Prospectus relating to the introduction to listing of the shares of Golar LNG Limited on the Oslo Stock Exchange

Manager:

Fearnley Fonds

Joint arranger of private placement:

ORKLA ENSKILDA SECURITIES

9 July 2001

The prospectus

Contents

Definitions and abbreviations

The following definitions and abbreviations shall apply in this prospectus, unless the context requires otherwise:

Company definitions

Golar LNG, the Company .....Golar LNG Limited and consolidated subsidiaries

Osprey Maritime .....Osprey Maritime Limited and consolidated subsidiaries

Other definitions and abbreviations

NOK .....Norwegian Kroner

USD.....United States Dollars

VPS .....Verdipapirsentralen, the Norwegian Registry of Securities

Maritime terms

Reference is made to appendix 6 for a description of maritime terms relevant to the Company.

Important information

This prospectus has been prepared in connection with the introduction of the shares of Golar LNG on the Oslo Stock Exchange. No shares are being offered by means of this prospectus.

This prospectus has been controlled by and registered with the Oslo Stock Exchange in accordance with the Norwegian Stock Exchange Regulations, sections 14, 15, and 16.

Except for the registration of this prospectus with the Oslo Stock Exchange, no action has been taken to permit the distribution of this prospectus in any jurisdiction where action would be required for such purposes. Accordingly, this prospectus may not be used for the purpose of an offer or solicited in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised.

Any dispute regarding this prospectus shall be governed by Norwegian law and Norwegian courts alone shall have jurisdiction in matters relevant hereto.

THE SECURITIES DESCRIBED IN THIS PROSPECTUS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "US SECURITIES

ACT") AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S PERSONS (AS DEFINED IN REGULATION S OF THE U.S. SECURITIES ACT) EXCEPT IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

Information contained in this prospectus

Declaration from the Company's board of directors

This prospectus has been prepared to satisfy the requirements of the Norwegian Stock Exchange Regulations in respect of the application for primary listing of the shares of Golar LNG on the Oslo Stock Exchange.

The directors of the Company has signed the following declaration in connection with the prospectus:

The directors of Golar LNG Limited confirm that the information contained in this prospectus is, to the best of their knowledge, correct and in accordance with the facts and contains no omissions which are likely to alter the import of this prospectus. Market evaluations and future prospects are based on best judgement.

Hamilton, Bermuda
9 July 2001

The Board of Directors of Golar LNG Limited

John Fredriksen Chairman	Tor Olav Trøim
A. Shaun Morris	Timothy Counsell

Parties assisting in the preparation of the prospectus

Fearnley Fonds ASA has assisted the board of directors of the Company in the preparation of this prospectus. Fearnley Fonds ASA has signed the following declaration in connection with the prospectus:

Fearnley Fonds ASA has assisted the Board and Management of Golar LNG Limited in the preparation of this prospectus. We have conducted our work based on information made available to us by Golar LNG Limited. We cannot provide any guarantee as to the completeness or accuracy of the contents of the prospectus, nor can we accept any financial or legal liability for decisions made on the basis of information contained herein.

As per 9 July 2001, Fearnley Fonds ASA and our employees owned no shares of Golar LNG Limited.

Oslo, Norway
9 July 2001

Fearnley Fonds ASA

Particular information required for this prospectus

Expected first day of trading of the Company's shares on the Oslo Stock Exchange: 12 July 2001.

Known commitments of shareholders of the Company to buy or to sell, or to refrain from buying or selling of, the Company's shares: None.

1. Description of Golar LNG and its capital

1.1. General information about the issuer

1.1.0. Name etc.

The Company's name is Golar LNG Limited.

The Company has its registered office and head office at Mercury House, 101 Front Street, Hamilton, Bermuda.

1.1.1. Bye-laws

The Company's bye-laws are enclosed hereto as appendix 3. A summary in Norwegian of items which are regulated in the bye-laws compared to Norwegian company legislation is enclosed as appendix 2.

1.1.2. Organisation number

The Company is registered in the Bermuda Register of Companies with organisation number 30506. Registration took place on 10 May 2001.

1.1.3. Group information

The Company is a group holding company. The group structure is set forth in appendix 5 hereto.

1.1.4. Incorporation

The Company was incorporated on 10 May 2001 as a new holding company for existing operations within transportation of LNG, parts of which have been involved in this business for more than three decades. The Company is not subject to a limited period of existence.

1.1.5. Legislation and legal form

The Company is organised as a "limited company" under the Bermuda Companies Act 1981.

1.1.6. Available documents

Documents referred to in this prospectus may be inspected and obtained from the Company's subsidiary Golar Management Ltd., 30 Marsh Wall, London E14 9TP, England, and may be ordered by telephone (44) 20 7517 8600.

1.2. General information about the capital

1.2.0. Share capital

The Company has an authorised share capital of USD 100,000,000, divided into 100,000,000 shares each with a par value of USD 1.00. All shares in the Company are of the same class and have the same right in the Company.

The number of shares issued is 56,012,000. The issued shares are fully paid.

1.2.1. Authorisation to increase the issued share capital

The board of directors is entitled to propose and adopt increases in the issued share capital up to the size of the authorised share capital. No such changes to the issued share capital have been proposed or adopted.

1.2.2. Convertible loans, etc.

The Company has not issued convertible loans.

1.2.7. Changes in the share capital over the last three years

With the exception of 12,000 shares subscribed for and issued at the Company's incorporation, the entire capital of the Company was raised and issued in connection with a private placement of shares in May 2001.

1.2.8. 20 largest shareholders

Set out below is a table of the 20 largest shareholders in the Company including percentages of ownership as per 6 July 2001. Percentages of votes are identical to percentages of ownership. As per 6 July 2001, the shares were held among 343 shareholders, of which 298 were Norwegian.

Shareholder	Nominee	Shares	Ownership
Osprey Maritime		28,012,000	50.01 %
Morgan Stanley & Co. Inc.	Yes	7,093,000	12.66 %
Morgan Stanley and Co. Intl. Ltd.	Yes	2,277,898	4.07 %
Orkla Enskilda Securities		1,351,131	2.41 %
Odin Norden		1,190,000	2.12 %
Goldman Sachs International		1,150,000	2.05 %
Federated Kaufmann Fund		1,000,000	1.79 %
Odin Norge		1,000,000	1.79 %
Hafslund Invest AS		868,600	1.55 %
Franklin Enterprises Inc.		866,300	1.55 %
Aksjefondet Gambak		850,000	1.52 %
State Street Bank & Trust Co.	Yes	800,000	1.43 %
Bank of New York, Brussels branch	Yes	792,000	1.41 %
Spetalen, Øystein Stray		433,000	0.77 %
Nordic Bell Inc		355,000	0.63 %
Bank of New York, Brussels branch	Yes	350,000	0.62 %
Storebrand Livsforsikring, Aksjefondet		303,000	0.54 %
Skandinaviska Enskilda Banken		275,000	0.49 %
Bear Stearns Securities Corp.	Yes	250,000	0.45 %
Pictet & Cie Banquiers	Yes	250,000	0.45 %
Sum, 20 largest shareholders		49,466,929	88.31 %

1.2.9. Controlling shareholders

Through its ownership of 50.01 per cent of the shares in the Company, Osprey Maritime could exercise control over the Company. Osprey Maritime is indirectly controlled by Mr John Fredriksen.

No shareholders are subject to mandatory bid requirements for the Company's shares. Neither Bermuda law nor the Company's bye-laws enforces mandatory bids.

1.2.10. Holdings in its own shares

Neither the Company nor any of its subsidiaries currently own shares in the Company.

1.2.11. Licence provisions, etc.

The Company is not subject to licence provisions and no licence provisions apply in the event of acquisition of the Company's shares. The Bermuda Monetary Authority has consented to the free transferability of the Company's shares.

2. Information concerning the Company's activities

2.1. The issuer's principal activities

2.1.0. Description of principal activities, history, etc.

History and background

The Company was incorporated on 10 May 2001 for the purpose of acquiring the LNG interests which were indirectly controlled by Mr John Fredriksen. The majority of these LNG interests were owned through Osprey Maritime and were known under the "Golar" brand name, while the remaining interests were controlled through Seatankers Management Co. Ltd. ("Seatankers"). Mr John Fredriksen has indirect ownership control in both of Osprey Maritime and Seatankers.

Golar is one of the world's leading transporters of LNG. It is historically based on the shipowning company Gotaas-Larsen Shipping Corporation ("Gotaas-Larsen"), the origin of which was founded in 1946 by Trygve Gotaas and Harry Irgens-Larsen. Over the years, Gotaas-Larsen was involved in several sectors of the maritime industry. In 1970, Gotaas-Larsen built its first LNG carrier and was thus one of the pioneers in seaborne LNG transportation. Four LNG carriers were built in the period 1975-1977 and two further LNG carriers were added to the fleet in 1981 and 2000 respectively. Osprey Maritime completed the acquisition of Gotaas-Larsen in 1997 for the purpose of expanding its position in the LNG carrier market, having previously been involved in this business through the joint ownership of one LNG carrier with Gotaas-Larsen.

World Shipholding Ltd., a company indirectly controlled by Mr John Fredriksen, commenced an acquisition process in Osprey Maritime in 2000 and completed the purchase in 2001. World Shipholding Ltd. currently holds more than 99% of the shares in Osprey Maritime.

Since the acquisition by World Shipholding Ltd., Osprey Maritime has entered into one newbuilding contract for an LNG carrier with the option to build one more ship.

The LNG interests held through Seatankers consisted of one newbuilding contract for an LNG carrier and newbuilding options to build three more ships.

It was decided to incorporate the Company as a wholly-owned subsidiary of Osprey Maritime, and Osprey Maritime sold its LNG interests to the Company on 21 May 2001. On the 28 May 2001, the Company acquired the LNG interests of Seatankers. A brief description of the transactions is set out below. In connection with the acquisitions, the Company raised USD 280 million of new equity (of which USD 155 million against settlement in cash and USD 125 million against settlement in kind) through a private placement. Osprey Maritime took up USD 140 million in the private placement and the remaining was subscribed by approximately 130 financial investors.

The purpose of forming Golar LNG was to create a listed company with focus on LNG transportation only. This would provide investors with an opportunity to participate in the expected growth and consolidation of the seaborne LNG transportation business.

Summary of the Company's acquisition of the LNG operation

The Company's acquisition of its LNG operation is based upon a Purchase Agreement with Osprey Maritime dated 21 May 2001 and a Sale and Purchase Agreement with Seatankers Management Co. Ltd. dated 28 May 2001.

Under the Purchase Agreement with Osprey Maritime, the Company acquired the shares of companies owned by Osprey Maritime which represented directly or indirectly all of Osprey Maritime's LNG operations. These operations included ownership in 5.6 LNG tankers, an agreement with the shipbuilder Daewoo of Korea to build one LNG carrier with the option to build a second LNG carrier, as well as a management organisation providing management services for LNG carriers owned by the Company and third parties. The purchase price for the LNG operations was based on an agreed value of the 5.6 LNG tankers of USD 635 million on a debt-free basis, adjusted for the net book value of the companies acquired. In addition, USD 2.5 million was paid as consideration for the assignment of the newbuilding contract and option. Osprey Maritime received part payment in shares of the Company in the amount of USD 125 million. The

shares were issued at the same price as the price applied in the private placement towards other investors, which was USD 5.00 per share.

