March 31, 2014 and December 31, 2013, we had long-term debt outstanding of $715.9 million and $717.0 million, respectively.

We also drew down on a short-term facility for $67.6 million to facilitate the LNG trade completed during the three months ended March 31, 2014. This was repaid in April 2014.

$1.125 billion facility

In February 2014, we drew down $161.3 million from our $1.125 billion facility to fund the final installment payment of the Golar Igloo. The facility is secured against the Golar Igloo and was assumed by Golar Partners upon the sale of the company which owns and operates the vessel in March 2014. The balance outstanding under the facility at the date of disposal to Golar Partners was $161.3 million (see note 4).

Golar Arctic facility

As of March 31, 2014, we had $90 million of borrowings outstanding under the Golar Arctic facility which matures in January 2015 and thus, is presented under current debt. We expect to refinance this facility ahead of its expiration.

12. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The components of accumulated other comprehensive income (loss) consisted of the following:

	Gain (losses) on available-for-sale securities	Pension and post retirement benefit plan adjustments	Gains (losses) on cash flow hedges	Share of affiliate's comprehensive income	Total Accumulated comprehensive Income (loss)
Balance at December 31, 2012	5,911	(17,809)	(6,832)	—	(18,730)
Other comprehensive income before reclassification	38,645	—	1,236	—	39,881
Amounts reclassified from accumulated other comprehensive income	—	—	726	—	726
Net current-period other comprehensive income	38,645	—	1,962	—	40,607
Balance at March 31, 2013	44,556	(17,809)	(4,870)	—	21,877
Balance at December 31, 2013	7,796	(12,731)	(2,676)	854	(6,757)
Net current-period other comprehensive income	(3,092)	—	952	286	(1,854)
Balance at March 31, 2014	4,704	(12,731)	(1,724)	1,140	(8,611)

There were no amounts reclassified from accumulated other comprehensive income to our statement of operations for the three months ended March 31, 2014.

The amounts reclassified from accumulated other comprehensive income (loss) for the three months ended March 31, 2013 consisted of the following:

Details of Accumulated other comprehensive income components	Amounts reclassified from accumulated other comprehensive income	Affected line item in the statement of operations
(Gains) losses on cash flow hedges:		
Interest rate swap	(1,644)	Other financial items
Interest rate swap	2,370	Gain on sale of Golar Maria
Total reclassifications for the period	726	

13. FINANCIAL INSTRUMENTS

Fair values

We recognize our fair value estimates using a fair value hierarchy based on the inputs used to measure fair value. The fair value of hierarchy has three levels based on reliability of inputs used to determine fair value as follows:

Level 1: Quoted market prices in active markets for identical assets and liabilities.
Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
Level 3: Unobservable inputs that are not corroborated by market data.

The carrying values and estimated fair values of our financial instruments at March 31, 2014 and December 31, 2013 are as follows:

(in thousands of $)	Fair value Hierarchy	March 31, 2014 Carrying Value	March 31, 2014 Fair value	December 31, 2013 Carrying Value	December 31, 2013 Fair Value
Non-Derivatives:					
Cash and cash equivalents	Level 1	158,579	158,579	125,347	125,347
Restricted cash	Level 1	26,543	26,543	26,543	26,543
Investment in available-for-sale securities	Level 1	264,259	264,259	267,352	267,352
Cost method investment	Level 3	204,172	208,425	204,172	218,647
Short-term debt	Level 2	67,559	67,559	—	—
Short term debt due from a related party	Level 2	20,000	20,000	—	—
Long-term debt - convertible bonds (1)	Level 2	234,246	274,063	233,020	254,063
Long-term debt - floating (1)	Level 2	431,658	431,658	434,008	434,008
Long-term debt - due to related party (1)	Level 2	50,000	50,000	50,000	50,000
Derivatives:					
Interest rate swaps asset (2) (3)	Level 2	31,788	31,788	46,827	46,827
Interest rate swaps liability (2) (3)	Level 2	9,109	9,109	11,401	11,401
Foreign currency swaps liability (2)	Level 2	—	—	729	729

1. Our debt obligations are recorded at amortized cost in the consolidated balance sheets.
2. Derivative liabilities are captured within other current liabilities and derivative assets are captured within long-term assets on the balance sheet.
3. The fair value/carrying value of interest rate swap agreements that qualify and are designated as cash flow hedges for accounting purposes as of March 31, 2014 and December 31, 2013 was a liability of $4.2 million (with a notional amount of $127.5 million) and $5.3 million (with a notional amount of $128.0 million), respectively. The expected maturity of these interest rate agreements is from January 2015 to April 2015.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

- The carrying amounts of accounts receivable, accounts payable, accrued liabilities and working capital facilities approximate fair values because of the short maturity of those instruments.