Under the Sale and Purchase Agreement with Seatankers Management Co. Ltd., the Company acquired the agreements with the shipbuilder Hyundai of Korea to build one LNG carrier with option to build a second LNG carrier, and with the shipbuilder Samsung of Korea for options to build two LNG carriers. The Company purchased all right, title, interest, liabilities and obligations under these agreements and agreed to pay to Seatankers Management Co. Ltd. an amount of USD 2.5 million as consideration for the assignment of these agreements. No yard payments in respect of the newbuilding contract had been made by Seatankers Management Co. Ltd.

Corporate strategies

The Company intends to develop its position as the leading independent owner within ocean based LNG transportation, with a target of achieving a major strategic long term position in the global market for trading of LNG.

For its fleet, the Company will seek to develop a balanced portfolio of business which both maintains fixed cash flow from long term contracts, and takes advantage of any additional premiums available from the short term market. The Company will provide its customers with a safe and reliable transport service with a high degree of flexibility.

In order to optimise the value of its fleet, the Company will seek to extend its presence in the logistical chain for LNG. This can be done through direct investments or through partnerships or alliances with other major industry players. This can lead to investments in upstream facilities, in liquefaction plants, or in receiving terminals.

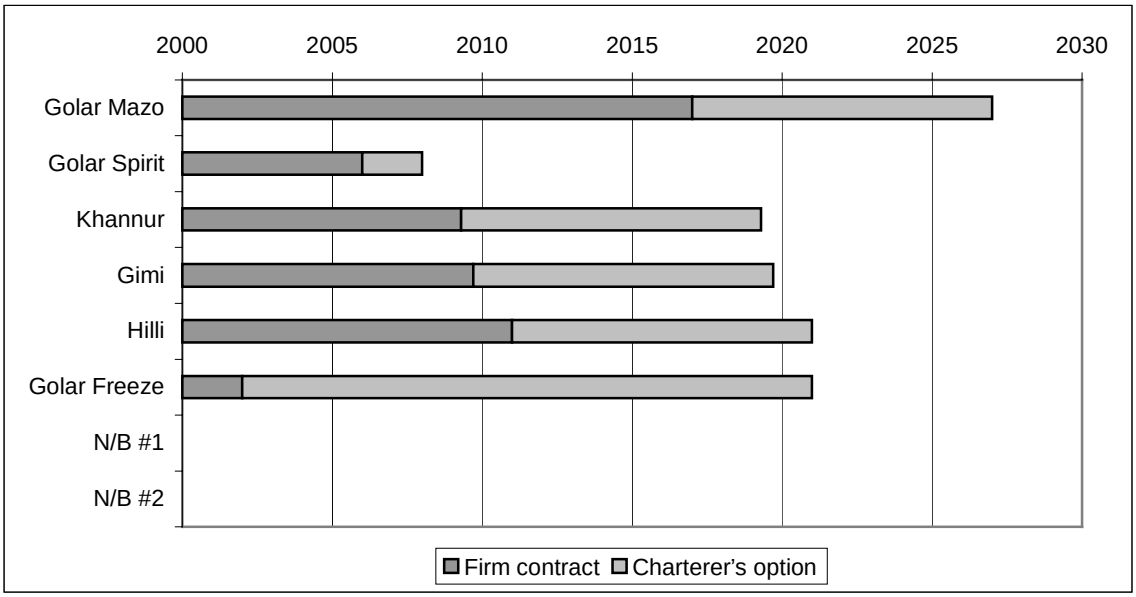
The Company will actively seek growth and consolidation opportunities in the industry.

Fleet and contracts

The Company's business is based on its fleet of LNG carriers. A table showing the Company's owned and managed fleet, as well as newbuilding contracts, is set out below.

Ship	Owned	Built	Cu.m. cap.	Charterer
Golar Mazo	60%	2000	138,000	Pertamina (TC)
Golar Spirit	100%	1981	120,000	Pertamina (TC)
Khannur	100%	1977	125,000	British Gas (TC)
Golar Freeze	100%	1977	125,000	British Gas (TC)
Gimi	100%	1976	125,000	British Gas (TC)
Hilli	100%	1975	125,000	British Gas (TC)
Newbuilding #1	100%	3/2003	138,000	
Newbuilding #2	100%	12/2003	137,000	
Newbuilding #3 (option)	100%	3/2004	138,000	
Newbuilding #4 (option)	100%	To be agreed	138,000	
Newbuilding #5 (option)	100%	4/2004	138,000	
Newbuilding #6 (option)	100%	To be agreed	138,000	
Mubaraz	0%			Abu Dhabi (management)
Mraweh	0%			Abu Dhabi (management)
Al Hamra	0%			Abu Dhabi (management)
Umm Al Ashtan	0%			Abu Dhabi (management)

The fleet is generally employed on long-term contracts. The following chart illustrates the contract charter situation for the Company's own fleet:



Main terms of the employment contracts are as follows:

Ship	Employment
Golar Mazo	This ship was built against a contract with Pertamina, the state oil company of Indonesia, in a joint venture with Chinese Petroleum Corporation ("CPC"), the Taiwanese state oil company, for the purpose of transporting LNG from Indonesia to Taiwan. The contract runs from 2000 (when the ship was delivered) through 2017. CPC has 40 per cent ownership interest in the company owning the ship. The supplier of LNG under the contract is Pertamina in a joint venture with other major oil and gas interests. Payment to the shipowning company is however structured so that payment for LNG from CPC to Pertamina is routed through a trustee account, from which the shipowning company is paid prior to Pertamina receiving any payments, the gas being brought under a long term supply contract by CPC. The contract for the ship is a time charter but on terms analogous to a bareboat contract, under which the ship is paid an annual capital amount of USD 31 million (on 100 per cent basis). The costs of running the ship are borne by the charterer on a cost pass through basis. There is no escalation clause in the contract. At the expiry of the contract, the charterer has options to extend for two periods of five years each at the same rate.
Golar Spirit	The ship is employed on a contract with Pertamina, the state oil company of Indonesia. The supplier of LNG under the contract is Pertamina in a joint venture with other major oil and gas interests. As with the Golar Mazo, the payment system is based on a trustee account which secures that the shipowner is paid before payment to the LNG supplier. The long term purchaser of the gas is the Korean State Gas Company ("KOGAS") which is the world's single largest purchaser of LNG. The contract for the ship is a time charter on terms analogous to a bareboat contract, under which the ship is paid an annual capital amount of USD 21

	million. The costs of running the ship are borne by the charterer on a cost pass through basis. The contract contains no escalation clause. At the expiry of the current charter party, the charterer has options to extend the contract for two periods of one year each at the same rate. The possible extension of the contract will probably require significant investments by Pertamina because the field supplying LNG is expected to be exhausted at the end of the charter period whereafter gas will have to be fed in from other fields.
Khannur, Gimi, Hilli, Golar Freeze	These four ships are on time charters to a subsidiary of British Gas, which uses the ships for LNG transport in the Atlantic basin. For three of the ships, British Gas has declared options for seven year contracts commencing in 2002 (Khannur and Gimi) and 2004 (Hilli). British Gas also has an option for a seven year contract for Golar Freeze from 2004. The three ships already fixed on long term contracts are fully employed by British Gas on fixed rates of USD 33,750 per day until the commencement of such contracts. Upon the completion of the seven-year contracts, British Gas has further options for two periods of five years each. If the long term contract for Golar Freeze is exercised, British Gas has option rights during the period of 2003 and 2004 at USD 33,750 per day. Assuming exercise of the option on Golar Freeze, the total timecharter revenue is expected to be USD 47.6m in 2001 (full year basis), USD 46.8m in 2002, USD 51.6m in 2003, USD 56.3m in 2004 and USD 67.6m in 2005.

The Company has not concluded any charter parties for its two newbuildings. The Company is considering various options for the employment of these ships, including long-term charters at fixed rates, long-term employment with rates tied to LNG prices, or active spot trading. The two latter opportunities are not commonly used in the LNG market and involve more risk than conventional long-term chartering.

Based on current market conditions, the Company believes that realistic rate assumptions for long-term time charters are in the range of USD 65-70,000 per day.

Description of counterparties

A brief description of each of the Company's current counterparties is provided below.

Pertamina, the state oil and gas company of Indonesia, commenced LNG exports in 1977. It operates two export terminals, Arun in partnership with Mobil, and Bontang in partnership with Total, Unocal and Virginia. Indonesia is the world's largest exporter of LNG, and in 1999 supplied 28.3 tons to Japan, South Korea and Taiwan.

British Gas, the exploration, production and international downstream business subsidiary of BG Group plc, owns Canvey Island, UK, which received the first commercial cargo of LNG in 1964. More recently, British Gas has developed both LNG export projects and import streams. The company has owned and chartered LNG carriers since 1964 and currently owns two vessels, the Methane Arctic and the Methane Polar.

Korea Gas (KOGAS) is the state natural gas importing and distributing company of South Korea, the world's second largest importer of LNG. It began LNG imports in 1986 and currently operates two LNG importing terminals. KOGAS is an investor in the LNG export terminal in Oman which started deliveries to South Korea in 2000.

Chinese Petroleum Corporation (CPC) is Taiwan's state oil and gas company. It began importing LNG in 1990 and currently operates one LNG terminal with an annual capacity of 4.5 tons, which is to be expanded to 7.87 tons in the future. In 1999, CPC took delivery of 3.9 tons LNG from Indonesia and Malaysia.

Marketing strategies

The Company will seek to develop a balanced portfolio of business which both (i) maintains fixed cash flow from long term contracts to support the basic investment structure, and (ii) takes advantage of any additional premiums available from the short term charter market.

The Company's first goal will be to increase its business with those charterers to whom the Company is already providing shipping service, namely Pertamina , KOGAS, Chinese Petroleum Corporation, and British Gas. In each case, the Company will seek to promote the long-term employment of newbuilt LNG carriers or the construction of new LNG carriers if so required.

The decision as to future marketing targets will be influenced both by developments in the economies of the respective importing countries and by existing customer relationships. Among the potential new markets for the Company's services are:

- Oil companies with a limited involvement in the LNG business at present, but which have significant ambitions within the sector.
- Gas consumers and traders which plan to import LNG directly (independent power producers, steel producers, etc.)
- National shipping companies with no existing expertise in LNG shipping
- Sponsors of LNG export projects in developing countries.

Technical standard, maintenance, etc.

The Company's ships are built to the highest standards required by the classification societies for ships of that type and have been well maintained throughout their lives. Surveys done at various stages of the ships' lives indicate that the ships can safely trade over a life span of 40 years. This life span indication, which is significantly longer than for most other types of seagoing ships, is possible because the cargo is not harmful to the ship and because the cargo tanks are "free standing" from the ship's structure.

The Company is undertaking a refurbishment programme designed to ensure that the ships' structures can safely trade for 40 years. This programme, mainly involving ballast tanks and boilers, is described in section 2.10.1.

In any LNG project, whether onshore or afloat, one of the most expensive components is the actual tanks. The construction of the vessels with Moss Rosenberg spheres is such that the tanks are "free standing" and independent of the ship's structure. They are supported at their equatorial rings. Previous studies have indicated that the cargo tanks onboard the ships have a life span of potentially 100 years as a consequence of little mechanical or corrosive wear from the cargoes.

Bearing this in mind, it is the Company's view that apart from the exceedingly high residual value of the aluminium alloy in the tanks, the tanks have an intrinsic value as reusable tanks in their own right.

The cargo tanks represent more than 50% of the cost of a new vessel and more in shore storage facilities, and they therefore have a considerable value if used for either shore storage, barging or future shipbuilding projects. Despite there being no ships close to being scrapped that use Moss Rosenberg aluminium tanks, feasibility studies have been carried out which demonstrate that it is possible to use them in this way. This would indicate that the residual value of each ship may be as high as up to USD 40-50 million, composed of the ordinary scrap value of the ship and the resale value of the tanks.

2.1.5. Market conditions, market share, etc.

A description of the market for seaborne transportation of Liquid Natural Gas is given in appendix 4.

Based on number of ships in the global LNG trade, which is currently 127, the Company's owned fleet currently represents a market share of 4.4% and the Company's total fleet (including ships under management) currently represents a market share of 7.9%.

2.3. Funding structure

The Company is currently subject to three loan agreements:

Debt financing of "Golar Mazo"

The "Golar Mazo" is owned by a separate company, Faraway Maritime Shipping Inc., in which the Company has 60 per cent ownership. The remaining 40 per cent is owned by China Petroleum Corporation (CPC), the Taiwanese state owned oil company.

"Golar Mazo" is separately financed. The total amount outstanding is currently USD 214.5 million (as of 31 May 2001 and on a 100% basis), corresponding to USD 128.7 million on the Company's 60% ownership, and the debt will be fully paid down in 2013.

Debt financing of the five wholly-owned ships

The five wholly-owned ships are financed under a facility provided by Citibank, Fortis Bank, Den norske Bank, and Nordea. Main terms of the financing are as follows:

Amount	USD 325 million
Duration	6 years (accelerated payment)
Balloon payment	USD 147.5 million
Interest	LIBOR + 1.5 per cent

Greenwich Holdings, a company affiliated with John Fredriksen who indirectly controls the Company's largest shareholder Osprey Maritime, has agreed with the lenders to guarantee that the four ships currently under contract with British Gas will not earn less, on a timecharter basis, than the rate set forth in the contracts with British Gas. The guarantee shall be valid for the term of the loan facility, or until such time that British Gas gives its consent to the restructuring of Osprey Maritime (which has not yet been requested). Under the term of the guarantee, Greenwich Holdings shall cover any shortfall in the earnings of the relevant vessels up to the level payable under the existing charter arrangements with British Gas for a period of up to 12 months. The guarantee does not limit the Company's ability to obtain higher rates, should this be available. The Company does not pay any commission or compensation to Greenwich Holdings for the guarantee.

Short-term financing of newbuilding instalments

Hemen Holding Ltd., a company indirectly controlled by Mr John Fredriksen who indirectly controls the Company's largest shareholder Osprey Maritime, has guaranteed a loan from Nordea with a duration of approximately one year in the amount of USD 32 million. The amount is used to pay for the first instalment on the first newbuilding.

Loan repayments in the next 5 years

Loan repayments in the next 5 years, based on the above loans (and based on 60% participation in the financing of the "Golar Mazo") are set out in the following table.

2001	USD 11.1 million
2002	USD 58.6 million
2003	USD 32.7 million
2004	USD 50.0 million
2005	USD 53.2 million

2.4. Use and exposure to financial instruments

The Company intends to enter into an interest swap agreement, matching the payment profile of the fleet loan of USD 325 million. The current 6 year USD interest swap rate is approximately 5.7%.

2.6. Environmental protection measures

The Company is not subject to orders to implement environmental protection measures which are expected to have a major bearing on its activities or financial position.

2.7. Legal disputes, etc.

Poten and Partners, New York

Osprey Maritime and Golar LNG have, in connection with a review of the charter arrangements with British Gas, received information that may create a legal case against Poten & Partners ("Poten"), a shipbroking firm based in New York, and possibly others. Poten acted as a broker in the transaction involving the four ships on charter to British Gas.

2.8. Management functions performed by third parties

The Company currently does not intend to delegate management functions to third parties.

2.9. Number of employees

The Company currently has a total of 29 employees in its wholly-owned management company in London, England. In addition, seafaring personnel is employed through subsidiary companies.

The Company's executive management is part employed in the Company's office in Bermuda.

2.10. Investments

2.10.0. Description of main investments

The Company has acquired the LNG interests of Osprey Maritime and Seatankers Management Co. Ltd. as described in section 2.1.0 herein. The purchase price for the LNG operation acquired from Osprey Maritime was based on an agreed value of the 5.6 LNG carriers of USD 635 million on a debt free basis, adjusted for the net book value of the companies acquired.

In addition, the Company has paid an amount of USD 5 million for the assignment of newbuilding contracts and newbuilding options from Osprey Maritime and Seatankers Management Co. Ltd.

2.10.1. Current investments

Refurbishment programme

The Company has defined a refurbishment programme designed to ensure that its ships are in a condition to be technically able to trade to, or beyond, a service life of 40 years. This programme comes in addition to normal dry-dockings and is mainly related to upgrading of ballast tanks and boilers (engines). The Company believes that the refurbishment programme can be carried out during normal service or while dry-docking, and that little additional idle time will be required.

The refurbishment programme is related to the four wholly-owned ships built in the period 1975-1977 and the following investments are expected:

(Figures in USD mill.)	2001	2002	2003	2004	2005	2006
Refurbishment	7.65	5.3	6.9	6.8	1.3	1.6

Newbuildings and newbuilding options

The Company is the holder of two firm newbuilding contracts and four newbuilding options. The following table sets forth relevant information relating to the newbuildings:

	Newbuilding #1	Newbuilding #2
Type and size	138,000 cu.m.	137,000 cu.m.
Yard	Daewoo	Hyundai
Delivery date	3/2003	12/2003
Yard price	USD 162.0 mill.	USD 165.6 mill.
Payment terms	5 x 20%	5 x 20%
Financing	No long-term financing is secured.	No long-term financing is secured.
Employment	None	None

The yard prices include certain reserves for possible extra demands in the building periods.

The Company will require external financing of its newbuilding programme. Among the sources of financing that will be considered, are bank loans, long-term charter parties which will enable higher than normal debt financing, bareboat arrangements, sale-leaseback arrangements, and/or UK tax leases.

The Company currently holds four newbuilding options with yards in Korea. All options are subject to negotiations on such terms as time of delivery, option period, and detailed specifications, but all are for prices equal to or lower than USD 165 million. The possible declaration of any option will depend, among other factors, on contract coverage and leverage on the fleet as a whole.

2.11. Risk factors specific to the Company

The following list of risk factors specific to the Company is not exhaustive and the factors are not listed in any particular order.

Technological innovation

Where gas supplies are located close to the consumer, the most efficient form of gas transportation is by way of pipeline. The Company believes, however, that this is unlikely to proliferate for a number of reasons, including:

- High initial cost, especially in developing countries.
- Political risk, i.e. pipelines require co-operation between governments, sometimes in sensitive areas.
- It is generally felt that transportation by sea is more economical than pipelines over distances of 3,500 km over land and 1,000 km over sea.
- Even where a country has pipeline alternatives, many governments choose to have a proportion of their total gas requirements delivered by sea.
- Since the infrastructure required to transport LNG is so expensive, other transportation methods have been and are being researched. For example, gas can be transported by mixing it into a hydrate slurry and using less specialised vessels to distribute it. Currently, the technology is only available for small quantities over short distances and no system has yet been developed sufficiently to be put into commercial use.
- Pipeline transport is relatively inflexible in terms of its route and capacity compared with transportation by sea.

Excess supply of LNG vessels (such as in the 1980s)

When LNG vessel prices are considered to be low, companies not normally involved in LNG shipping may make speculative vessel orders. Should this occur, LNG shipping supply increases, satisfying demand sooner and potentially suppressing charter rates.

Possible catastrophic loss and/or liability - insurance

In the event that a vessel is lost, the nature and quality of the insurance protection available to respond to the situation is of paramount importance. If the level of insurance cover is found to be insufficient in terms of amount or scope, the Company may not receive adequate compensation. The Company believes that it is adequately covered.

Contract break

The Company's income stream will be severely affected in the event that it is impossible to promptly replace charter contracts which have come to an end. Whilst there is considerable scope to trade LNG vessels in the spot market (on 6 month to 3 year contracts) at present, this market may not always be so buoyant. Possible causes of contract break may include:

- Default of the charter counterparty.
- Natural termination of charter and the consequent failure to re-charter.
- Specific contract clauses may give the charterer the option to cancel the long term agreement.

Exchange rate risk

The Company's functional currency is USD and materially all of its assets, liabilities, revenues and expenses are incurred in USD.

Interest rate risk

The majority of the Company's borrowings are at floating interest rates. However, for the Company's largest borrowing an interest rate swap is expected to be entered into, matching the payment terms of the loan.

Risk of arrest

All of the Company's vessels are on time charter to third parties. Usually, under the terms of such charters the vessels are placed off hire, that is, the charterer ceases to pay hire charges for any period during which the vessel is arrested for a reason beyond the charterer's control.

Under maritime law in many jurisdictions, a number of parties may be entitled to a maritime lien against a vessels for unsatisfied debts, claims or damages. In many circumstances a maritime lienholder may enforce its lien by "arresting" a vessel through court process. In certain jurisdictions, "sister ship" liability means that a claimant may arrest not only the vessel with respect to which the claimant's maritime lien has arisen, but also any "associated" vessel owned or controlled by the legal or beneficial owner of that vessel.

Such an arrest of one or more of the Company's vessels could result in a loss of cash flow for the Company or require the Company to pay substantial sums to have the arrest lifted.

Regulations (including environmental legislation)

The Company is naturally subject to regulations and supervision in the various jurisdictions in which it trades, operates and conducts business. Changes to such regulations may adversely affect the business of the Company. The Company's operations are affected by changing environmental protection laws and other regulations, compliance with which may entail significant expenses, including expenses for ship modifications and changes in operating procedures.

Political and economic factors

As the Company's operations are conducted throughout the world, they may therefore be affected by economic, political and governmental conditions in the countries where the Company is engaged in business or in which its vessels are registered. In the past, political conflicts have often involved efforts to disrupt shipping, thereby potentially affecting trade patterns, operations and performance.