- The carrying value of cash and cash equivalents, which are highly liquid, is a reasonable estimate of fair value.

- The estimated fair value for restricted cash is considered to be equal to the carrying value since restricted cash bears variable interest rates which are reset on a quarterly basis and short-term investments are placed for periods of less than six months.

- The carrying amount of the investment in available-for-sale ("AFS") securities reported in the balance sheet represents unrealized gains and losses on these securities, which are recognized directly in equity unless a gain is realized upon sale of these units or an unrealized loss is considered "other than temporary" in which case it is transferred to the statement of operations. The basis of valuation of the investment in AFS securities is at market value.

- The carrying value of cost method investments refers to our holdings in Golar Partners (representing the general partner units and incentive distribution rights ("IDRs") which were measured at fair value as of the deconsolidation date December 13, 2012) and OLT Offshore LNG Toscana S.p.A ("OLT O"). As of March 31, 2014, we did not identify any events or changes in circumstances that would indicate the carrying values of our investments in Golar

Partners and OLT-O were not recoverable. The fair value of our general partner units was based on the share price of the publicly traded common units of Golar Partners adjusted for restrictions over the transferability and reduction in voting rights. While the fair value of the IDRs was determined using a Monte Carlo simulation method.

- For our investment in OLT-O, as we have no established method of determining the fair value of this investment, we did not estimate the fair value of this investment as of March 31, 2014.

- The carrying amount of our short-term debt approximates its fair value because of the short maturity of this instrument.

- The estimated fair value for the liability component of the unsecured convertible bonds is based on the quoted market price as at the balance sheet date.

- The estimated fair values for both the floating long-term debt and long-term debt to a related party are considered to be equal to the carrying values since they bear variable interest rates, which are reset on a quarterly or six-monthly basis.

- The fair value of our derivative instruments is the estimated amount that we would receive or pay to terminate the agreements at the reporting date, taking into account current interest rates, foreign exchange rates, closing quoted market prices and our creditworthiness and that of our counterparties. The mark-to-market gain or loss of our interest rate and foreign currency swaps that are not designated as hedges for accounting purposes is reported in the statement of operations caption "other financial items, net" (see note 7).

The fair value measurement of a liability must reflect the non-performance of the entity. Therefore, the impact of our credit worthiness has also been factored into the fair value measurement of the derivative instruments in a liability position.

The credit exposure of interest rate swap agreements is represented by the fair value of contracts with a positive value at the end of each period, reduced by the effects of master netting arrangements. It is our policy to enter into master netting agreements with counterparties to derivative financial instrument contracts, which give us the legal right to discharge all or a portion of the amounts owed to the counterparty by offsetting them against amounts that the counterparty owes to us.

As of March 31, 2014, we entered into the following interest rate swap transactions involving the payment of fixed rates in exchange for LIBOR as summarized below. The summary also includes those that are designated as cash flow hedges:

Instrument (in thousands of $)	Notional value	Maturity Dates	Fixed Interest Rates
Interest rate swaps:			
Receiving floating, pay fixed	1,537,500	2014 to 2020	1.13% to 4.59%

As of December 31, 2013, our interest rate swaps had a total notional amount of $128.0 million with maturity dates in 2014 and and fixed interest rates ranging from 3.57% to 4.52%.

During the three months ended March 31, 2014 following the disposal of the Golar Igloo in March 2014, Golar Partners assumed Golar Igloo's bank debt and the related interest rate swap with a notional value of $100 million.

As of March 31, 2014, the notional principal amount of the debt outstanding subject to interest rate swap agreements was $1,537.5 million (December 31, 2013: $1,638.0 million).

The credit exposure of interest rate swap agreements is represented by the fair value of contracts with a positive fair value at the end of each period, reduced by the effects of master netting agreements. It is our policy to enter into master netting agreements with the counterparties to derivative financial instrument contracts, which give us the legal right to discharge all or a portion of amounts owed to counterparty by offsetting them against amounts that the counterparty owes to us. We have elected not to offset the fair values of derivative assets and liabilities executed with the same counterparty that are generally subject to enforceable master netting arrangements. However, if we were to offset and record the asset and liability balances of derivatives on a net basis, the amounts presented in our consolidated balance sheets as of March 31, 2014 and December 31, 2013 would be adjusted as detailed in the following table:

(in thousands of $)	March 31, 2014 Gross amounts presented in the consolidated balance sheet	Gross amounts not offset in the consolidated balance sheet subject to netting agreements	Net amount	December 31, 2013 Gross amounts presented in the consolidated balance sheet	Gross amounts not offset in the consolidated balance sheet subject to netting agreements	Net amount
Total asset derivatives	31,788	(3,280)	28,508	46,827	(4,327)	42,500
Total liability derivatives	9,109	(3,280)	5,829	12,130	(4,327)	7,803