3. Financial information

Historical financial information

The Company was incorporated on 10 May 2001 and acquired the assets currently held during May 2001. The Company has not issued any financial reports in the past.

The previous owner of the majority of the assets acquired by the Company, Osprey Maritime, has provided limited information about its LNG business in the past. This business is largely comparable to the Company's current business for the period shown, although one of the Company's ships (the "Golar Mazo") was only delivered in 2000 and is thus not reflected in the accounts for previous years.

The figures below are taken from the financial statements of Osprey Maritime for the period 1998-2000. The accounts of Osprey Maritime are prepared in USD under Singapore GAAP. No attempt has been made to restate the accounts in US GAAP.

(figures in USD '000)	1998	1999	2000
Segment revenue	79,489	82,549	99,439
Segment results (Operating profit)	26,483	26,603	41,373
Exceptional items		-45,859	-
Segment assets	584,683	615,896	663,848
Segment liabilities		439,743	454,786
Capital expenditure		96,570	65,124
Depreciation		25,022	26,038
Amortisation		5,052	5,716
Write down in carrying value of vessels		-45,859	-

Report on review of pro forma condensed statement of net assets

The Company's auditors have issued the following report in connection with their review of the pro forma condensed statement of net assets which is set out below.

To the board of directors of Golar LNG Limited:

We have reviewed the pro forma adjustments, reflecting the transaction described in Note 2 to the pro forma condensed statement of net assets included within the Prospectus for Golar LNG dated 9 July, 2001, and the application of those adjustments to the historical amounts in the accompanying pro forma condensed statement of net assets of Golar LNG Limited as of 1 June 2001 on pages 15 to 20. The historical condensed statement of net assets is derived from the historical unaudited statement of net assets of Golar LNG Limited, which was reviewed by us. Such pro forma adjustments are based on management's assumptions as described in Note 1 to the pro forma condensed statement of net assets included within the Prospectus for Golar LNG dated 9 July, 2001. Our review was conducted in accordance with generally accepted auditing standards in Norway.

A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's assumptions, the pro forma adjustments and the application of those adjustments to the historical statement of net assets. Accordingly, we do not express such an opinion.

The objective of this pro forma condensed statement of net assets is to show what the significant effects on the historical statement of net assets might have been had the transactions occurred at an earlier date. However, the pro forma condensed statement of net assets is not necessarily indicative of the effects on the financial position that would have been attained had the above-mentioned transactions actually occurred earlier.

Based on our review, nothing came to our attention that caused us to believe that management's assumptions do not provide a reasonable basis for presenting the significant effects directly attributable to the above-mentioned transaction described in Note 2 to the pro forma condensed statement of net assets included within the Prospectus for Golar LNG dated 9 July, 2001, that the related pro forma adjustments do not give appropriate effect to those assumptions, or that the pro

forma columns do not reflect the proper application of those adjustments to the historical statement of net assets amounts in the pro forma condensed statement of net assets as of 1 June 2001.

PricewaterhouseCoopers

West London, United Kingdom

July 9, 2001

Pro forma condensed statement of net assets

The following unaudited pro forma condensed statement of net assets is based on the historical unaudited statement of net assets of Golar LNG Limited. The historical condensed statement of net assets was prepared in accordance with general accounting principles accepted in the United States. The unaudited pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable. The unaudited pro forma condensed statement of net assets should be read in conjunction with the sections entitled "Description of Golar LNG and its capital" and "Information concerning the Company's Activities" in the Prospectus.

The unaudited pro forma condensed statement of net assets has been prepared to give effect to the receipt and disbursement of cash associated with the purchase transaction of Golar LNG Limited from Osprey Maritime Limited.

(figures in USD million; unaudited)	Historical condensed statement of net assets at 1 June 2001	Pro forma adjustment a (note 1)	Pro forma adjustment b (note 1)	Pro forma condensed statement of net assets at 1 June 2001
Cash and cash equivalents	72	155	(106)	121
Trade debtors and other current assets	14			14
Vessels	647			647
Other tangible fixed assets	4			4
Intangible assets	1			1
Total assets	**738**	**155**	**(106)**	**787**
Debt due within one year	25			25
Due to related parties	106		(106)	----
Swap contracts	5			5
Other current liabilities	63			63
Long-term debt	514			514
Pensions and other long-term liabilities	19			19
Total liabilities	**732**		**(106)**	**626**
Net assets	**6**	**155**	**0**	**161**

1) Adjustments to the historical statement of net assets at 1 June, 2001

The following pro forma adjustments have been made to the historical condensed statement of net assets at 1 June, 2001 to give the pro forma condensed statement of net assets at 1 June, 2001:

(a) Adjustment 1 reflects the Company's receipt of all equity proceeds from its private placement in May 2001 of 56,000,000 share capital of the Company at USD 5.00, each pursuant to the issuance of share certificates dated 31 May 2001, as if it were made at that date. The proceeds were not received until 19 June 2001.

(b) Adjustment 2 reflects the Company's payment to Osprey Maritime Limited under the Purchase Agreement dated 21 May 2001 as if it were made at 1 June 2001. This payment was not made until 19 June 2001.

2) The Company and History

Golar LNG Limited ("the Company") was incorporated in Hamilton, Bermuda on 10 May, 2001 for the purpose of acquiring the Liquid Natural Gas ("LNG") shipping interests from Osprey

Maritime Limited ("Osprey") and Seatankers Management Co. Ltd. ("Seatankers"). Osprey, through its parent World Shipholding Ltd., and Seatankers are indirectly controlled by Mr John Fredriksen.

The Company owns and operates a fleet of six LNG tankers, five of which are currently under long term charter contracts. Additionally, the Company has a contract to build 2 LNG tankers with options to build additional LNG vessels.

World Shipholding Ltd., the ultimate parent of the Company, commenced its acquisition of Osprey in August 2000, gained controlling interest in November 2000, and completed its acquisition in May 2001. The acquisition of Osprey by World Shipholding Ltd. was accounted for as a step-by-step purchase transaction and, accordingly, the purchase price was allocated to the assets and liabilities based on their estimated fair value as of each acquisition date. The purchase price allocation for these acquisitions is preliminary and further refinements are likely to be made based on the completion of final valuation studies.

In each of the step acquisitions, the fair value of the net assets acquired exceeded the purchase price. As such, the negative goodwill associated with these acquisitions has been allocated to the values of the vessels on the respective acquisition dates.

The Company entered into purchase agreements with Osprey and Seatankers to purchase certain LNG shipping interests on 21 May and 28 May 2001, respectively. These LNG shipping interests were comprised of the ownership of certain LNG tankers, agreements and options to build additional LNG vessels and a management organisation that provides management services for LNG carriers owned by the Company and third parties. The purchase price for the LNG operations was based on an agreed value of the LNG tankers of USD 635 million, plus the amount of net book value of all other assets (non-shipping) of the companies acquired. In addition, USD 2.5 million was paid as consideration for the assignment of the newbuilding contract and option.

To finance the purchase of the LNG operations, the Company took subscriptions for 56 million shares valued at $280 million. Osprey subscribed for 28 million shares at a value of $140 million with the remaining 28 million shares being subscribed by private investors. Additionally, a subsidiary of the Company raised $325 million through a credit facility secured by the underlying vessels.

Mr John Fredriksen indirectly controls 50.01% of the Company through the initial 12,000 shares issued at the Company's formation and the 28 million shares purchased by Osprey. As required under generally accepted accounting principles in the United States, the purchase of the LNG operations has been treated as a transaction between entities under common control by the Company. As such, the assets and liabilities acquired have been recorded in the books of the Company on the date of acquisition at the amounts recorded in the books of controlling shareholder ("predecessor basis"). The difference between the purchase price as described above and the predecessor basis was reflected as a reduction in equity.

Historical Condensed Statement of Net Assets

The following represents the basis of presentation, significant accounting policies, and relevant footnotes used for the preparation of the historical condensed statement of net assets at 1 June 2001:

Basis of presentation and summary of significant accounting policies

(a) Basis of presentation and accounting

The historical condensed statement of net assets is prepared in accordance with accounting principles generally accepted in the United States ("US GAAP"). The historical condensed statement of net assets is expressed in United States dollars.

(b) Principles of consolidation

The pro forma condensed statement of net assets of the Company includes the assets and liabilities of all majority-owned subsidiaries over which the Company exercises control, and for which the control is other than temporary.

Intercompany balances are eliminated. For the purpose of preparing the pro forma condensed statement of net assets, consistent accounting polices are applied for all Company entities.

(c) Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

(d) Trade debtors

Trade debtors are carried at anticipated realisable value. Specific provisions are made for those debts considered doubtful.

(e) Vessel stores

Vessel stores, comprising luboil stocks and ship provisions, are stated at the lower of cost (first-in, first-out basis) or market value.

(f) Marketable Equity Securities

The Company classifies all of its short-term investments as available-for-sale securities. Such short-term investments are stated at market value, with unrealized gains and losses on such securities reflected, net of tax, cumulative in shareholders' equity.

(g) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation.

Vessels under construction are stated at cost. Cost includes cost of construction, interest cost and other related expenditure. For this purpose, the interest rate applied to funds provided for vessel construction is arrived at by reference, where appropriate, to the actual rate payable on borrowings for construction purposes and, in regard to that part of the construction cost financed out of general funds, to the average rate paid on funding the assets employed by the Group. No depreciation is provided on vessels under construction.

Included in fixed assets is dry docking expenditure, which is capitalised when, incurred and amortised over the period until the next anticipated dry docking, which is generally between two to five years. For vessels, which are newly built or acquired, the consideration paid is allocated between dry docking and other vessel costs to reflect the different useful lives of the component assets.

Fixed assets are depreciated on the straight-line basis at rates, which write down the cost of the assets over their remaining estimated useful lives to their estimated residual values. Useful lives applied in depreciation are as follows:

Vessels	25 to 40 years
Deferred drydocking expenditure	2 to 5 years
Office equipment and fittings	3 to 6 years

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate, based on estimated undiscounted cash flows, that the carrying amount of these assets may not be fully recoverable. If required, the carrying amount is written down to its estimated realisable amount based upon the current sale prices of similar assets or to the discounted expected future cash flows arising from the remaining useful lives of the asset.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

(h) Deferred financing costs

Costs associated with long term financing are capitalised and amortised on a straight-line basis as interest expense over the tenure of the related loans.

(i) Taxation

Management believes that substantially all of the Company's income is exempt from income taxes.

(j) Foreign currencies

United States dollars is the Company's functional currency. Monetary assets and liabilities denominated in other currencies are translated into United States dollars at the rates of exchange ruling at the statement of net assets date. Transactions in other currencies during the year are recorded in United States dollars at exchange rates prevailing at the transaction dates.

(k) Financial Instruments

The carrying amount of the Company's cash and cash equivalents, receivables, accounts payable, and accrued expenses approximates fair value because of the short maturity of those instruments. The Company's long-term debt is financed at a variable interest rate which management believes indicates that the carrying value approximates fair market value.

The Company entered into interest rate swaps agreements to hedge its variable rate interest risk. The agreements were entered into in December 1997 and are based on notional amounts that are reset every six months. The combined notional amount was $205 million at 1 June 2001. These agreements fix the Company's interest rate between 6.39% to 6.43% and are effective until December, 2009.

(l) Use of Estimates

The preparation of the pro forma condensed statement of net assets in accordance with generally accepted accounting principles requires that management make estimates and assumptions affecting the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the pro forma condensed statement of net assets. Actual results could differ from those estimates.

Vessels

As previously indicated, vessels values included in the pro forma condensed statement of net assets at 1 June 2001 represent the predecessor basis of the Company's parent, Osprey Maritime, at 1 June 2001. The carrying values of these vessels were adjusted during World Shipholding Ltd.'s acquisition of Osprey between August 2000 and May 2001. That is, the vessels value at each stage of the step acquisition was adjusted to reflect its fair value reduced for the amount of fair value in excess of the related purchase price (negative goodwill) associated with these acquisitions.

	Vessels	**Vessels under construction**	**Deferred dry docking expenditure**	**Total**
	$ million	**$ million**	**$ million**	**$ million**
Cost or valuation at 1 June 2001	602	38	7	647

Long term debt

On 31 May 2001 the group entered into a secured loan facility with a banking consortium for an amount of US$325,000,000. This facility bears floating rate interest of LIBOR + 1.5%. The repayment terms are quarterly. The long-term debt is secured by a mortgage on the vessels Golar Spirit, Khannur, Gimi, Hilli and Golar Freeze. The loan agreement contains various financial covenants.

Greenwich Holdings ("Greenwich"), a company affiliated with Mr John Fredriksen who indirectly controls the Company's largest shareholder Osprey, has agreed with the lenders to guarantee that the four vessels currently under contract with British Gas will not earn less, on a timecharter basis, than the rate set forth in the contracts with British Gas. The guarantee shall be valid for the term of the loan facility, or until such time that British Gas gives its consent to the restructuring of Osprey (which has not yet been requested). Under the term of the guarantee, Greenwich shall cover any shortfall in the earnings of the relevant vessels up to the level payable under the existing charter arrangements with British Gas for a period of up to 12 months. The guarantee does not limit the Company's ability to obtain higher rates, should this be available. The Company does not pay any commission or compensation to Greenwich for the guarantee.

In addition, on 26 November 1997 the group entered into a secured loan facility with a banking consortium for an amount of US$214,500,000. This facility bears floating rate interest of LIBOR + 0.865%. The repayment terms are six monthly commencing on 28 June 2001. The long-term debt is secured by a mortgage on the vessel Golar Mazo. The loan agreement contains covenants relating to debt service reserves and debt service cover.

Repayable within		**$ million**
Year ended 31 May	2002	25
	2003	31
	2004	39
	2005	43
	2006	52
Thereafter		349

Pensions

The Company operates two defined benefit non-contributory pension schemes (the GL Marine Personnel Pension Plan and GL UK Pension Scheme) for the benefit of all employees. Both schemes are funded and their assets held in separate Trustee administered funds.

The funded status of the plans at 1 June 2001 is shown in the accompanying tables, along with the assumptions used in calculations:

Funded Status of Defined Benefit Retirement Plans at	1 June 2001
Actuarial present value of obligation	-44
Fair Value of Plan Assets	29
Funded status of plan	-15
Unrecognised net loss	-
Unrecognised prior service cost	-
Net pension liability recognised in the consolidated statement of net assets	-15
Assumptions Used in Calculations	
Discount rate	6.25%-7.5%
Rate of compensation increase	4%
Expected return on plan assets	8%

As part of the acquisition of Osprey by World Shipholding Group, Ltd. the Company recognised the funded status of the pension plans and allocated the purchase price accordingly.

Capital commitments and options to purchase

At 1 June 2001, the Company had certain financial commitments in respect of the purchase of two new vessels, which will be constructed for the group. Details of the commitments relating to these vessels are given below.

A contract was entered into by Seatankers Management Co. Ltd. on 10 May 2001 to build a new vessel. This contract was novated to the Company 28 May 2001. Under the terms of this contract the first instalment payment of $32,518,000 became payable on 13 May 2001. This amount is included within “other current liabilities” in the pro forma statement of net assets at 1 June 2001, as it was not paid until 19 June 2001. The cost of the vessel to date is included in the pro forma statement of net assets at 1 June 2001 within “vessels”. There are four remaining payments that the Company is committed to, as follows:

	Amount ($)	**Due date**
Second instalment	32,518,000	By 10 May 2002
Third instalment	32,518,000	On certification that the first block of the keel has been laid
Fourth instalment	32,518,000	On certification that the launching of the vessel has been completed
Fifth instalment	32,518,000[(a)]	On delivery of the vessel

(a) The fifth instalment will be plus or minus any increase or decrease due to modifications and/or adjustments

On 2 May 2001 Osprey Maritime Limited entered into a contract to build a new vessel. This contract was novated to the Company on 28 May 2001. No amounts in relation to this contract have been included in the pro forma statement of net assets at 1 June 2001, as no amounts were due at that date. The Company has commitments under the contract as follows:

	Amount ($)	Due date
First instalment	32,405,800	5 days from the date of receipt by the buyer of a irrevocable letter of guarantee
Second instalment	32,405,800	On certification that the commencement of steel cutting for the vessel has been completed, not earlier that 1 September 2001
Third instalment	32,405,800	On certification that the keel laying for the first block has been completed, not earlier than 1 February 2002
Fourth instalment	32,405,800	On certification that the launching of the vessel has been completed, not earlier than 15 April 2002
Fifth instalment	32,405,800	On delivery of the vessel

(a) The fifth instalment will be plus any increase or minus any decrease due to adjustments, if any.

In addition to the contracts that the Company has entered into to build new vessels, as described above, the Company also has options for further builds of new vessels.

The possible declaration of any option will depend, among other factors, on contract coverage and leverage of the fleet as a whole.

New Pronouncements

The Financial Accounting Standards Board's ("FASB's") Statement of Financial Accounting Standard, or SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities—Deferral of the Effective Date of FASB Statement No. 133," and SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities," is effective for the Company as of January 1, 2001. This statement establishes accounting and reporting standards requiring that derivative instruments (including certain derivative instruments embedded in other contracts) be recorded in the statement of net assets as either an asset or liability measured at its fair value. This statement requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement, and requires a company to formally document, designate and assess the effectiveness of transactions that receive hedge accounting, SFAS No. 133 must be applied to (a) derivative instruments and (b) certain derivative instruments embedded in hybrid contracts that were issued, acquired, or substantively modified after December 31, 1997 (and, at the Company's election, before January 1, 1998).

In September 2000 the FASB issued SFAS No. 140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." This statement provides accounting and reporting standards for transfers and servicing of financial assets and extinguishments of liabilities and also provides consistent standards for distinguishing transfers of financial assets that are sales from transfers that are secured borrowings. SFAS No. 140 is effective for recognition and reclassification of collateral and for disclosures relating to securitization transactions and collateral for fiscal years ending after December 15, 2000, and is effective for transfers and servicing of financial assets and extinguishments of liabilities occurring after March 31, 2001. The Company has had no activities which are subject to the provisions of this standard.

Other financial information

Insurance arrangements

Total loss

In the event of a total loss, all five wholly owned ships and the "Golar Mazo" are fully insured to the values set out in the table below. No charters bind the Company to replacing ships which are subject to a total loss.

Ship	Insured value (USD mill.)
Golar Mazo (100% basis)	300
Golar Spirit	180
Golar Freeze	102
Hilli	102
Gimi	102
Khannur	108
Total:	**894**

Loss of income

Specific Loss of Hire insurance is in place to cover the Company against loss due to the ships being wholly or partially deprived of income as a consequence of damage covered under the terms of the hull and machinery insurance. Insurers will pay the daily rate agreed in respect of each vessel for each day the vessel is deprived of income excess of the 14 day deductible period, up to a maximum of 240 days per claim and in the insurance period. The following rates are insured:

Ship	Sum insured (USD)	Daily rate (USD)
Golar Mazo (100% basis)	24,000,000	100,000
Golar Spirit	19,200,000	80,000
Golar Freeze	8,640,000	36,000
Hilli	8,640,000	36,000
Gimi	8,640,000	36,000
Khannur	8,640,000	36,000

Pension arrangements

The USD 15 million Net Pension Liability recognised in the consolidated statement of net assets, as required by US GAAP, is in respect of the GL Marine Personnel Pension Plan and is likely to vary over time, depending on investment performance, market conditions and the attitude of the Company towards Plan funding. It is made up of USD 10 million Accrued Pension Costs which represents the excess of Accumulated Benefit Obligation over the value of its assets as at 31 May 2001 and USD 5 million Net Transition Obligation.

The Company is monitoring the situation with the GL Marine Personnel Pension Plan and whilst the current investment conditions prevail and the GL Marine Personnel Pension Plan is ongoing and not discontinuous, intends to fund any short fall in actual pension entitlement from the cash reserves of the Company itself. Currently the Company continues to make regular contributions to the fund and there are no shortfalls in income to the fund in comparison to the amount required to pay current pension entitlement. Consequently Management believes that on a continuous basis there will be no net pension liabilities to fund.

Financial illustrations

Financial illustrations have been made for the years 2001 to 2005 based on the Company's existing fleet and two ships which are anticipated to be constructed. There financial illustrations relate to future events and are based on assumptions which may not remain valid throughout the period of the illustrations. Accordingly the illustrations are subject to numerous and fundamental inherent uncertainties and actual results could differ substantially from those illustrated.

The prospective financial information included in this offering document has been prepared by, and is the responsibility of, the Company's management. PricewaterhouseCoopers has neither examined nor compiled the accompanying prospective financial information and, accordingly, PricewaterhouseCoopers does not express an opinion or any other form of assurance with respect thereto. The PricewaterhouseCoopers report included in this offering document relates to the Company's pro forma condensed statement of net assets on pages 15 to 20. It does not extend to the prospective financial information and should not be read to do so.

All figures are given in USD million. Note that figures for 2001 reflects 7 months of operation as the Company's assets were taken over with effects from 21 May 2001.