14. RELATED PARTY TRANSACTIONS

a) Transactions with Golar Partners and subsidiaries:

Net revenues:

(in thousands of $)	Three months ended March 31, 2014	2013
Management and administrative services revenue (a)	652	696
Ship management fees revenue (b)	1,778	1,168
Interest income on high-yield bonds (c)	—	570
	2,430	2,434

a) Management and administrative services agreement - On March 30, 2011, the Partnership entered into a management and administrative services agreement with Golar Management, a wholly-owned subsidiary of Golar, pursuant to which Golar Management will provide to the Partnership certain management and administrative services. The services provided by Golar Management are charged at cost plus a management fee equal to 5% of Golar Management's costs and expenses incurred in connection with providing these services. The Partnership may terminate the agreement by providing 120 days written notice.

b) Ship management fees - Golar and certain of its affiliates charged ship management fees to the Partnership for the provision of technical and commercial management of the vessels. Each of the Partnership's vessels is subject to management agreements pursuant to which certain commercial and technical management services are provided by certain affiliates of Golar, including Golar Management and Golar Wilhelmsen AS ("Golar Wilhelmsen"), a partnership that is jointly controlled by Golar and by Wilhelmsen Ship Management (Norway) AS.

c) High-yield bonds - In October 2012, Golar Partners completed the issuance of NOK1,300 million in senior unsecured bonds that mature in October 2017. The aggregate principal amount of the bonds is equivalent to approximately $227 million. Of this amount, approximately $35 million was initially issued to us. We sold our participation on the high yield bond in November 2013.

Receivables (payables): The balances with Golar Partners and its subsidiaries as of March 31, 2014 and December 31, 2013 consisted of the following:

(in thousands of $)	March 31, 2014	December 31, 2013
Trading balances due to Golar and affiliates (a)	16,992	5,989
Methane Princess security lease deposit movement (b)	(4,073)	(4,257)
$20 million revolving credit facility (c)	20,000	—
	32,919	1,732

a) Trading balances - Receivables and payables with Golar Partners and its subsidiaries are comprised primarily of unpaid management fees, advisory and administrative services and may include working capital adjustments in respect of disposals to the Partnership. In addition, certain receivables and payables arise when we pay an invoice on behalf of a related party and vice versa. Receivables and payables are generally settled quarterly in arrears. Trading balances due from Golar Partners and its subsidiaries are unsecured, interest-free and intended to be settled in the ordinary course of business. They primarily relate to recharges for trading expenses paid on behalf of Golar Partners, including ship management and administrative service fees due to us.

b) Methane Princess Lease security deposit movements - This represents net advances from Golar Partners since its IPO, which correspond with the net release of funds from the security deposits held relating to the Methane Princess Lease. This is in connection with the Methane Princess tax lease indemnity provided to Golar Partners under the Omnibus Agreement. Accordingly, these amounts will be settled as part of the eventual termination of the Methane Princess Lease.

c) $20 million revolving credit facility - In April 2011, Golar Partners entered into a $20 million revolving credit facility with the Company. The facility matures in December 2014 and is unsecured and interest-free. In March 2014, Golar Partners drew down $20 million from the facility. Golar Partners repaid the $20 million borrowed under this facility in April 2014.

Other transactions

Disposals to Golar Partners

In December 2013, we entered into an agreement to sell our interest in the company that owns and operates the Golar Igloo for
the price of $310.0 million. The sale was completed in March 2014 (see note 4).

b) Net income (expenses) from (due to) other related parties (excluding Golar Partners):

	Three months ended March 31,	
(in thousands of $)	2014	2013
Frontline Ltd. and subsidiaries ("Frontline") (a)	(65)	(56)
Ship Finance AS ("Ship Finance") (a)	47	54
Seatankers Management Company Limited ("Seatankers") (a)	—	(37)
Seadrill Ltd and subsidiaries ("Seadrill") (a)	107	—
	89	(39)

(Payables to) receivables from related parties (excluding Golar Partners):

(in thousands of $)	March 31, 2014	December 31, 2013

Frontline (a)	(62)	(60)
Ship Finance (a)	52	2
Seatankers (a)	(57)	91
Seadrill (a)	(10)	(74)
World Shipholding Loan (b)	(50,000)	(50,000)
	(50,077)	(50,041)

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a) We transact business with the following parties, being companies in which World Shipholding and companies associated with World Shipholding have a significant interest: Frontline, Ship Finance, Seatankers and Seadrill. Net expense/income from Frontline, Seatankers and Ship Finance comprise fees for management support, corporate and insurance administrative services, net of income from supplier rebates and income from the provision of serviced offices and facilities. Receivables and payables with related parties comprise primarily of unpaid management fees, advisory and administrative services. In addition, certain receivables and payables arise when we pay an invoice on behalf of a related party and vice versa. Receivables and payables are generally settled quarterly in arrears.

b) In April 2011, we entered into a $80 million revolving credit facility with a company related to our major shareholder, World Shipholding. In January, February and May of 2012, the revolving credit facility was amended to $145 million, $250 million and $120 million, respectively without any further changes to the original terms of the facility. In May 2013, the margin on the facility was amended from 3.5% to 3.0%. As of March 31, 2014, we had $50 million of borrowings under this facility. The facility is unsecured and bears interest at LIBOR plus 3.0% together with a commitment fee of 0.75% on any undrawn portion of the credit facility. We repaid the $50 million borrowed under the facility in April 2014.