Profit and loss estimate	2001	2002	2003	2004	2005
Total operating revenue, TC basis	65.7	114.6	134.8	168.7	173.5
Operating expenses	13.0	21.5	24.6	29.0	29.6
G&A expenses	2.2	3.5	3.6	3.7	3.8
EBITDA	**50.5**	**89.7**	**106.5**	**136.0**	**140.2**
Depreciation & amortisation	13.9	24.3	25.9	32.0	32.7
EBIT	**36.6**	**65.4**	**80.7**	**104.0**	**107.5**
Net finance	22.5	36.3	41.6	50.6	45.9
Pre-tax profit	**14.1**	**29.1**	**39.0**	**53.4**	**61.6**
Tax	0.0	0.0	0.0	0.0	0.0
Minority interests	2.7	5.2	5.7	6.2	6.6
Net profit	**11.4**	**23.9**	**33.3**	**47.2**	**55.1**

Bases and assumptions underlying the financial illustrations:

1. The financial illustrations are prepared under Generally Accepted Accounting Principles in the United States of America on a basis consistent with the accounting policies adopted by the Company as set out on pages 16 to 18.
2. The Company's revenue includes timecharter revenue and ship management fees from its existing fleet and from 2 new vessels being constructed. Management fees include fees from both third parties and related companies. Fees from related companies are offset against General & Administrative costs. Illustrative timecharter revenue is based on existing timecharter rates in various Charterparty Agreements and on management's best estimate of charter rates for those periods during which the vessels are not covered by Charterparty Agreements.
3. Full utilisation of vessels has been assumed other than the provision of two offhire days per vessel per annum and those anticipated with respect to the scheduled drydocking that takes place, on average, once every 30 to 36 months.
4. The vessel operating costs are expected to be in line with previous years and escalating at 2 to 3% per annum.
5. The General & Administrative (G&A) costs include costs of the management company's London office, crewing office in Manila and Bilbao. Costs for London office is based on recently restructured staff numbers.
6. Depreciation for furniture & fittings and office equipment is included in Depreciation and Amortisation.
7. There will be no change from current interest rates.
8. Borrowings are based on anticipated cash flows taking into account scheduled debt repayment, additional borrowings to finance the building of two new ships, the refurbishment programmes outlined in this prospectus and working capital assumptions based on past experience
9. No dividends have assumed to be paid.

4. Information about the shares

4.1. Distribution of the shares

The following table sets forth the distribution of the Company's shares as per 6 July 2001:

No. of shares	No. of shareholders	No. of shares	Ownership
10,000 or less	219	665,613	1.19 %
10,001 – 100,000	93	3,302,300	5.90 %
100,001 – 1,000,000	25	10,184,058	18.18 %
1,000,001 – 10,000,000	5	13,062,029	23.32 %
10,000,001 or more	1	28,012,000	50.01 %
Total	343	56,012,000	100 %

4.2. Shareholders' rights

Description of the shares

All shares of the Company are of the same class and each share carries the right to one vote in the Company's shareholder meetings. There are no restrictions on the number of shares that may be represented by any shareholder or holder of proxies in a shareholder's meeting.

The Company's shares are freely transferable. However, the Company's bye-laws provide that the transfer of shares can be rejected by its board of directors in certain situations, including where such transfer would be illegal or where such transfer would imply that 50 per cent or more of the shares or votes would be held by shareholders in a jurisdiction where such ownership will give rise to a taxation of shareholders individually for a proportion of the Company's profits.

Registration of the shares

The formal register for the Company's shareholders is kept in the Company's head office in Bermuda. Currently all issued shares are issued to the Company's registrar in VPS which is Christiania Bank og Kreditkasse ASA ("CBK"), Norway. CBK has entered into a sub-registrar agreement with the Company (attached hereto as appendix 3) and has registered all of the Company's shares in VPS. CBK will, under the sub-registrar agreement, maintain the shareholder rights of the persons listed at any time as the owners of the shares in VPS.

The Company's shares are registered in VPS with ISIN number BMG9456A1009.

4.3. Listing on other stock exchanges

The Company's shares are currently not listed on any other stock exchanges.

4.6. Shareholder and dividend policy

The Company's main objective is to maximise shareholder value through profitable operation and value appreciation. The Company will endeavour to maximise the return on equity over time and ensure that the return on the shareholders' investment is as high as possible. This will make the Company an attractive investment alternative and will, if and when necessary, provide the Company with access to the equity market.

In determining its dividend, the Company will consider such factors as available liquidity, covenants in financial arrangements, planned investments, and tax implications.

4.8. Withholding tax

Dividends paid by the Company to its shareholders are not subject to withholding tax.

5. Information on management bodies in the Company

5.1. Names and addresses

The following persons serve as directors of the Company:

- John Fredriksen, Chairman. He has indirect ownership control in the Company's largest shareholder, Osprey Maritime. Mr Fredriksen is also the Chairman of Frontline Ltd., a leading tanker company. Mr Fredriksen is a resident of Cyprus.
- Tor Olav Trøim, director. Mr Trøim is also a director of Frontline Ltd., Northern Offshore Ltd., Northern Oil ASA, Aktiv Kapital ASA and other companies. Mr Trøim is a resident of Cyprus.
- A. Shaun Morris, director. Mr Morris has been a partner of the Bermuda law firm of Appleby Spurling & Kempe since 1995. He is also a director of Frontline Ltd. and Northern Offshore Ltd. Mr Morris is a resident of Bermuda.
- Timothy Counsell, director. Mr Counsell is a partner of the law firm of Appleby Spurling & Kempe, and joined the firm in 1990. He is currently a director of BT Shipping Limited and of Benor Tankers Ltd and an alternate director of Bona Shipholding Ltd. Mr. Counsell is a resident of Bermuda.

The Company does not have a corporate assembly or committee of shareholders' representatives.

The following persons will have senior positions in the management of the Company:

- Tor Olav Trøim, Chief Executive Officer. Mr Trøim is also a director of the Company and is described above. The Company plans to recruit a person who will be dedicated full-time to this position. Mr Trøim has agreed to serve until such person has been recruited.
- Kate Blankenship, company secretary and Chief Accounting Officer. Mrs. Blankenship joined Frontline Ltd., in which she holds the same positions, in 1994. Prior to joining Frontline Ltd., she was a Manager with KPMG Peat Marwick in Bermuda. She is a member of the Institute of Chartered Accountants in England and Wales.
- Graeme MacDonald, general manager fleet management. Mr MacDonald started his shipping career in 1973 and worked for 23 years in various shipping positions with Shell, including such positions as Manager LNG Marine Operations in Tokyo responsible for the management of 10 LNG carriers trading in the Asia-Pacific and LNG Commercial Manager advising on all respects of LNG transport. He joined the Company's London office in 1998.

5.2. Interests of management bodies

5.2.0. Remuneration and benefits

No remuneration has been paid or granted to the Company's board of directors. The level of remuneration will be determined by the Company's shareholder meeting.

Remuneration to the Chief Executieve Officer will be determined by the Company's board of directors.

5.2.2. Shares and options issued to members of management bodies

Mr John Fredriksen, the Chairman of the Company, has indirect ownership control over Osprey Maritime which is the Company's largest shareholder owning 28,012,000 shares, corresponding to 50.01% of the shares outstanding.

Kate Blankenship, Company Secretary, owns 5,000 shares in the Company.

Peter Costalas and Nicholas Sherriff, both of which are directors of Golar Management Ltd., a subsidiary of the Company, each own 7,500 shares in the Company.

No other members of management bodies of the Company have ownership interest in the Company.

5.2.3. Transactions with related parties

The following is a summary of material transactions between the Company and its related parties:

- The Company has acquired from Osprey Maritime, a company under indirect ownership control of the Company's Chairman Mr John Fredriksen, its LNG interests as described in section 2.10.0 herein. The purchase price for these interests was based on an agreed value of the ships involved of USD 635 million on a debt free basis. In connection with the acquisition, Fearnley Fonds ASA provided Osprey Maritime with an opinion that this value for the ships and the charter parties, in their opinion, was reasonable and fair. In connection with the bid by World Shipholding Ltd. (indirectly controlled by Mr John Fredriksen) for the shares of Osprey Maritime, the shipbroking firm Barry Rogliano Salles provided a valuation of the same ships and contracts in December 2000, at that time estimating an aggregate value of USD 654.4 million.
- The Company has also acquired from Osprey Maritime one newbuilding contract and one newbuilding option for LNG tankers, at a total price of USD 2.5 million.
- The Company has acquired from Seatankers Management Co. Ltd., a company under indirect ownership control of the Company's Chairman Mr John Fredriksen, one newbuilding contracts and three newbuilding options for LNG tankers, at a total price of USD 2.5 million.

5.2.4. Loans granted to members of management bodies

No loans have been granted by the Company to persons in management bodies of the Company.

5.3. Schemes for employees' share purchases

It is planned that the Company's board of directors shall have at its disposal 2,000,000 shares that may be offered to key employees and directors in the form of stock options or otherwise. The shares may be issued at a price of USD 5.75.

No shares or options have been issued in connection with this arrangement.

6. Information related to preparation of the prospectus, etc.

6.1. Identity of parties assisting in the preparation of the prospectus

Fearnley Fonds ASA, Grev Wedels plass 9, N-0107 Oslo, has assisted the Company in preparation of the prospectus. Fearnley Fonds ASA has issued a declaration in connection therewith which is reproduced in the initial section of the prospectus.

6.2. Indication of expenses

The Company expects to incur the following expenses in connection with the preparation of this prospectus:

Legal fees		
Wiersholm, Mellbye & Bech, Oslo	NOK	150,000
Auditor		
PricewaterhouseCoopers, London	GBP	120,000

Fees to legal advisors and auditors are based on hours used by the respective parties.

In addition, the Company will cover printing, distribution and advertising expenses, as well as fees to the Oslo Stock Exchange, etc.

There are no separate fees to managers in connection with the preparation of this prospectus. However, Fearnley Fonds ASA received a separate management fee in connection with the Company's recent private placement which also covered its obligation to assist the Company in making an application for listing of the Company's shares. This management fee amounted to USD 962,500 and was calculated as a percentage fee of the capital raised in the private placement.

6.3. Declaration of the Company's board of directors

The Company's directors have issued a declaration in connection with this prospectus which is reproduced in the initial section of the prospectus.

6.4. Name of auditor

PricewaterhouseCoopers, London, has been appointed as the Company's auditor. The address of the auditor is PricewaterhouseCoopers, Harman House, 1 George Street, Uxbridge UB8 1QQ, England.

7. Summary

This summary is subject to, and should be read in connection with, the more complete information provided elsewhere in this prospectus.

Company background

Golar LNG has been established as a new holding company for the indirect ownership interests of Mr John Fredriksen within transportation of Liquid Natural Gas (LNG). The majority of these interests were held through Osprey Maritime and were based on the shipowning company Gotaas-Larsen that has been involved in LNG shipping for more than 30 years, while the remaining interests were held through Seatankers Management Co. Ltd.

Company information

The company was established in May 2001 and acquired the interests described above on the basis of an agreed purchase price of the ships of USD 635 million on a debt-free basis, adjusted for the equity in the companies acquired. The company also paid USD 5 million for the assignment of newbuilding contracts and options. The sellers received part payment in shares valued at USD 125 million. At the same time, additional equity of USD 155 million was raised through a private placement.

The company is registered on Bermuda. The company's operations are managed from London, where the company has a significant and experienced management organisation with 29 employees. This office undertakes management of the company's fleet as well as ship management for third parties.

Business description

The business of Golar LNG is mainly based on a fleet of six LNG carriers, of which five are wholly-owned and one is owned by a joint venture in which the company has 60% ownership. The ships are employed under long-term contracts, as is customary in the LNG market, with contract expiration between 2004 and 2017. Four of the ships are chartered to British Gas, and are mainly employed in the Atlantic region, while the two other ships are employed under long-term contracts for transportation of gas from Indonesia to Korea and Taiwan, respectively. The contract portfolio secures stable revenues.

The company also has two firm newbuilding contracts and four newbuilding options. The two newbuildings will be delivered in 2003. No employment contracts have been entered into for these ships. The company is considering various employment options, including conventional long-term contracts and shorter-term employment. The company is also considering employment alternatives whereby the company has a certain exposure to the underlying gas market.

Market information

LNG carriers is used to transport Liquid Natural Gas, a niche in the shipping market. The gas, mainly methane, is an important energy bearer and is generally used for production of electricity. When transported by ship, the gas is cooled to its boiling temperature of –163 centigrades, at which point the volume is reduced to 1/600 of the volume in gas state. This extreme temperature puts special demands on the construction of the ships and makes the ships expensive to build. The world fleet of LNG carriers currently consists of about 130 ships.

Natural gas is used in many parts of the world. Seaborne transport of LNG has however traditionally been focused on Asia, where Japan and Korea are the largest importers. The largest exporters are Indonesia, Algeria and Malaysia. Transport is growing rapidly due to an increasing number of new projects involving LNG as energy bearer, both in Asia, Europe and the USA. Annual growth in LNG transport has been nearly 9% from 1990 to 2000 and many analysts predict continued strong growth, which will create demand for a substantial amount of new tonnage.

Based on its own fleet, the company has a market share of about 4.4%. If ships under management are included, the company's market share is about 8%.

Financial information

Golar LNG was established in May 2001 and has not issued financial reports. The company's current operations have however been acquired from Osprey Maritime which has presented segment information on its LNG business. In Osprey Maritime, the business generated revenues of USD 99 million in 2000, 82.5 million in 1999 and 79.5 million in 1998. The segment profit (operating profit) was USD 41.4 million in 2000, 26.6 million in 1999 and 26.5 million in 1998. The growth in revenues and operating profit was caused both by fleet growth and new contracts with improved rates.

Shareholder information

The company's largest shareholder is Osprey Maritime, which owns 50.01% of the issued shares. Osprey Maritime is indirectly controlled by Mr John Fredriksen. No other shareholder is known to own more than 5% in the company.

Appendix 1: Sammendrag på norsk

Sammendraget er underordnet den mer fullstendige beskrivelse som er gitt andre steder i prospektet og må leses i sammenheng med denne. Sammendraget er oversatt fra engelsk og er underordnet den engelske originalteksten.

Selskapsbakgrunn

Golar LNG er etablert som et nytt holdingselskap for de indirekte eierinteressene som skipsreder John Fredriksen har hatt innen LNG-transport. Hoveddelen av disse interessene var holdt gjennom Osprey Maritime, og var basert på rederiet Gotaas-Larsen som har drevet med LNG-fart i mer enn 30 år, mens den resterende delen av interessene var holdt gjennom Seatankers Management Co. Ltd.

Informasjon om selskapet

Selskapet ble etablert i mai 2001 og overtok de interessene som er omtalt over på basis av en avtalt kjøpesum for skipene på USD 635 millioner på gjeldfri basis, korrigert for egenkapital i selskapene som ble overtatt. I tillegg betalte selskapet USD 5 millioner for å overta byggekontrakter og –opsjoner. Selgerne fikk deloppgjør i aksjer verdsatt til USD 125 millioner og det ble samtidig hentet inn USD 155 millioner i kontanter gjennom en rettet emisjon.

Selskapet er registrert på Bermuda. Den operative delen av selskapets virksomhet drives fra London, der selskapet har en omfattende management-operasjon med 29 ansatte. Dette kontoret har ansvaret for driften av selskapets flåte og har i tillegg management-oppdrag for tredjeparter.

Informasjon om selskapets virksomhet

Selskapets virksomhet er i hovedsak basert på en flåte av seks LNG-skip, hvorav fem er heleide og ett er 60% eiet. Skipene er beskjeftiget på langsiktige kontrakter, slik det er vanlig i LNG-markedet, med utløp mellom 2004 og 2017. Fire av skipene er leid ut til British Gas, og blir hovedsakelig benyttet i LNG-transport i Atlanterhavsområdet, mens de to øvrige er beskjeftiget på langsiktige kontrakter for gasstransport fra Indonesia til henholdsvis Korea og Taiwan. Denne kontraktsmassen gir faste og påregnelige inntekter.

Selskapet har også to faste nybyggingskontrakter og fire opsjoner til nybygg. De to faste kontraktene vil medføre skipsleveranser i 2003. Det er ennå ikke inngått avtaler om beskjeftigelse av noen av disse skipene. Selskapet vurderer flere alternativer, både konvensjonelle langsiktige kontrakter og mer kortsiktig beskjeftigelse. I tillegg ser selskapet på muligheter for beskjeftigelse hvor selskapet har en form for eksponering mot det underliggende gass-markedet.

Markedsinformasjon

LNG-transport er en nisje innen shipping-markedet som beskjeftiger seg med transport av flytende naturgass. Gassen, i hovedsak metan, er en viktig energibærer og benyttes i stor grad til elektrisitetsproduksjon. For transport til havs blir gassen kjølt ned til sitt kokepunkt på minus 163 grader Celsius, der volumet reduseres til 1/600 av volumet i gass-form. Dette stiller helt spesielle krav til skipene og gjør skipene dyre i konstruksjon. Totalt er det i underkant av 130 LNG-skip i verdensflåten.

Naturgass blir brukt i mange områder i verden. Sjøtransporten av LNG har imidlertid tradisjonelt vært fokusert i Asia, der Japan og Korea er de to største importørene. Blant de større eksportørene er Indonesia, Algerie og Malaysia. Transporten viser en sterk vekst som skyldes at LNG brukes som energibærer i nye prosjekter, både i Asia, Europa og USA. Veksten i LNG-transport har vært ca. 9% årlig fra 1990 til 2000 og en rekke analytikere spår betydelig vekst også fremover. Dette vil gi grunnlag for en betydelig tilvekst i flåten.

Selskapet har en markedsandel, basert på eiet flåte, på ca. 4,4%. Medregnet skip eiet av tredjeparter opererer selskapet ca. 8% av flåten.

Finansiell informasjon

Golar LNG ble etablert i mai 2001 og har ikke rapportert finansiell informasjon tidligere. Selskapets nåværende operative virksomhet er imidlertid overtatt fra Osprey Maritime som har gitt segment-informasjon om LNG-virksomheten. I Osprey Maritime genererte virksomheten en omsetning på USD 99 mill. i 2000, mot 82,5 mill. i 1999 og 79,5 mill. i 1998. Driftsresultatet var USD 41,4 mill. i 2000, mot 26,6 mill. i 1999 og 26,5 mill. i 1998. Økningen skyldes både økt flåte og inngåelse av nye kontrakter til høyere rater.

Aksjonærinformasjon

Selskapets største aksjonær er Osprey Maritime, som eier 50,01% av aksjene. Osprey Maritime er indirekte eiermessig kontrollert av John Fredriksen. Selskapet er ikke kjent med at andre aksjonærer har en eierandel over 5% i selskapet.

Appendix 2: Visse selskapsrettslige forhold

I det følgende vil det bli gitt en oversikt over visse grunnleggende selskapsrettslige forhold av relevans for Golar LNG. Oversikten bør leses i sammenheng med Golar LNG's vedtekter som er inntatt som vedlegg 2 til dette prospekt. Oversikten utgjør ikke en uttømmende fremstilling av alle selskapsrettslige forhold som kan være av betydning eller som fraviker fra tilsvarende regler for norske selskaper.

1. Generelt

Golar LNG's rettsforhold styres først og fremst av The Bermuda Companies Act 1981 med senere endringer, samt Selskapets vedtekter ("Bye-laws"). Vedtektene er inntatt i sin helhet som vedlegg 2 til dette prospektet. I tillegg til vedtektene består Golar LNG's stiftelsesdokumenter av et Memorandum of Association.

Begge disse dokumenter er vesentlig mer omfattende enn hva som vanligvis er tilfelle for et norsk selskaps stiftelsesdokument og vedtekter. Vedtektene har detaljerte bestemmelser om forvaltningen av Golar LNG og rollefordelingen mellom Golar LNG's aksjonærer og styret. Videre omhandler vedtektene overføring av aksjer i Golar LNG, endringer i Golar LNGs aksjekapital, avholdelse av generalforsamlinger, valg og utskiftning av styremedlemmer og andre tillitsmenn samt bestemmelser om utbetaling av utbytte, fondsemisjoner og avsetting til fond. Vedtektene behandler også spørsmål knyttet til Golar LNGs regnskaper og revisjon og inneholder bestemmelser om endringer av vedtektene og oppløsning av Golar LNG.

Siden Golar LNG vil være børsnotert på Oslo Børs vil visse sider av Golar LNGs virksomhet fortsatt være underlagt norsk rett. Dette vil følge av den kursnoteringsavtalen som inngås mellom Golar LNG og Oslo Børs. I tillegg vil den norske børsloven av 17. juni 1988 nr. 57 samt børsforskriften 17. januar 1994 nr 30 med senere endringer få anvendelse på Golar LNG.

Etter bermudansk selskapsrett kan et selskaps vedtekter ("bye-laws") endres av styret. Slike endringer trer dog først i kraft etter at endringene er godkjent av Golar LNGs generalforsamling med alminnelig flertall. Dette skiller seg fra norsk rett hvor vedtektsendringer må besluttes av generalforsamlingen med 2/3 flertall av såvel avgitte stemmer som den aksjekapital som er representert på generalforsamlingen.

2. Aksjer og aksjekapital

2.1 Aksjekapital

Golar LNG har en autorisert aksjekapital ("authorised share capital") på USD 100.000.000. Selskapets generalforsamling kan med alminnelig flertall øke eller nedsette den autoriserte aksjekapital. Generalforsamlingen kan også med alminnelig flertall vedta å splitte Golar LNGs aksjer i flere aksjer eller slå sammen flere aksjer til en aksje. På dette punkt skiller vedtektene seg fra norsk rett hvor vedtak av nevnte typer krever tilslutning av 2/3 av såvel avgitte stemmer som den aksjekapital som er representert på generalforsamlingen.

Videre kan generalforsamlingen med alminnelig flertall dele aksjene i ulike klasser. Rettighetene til eksisterende aksjer i Golar LNG kan dog bare endres ved skriftlig samtykke fra minst 75% av aksjene i den klasse som berøres, eller med minst 75 % av stemmene på et separat møte for aksjonærene i angjeldende klasse.