15. OTHER COMMITMENTS AND CONTINGENCIES

Assets Pledged

(in thousands of $)	As of March 31, 2014	As of December 31, 2013
Book value of vessels secured against long-term loans	696,056	700,726

Legal proceedings and claims

We may, from time to time, be involved in legal proceedings and claims that arise in the ordinary course of business. A provision will be recognized in the financial statements only where we believe that a liability will be probable and for which the amounts are reasonably estimable, based upon the facts known prior to the issuance of the financial statements.

NR Satu related claim

PT Golar Indonesia, a subsidiary of Golar Partners that is both the owner and operator of the NR Satu, has been notified of a claim that may be filed against it by PT Rekayasa, a subcontractor of the charterer, PT Nusantara Regas, claiming that Golar Partners and its subcontractor caused damage to the pipeline in connection with the FSRU conversion of the NR Satu and the related mooring. As of the current date, no suit has been filed and both we and Golar Partners are of the view that, were the claim to be filed with the Indonesian authorities, any resolution could potentially take years. We both continue to believe we have meritorious defences against these claims, however, we are currently involved in compromise settlement discussions with the other parties. An estimate of the compromise settlement amount is between $2.0 million and $4.8 million. Golar Partners considers it probable that any loss suffered will be recoverable from its subcontractor who is also a party to these settlement discussions. As part of the disposal of the NR Satu in July 2012 by us, we have also agreed to indemnify Golar Partners against any non-recoverable losses.

Golar Viking related claim

In January 2011, Qatar Gas Trading Company Limited ("Nakilat") chartered the Golar Viking from us for a period of 15 months. In April 2012, the time charter party agreement was terminated early. On February 15, 2013, Nakilat formally commenced arbitration proceedings against Golar initially claiming damages of $20.9 million for breach of contract, including that of unlawful termination of the charter. The claim has subsequently been further revised and now amounts to $24.8 million (excluding legal costs and interest). We believe that we have strong arguments to defend ourself against any such claims, accordingly, as of March 31, 2014, have not recorded any provision. While the proceedings have been ongoing, the arbitration hearing is not timed until early 2015, it is possible that the outcome of the arbitration proceedings, including legal costs and interest, may result in a loss of anything up to a maximum of $31.5 million.

Douglas Channel LNG Assets Partnership claim

In May 2013, we provided a short-term loan of $12.0 million to Douglas Channel LNG Assets Partnership ("DCLAP") as part of the potential FLNG project in Douglas Channel, British Columbia. The General Partner of DCLAP is a company wholly owned by LNG Partner LLC ("LNGP"). The loan had a maturity date of September 30, 2013 and is secured by a general security agreement over the pipeline transportation capacity on the pipeline system that delivers natural gas to the area where the FLNG project is intended to operate. In September 2013, LNGP filed for bankruptcy. We have also since commenced legal proceedings against LNGP seeking to have a receiver appointed over the secured assets. Of the $12.0 million short-term loan, $2.5 million has been repaid to date. We believe that we have strong arguments regarding our claim and the outstanding loan is recoverable, accordingly, as of March 31, 2014, have not recorded any provision against the outstanding loan receivable.

16. SUBSEQUENT EVENTS

In May 2014, we took delivery of the LNG Carrier, the Golar Crystal. This vessel is currently available for charter on the spot market while long-term opportunities are being pursued.

In May 2014, we declared a dividend of $0.45 per share in respect of the quarter ended March 31, 2014 which we intended to pay on or around June 27, 2014, however, due to administrative reasons, this will now be paid on July 2, 2014. In addition, Golar Partners made a final cash distribution of $0.5225 per unit in April 2014 in respect of the quarter ended March 31, 2014, of which we received $14.8 million of dividend income in relation to our common, subordinated and general partner units and IDRs held at the record date.

In May 2014, we have entered into a definitive documentation with Singapore's Keppel Shipyard Limited, or Keppel, for the conversion of the LNG carrier, the Hilli to an FLNGV. However, the effectiveness of the conversion documents is conditional upon the satisfaction of certain conditions precedent.