Golar LNGs vedtekter skiller mellom utstedt ("issued") og ikke-utstedt ("unissued") aksjekapital. Aksjer som er "unissued" regnes som en del av Golar LNGs autoriserte aksjekapital, men er ikke innbetalt eller tildelt noen aksjonær. Golar LNGs styre står fritt til å utstede eller på annen måte disponere over de av Golar LNGs aksjer som er "unissued" inntil det er utstedt ("issued") aksjer som dekker hele Golar LNGs autoriserte aksjekapital. Det er opp til styret å avgjøre om nye aksjer skal utstedes til selskapets aksjonærer eller til andre, ned mindre generalforsamlingen i forbindelse med den aktuelle forhøyelse av den autoriserte aksjekapitalen har besluttet at aksjene skal være forbeholdt aksjonærene.

I henhold til sine vedtekter kan Golar LNG bare utstede aksjer som er fullt innbetalt. Generalforsamlingen kan vedta å fravike dette med alminnelig flertall.

2.2 Aksjer/Overføring av aksjer

Golar LNGs aksjer er såkalte "registered shares". Dette innebærer at aksjene i motsetning til ihendehaveraksjer ikke kan bli overført ved overlevering av aksjebrevene alene.

Det er inngått avtale med Christiania Bank og Kreditkasse ASA ("CBK") om føring av Golar LNGs aksjeregister i VPS. I henhold til avtalen vil CBK være ansvarlig for å føre Golar LNGs aksjeeierregister i VPS. CBK vil stå innført som "nominee" i Golar LNGs offisielle aksjebok på Bermuda for de aksjonærer som er innført i VPS. Avtalen med CBK er inntatt som vedlegg 3 til prospektet. Golar LNGs offisielle aksjebok forefinnes på Golar LNGs forretningskontor på Bermuda og er tilgjengelig for allmennheten på virkedager mellom 10 am og 12 am etter nærmere bestemmelser i vedtektene og i Bermuda Companies Act.

Golar LNGs aksjer er fritt omsettelige. Golar LNGs styre kan likevel etter vedtektene på nærmere vilkår nekte å registrere en aksjeoverføring, deriblant dersom en slik overføring etter styrets oppfatning vil være rettsstridig eller i strid med vilkårene for børsnotering på en børs der Golar LNGs aksjer er notert. Styret kan også nekte å godkjenne aksjeoverdragelse som vil medføre at 50% eller mer av Golar LNGs aksjekapital eller aksjer er eiet eller kontrollert av personer som for skattemessige formål må anses bosatt i en jurisdiksjon hvor slik eierskap medfører at aksjonærene skattlegges for sin andel av selskapets overskudd ("CFC-jurisdiksjon"), herunder Norge. Styret kan videre nekte å godkjenne overføring av aksjer som ikke er fullt ut innbetalt.

Golar LNG har sikkerhet ("lien") over aksjer som ikke er fullt ut innbetalt og kan på visse vilkår innløse eller selge slike aksjer.

2.3 Kjøp av Golar LNGs egne aksjer

Golar LNGs styre kan i henhold til vedtektene kjøpe Golar LNGs egne aksjer. Dette innebærer en forskjell fra norsk rett hvor kjøp av egne aksjer krever fullmakt fra generalforsamling og under enhver omstendighet er begrenset til 10% av selskapets aksjekapital.

Kjøp av egne aksjer som gjøres i form av offentlig tilbud fremsatt over Oslo Børs skal skje på vilkår av at aksjonærer som anses som skattemessig bosatt i en CFC-jurisdiksjon ikke vil eie eller kontrollere 50 % eller mer av Golar LNGs aksjekapital som følge av slikt kjøp.

3. Generalforsamling

Golar LNGs styre bestemmer etter vedtektene hvor selskapets generalforsamling skal avholdes. Slik generalforsamling kan ikke avholdes i en CFC-jurisdiksjon.

Ordinær generalforsamling skal holdes hvert år og innkalles med minst 7 dagers varsel.

Styret kan til enhver tid innkalle til ekstraordinær generalforsamling, og plikter å innkalle til slik generalforsamling dersom dette kreves av aksjonærer som representerer minst 10% av Golar LNGs stemmeberettigede aksjekapital.

Aksjonærer kan være representert på generalforsamlingen ved fullmakt.

Generalforsamlingen treffer vedtak med alminnelig stemmeflertall med mindre noe annet er bestemt av vedtektene eller anvendelig lovgivning.

4. Styret

Antallet styremedlemmer kan bestemmes av generalforsamlingen med alminnelig flertall, men skal aldri være mindre enn to. Vedtektene inneholder visse begrensinger i retten til å være styremedlem i tilfelle konkurs, sinnssykdom mv. Hvert styremedlem fungerer inntil neste generalforsamling eller inntil hans etterfølger er valgt. Generalforsamlingen kan velge varamedlemmer eller overlate dette til styret. Hvert styremedlem kan velge en personlig vararepresentant.

Styret velger selv sin formann. Styremøte kan holdes hvor som helst i verden bortsett fra i en CFC-jurisdiksjon, og kan også holdes ved telefonkonferanse.

Vederlag til styrets medlemmer fastsettes av generalforsamlingen med alminnelig stemmeflertall.

Golar LNGs styre har det fulle overordnede ansvar for forvaltningen av selskapet. Styrets myndighet begrenses kun av lov, Golar LNGs vedtekter samt retningslinjer gitt av generalforsamlingen.

Det påpekes spesielt at etter Bermudas selskapsrett er styret tillagt myndighet på enkelte områder som etter norsk rett tilligger generalforsamlingen, herunder rett til å utstede nye aksjer innenfor den autoriserte aksjekapital, samt utdele utbytte.

I henhold til Golar LNGs vedtekter har styret myndighet til å pantsette selskapets eiendeler og til å ta opp lån uten samtykke av generalforsamlingen.

Golar LNG kan inngå en avtale med et styremedlem om at styremedlemmet skal utføre oppdrag på vegne av Golar LNG eller yte tjenester til Golar LNG som går utover vervet som styremedlem. Styremedlem som utfører slike tjenester for Golar LNG er berettiget til slik godtgjørelse som styret bestemmer. Styremedlem kan likevel ikke være Golar LNGs revisor. Et styremedlem eller et selskap eiet av et styremedlem kan inngå avtaler med Golar LNG, forutsatt at vedkommende styremedlem gjør rede for sin interesse i en slik avtale på det første styremøte som har avtalen til behandling eller skriftlig til de øvrige styremedlemmene.

The Bermuda Companies Act bestemmer at Golar LNG ikke kan gi lån til styremedlem uten samtykke av aksjonærer som representerer minst 9/10 av de stemmeberettigede aksjer.

Styret skal oppnevne en "Company Secretary". Company Secretary's oppgaver og ansvar bestemmes av Golar LNGs vedtekter samt the Bermuda Companies Act. Company Secretary er blant annet ansvarlig for å utarbeide referat fra styremøter og generalforsamlinger samt føre Golar LNGs aksjebok.

5. Utbetaling av utbytte/fondsemisjon

Styret har rett til etter eget skjønn å bestemme hvorvidt utbytte skal utbetales til aksjonærene. Herunder har styret rett til å utbetale utbytte à-konto til aksjonærene ("Interim Dividend").

Golar LNGs generalforsamling kan med alminnelig flertall etter anbefaling fra styret vedta fondsemisjon.

6. Ytterligere informasjon

For ytterligere redegjørelse om de selskapsrettslige forhold vises til the Bermuda Companies Act 1981, samt Golar LNGs vedtekter (inntatt som vedlegg 2 til prospektet) og Memorandum of Association (som er tilgjengelig for gjennomsyn på Selskapets kontor i London).

Appendix 3: Bye-laws

BYE-LAWS

OF

GOLAR LNG LIMITED

Adopted 10 May 2001

INTERPRETATION

1. In these Bye-Laws unless the context otherwise requires-

- "**Associate**" means:

(a) in respect of an individual, such individual's spouse, former spouse, sibling, aunt, uncle, nephew, niece or lineal ancestor or descendant, including any step-child and adopted child and their issue and step parents and adoptive parents and their issue or lineal ancestors;

(b) in respect of an individual, such individual's partner and such partner's relatives (within the categories set out in (a) above);

(c) in respect of an individual or body corporate, an employer or employee (including, in relation to a body corporate, any of its directors or officers);

(d) in respect of a body corporate, any person who controls such body corporate, and any other body corporate if the same person has control of both or if a person has control of one and persons who are his Associates, or such person and persons who are his Associates, have control of the other, or if a group of two or more persons has control of each body corporate, and the groups either consist of the same persons or could be regarded as consisting of the same persons by treating (in one or more cases) a member of either group as replaced by a person of whom he is an Associate. For the purposes of this paragraph, a person has "**control**" of a body corporate if either (i) the directors of the body corporate or of any other body corporate which has control of it (or any of them) are accustomed to acting in accordance with his instructions or (ii) he is entitled to exercise, or control the exercise of, one-third or more of the votes attaching to all of the issued shares of the body corporate or of another body corporate which has control of it (provided that where two or more persons acting in concert satisfy either of the above conditions, they are each to be taken as having control of the body corporate);

- "**Bermuda**" means the Islands of Bermuda;
- "**Board**" means the Board of Directors of the Company or the Directors present at a meeting of Directors at which there is a quorum;
- "**Business Day**" means a day on which banks are open for the transaction of general banking business in each of Oslo, Norway, New York, USA and Hamilton, Bermuda;
- "**Company**" means the company incorporated in Bermuda under the name of Golar LNG Ltd. on the 10th day of May, 2001;
- "**Companies Acts**" means every Bermuda statute from time to time in force concerning limited companies insofar as the same applies to the Company;
- "**Extraordinary Resolution**" means a resolution passed by a majority of not less than two-thirds of the votes cast at a general meeting of the Company;
- "**Listing Exchange**" means any stock exchange or quotation system upon which any of the shares of the Company are listed from time to time;
- "**Ordinary Resolution**" means a resolution passed by a simple majority of votes cast at a general meeting of the Company;
- **"Oslo Stock Exchange"** means the Oslo Stock Exchange;
- "**paid up**" means paid up or credited as paid up;
- "**Register**" means the Register of Shareholders of the Company and includes any branch Register;
- "**Registered Office**" means the registered office for the time being of the Company;
- "**Registrar**" means Christiania Bank og Kreditkasse ASA, Verdipapirservice, or such other person or body corporate who may from time to time be appointed by the Board in place of Christiania Bank og Kreditkasse ASA, Verdipapirservice, as Registrar of the Company under these Bye-laws;
- "**Registration Office**" means the place where the Board may from time to time determine to keep a branch Register of Shareholders and where (except in cases where the Board otherwise directs) the transfer and documents of title are to be lodged for registration;
- "**Seal**" means the common seal of the Company and includes any duplicate thereof;
- "**Secretary**" includes a temporary or assistant Secretary and any person appointed by the Board to perform any of the duties of the Secretary;.*3*
- "**Shareholder**" means a shareholder of the Company;
- "**these Bye-Laws**" means these Bye-Laws in their present form or as from time to time amended;
- "**VPS**" means "Verdipapirsentralen", the computerized central share registry maintained in Oslo, Norway for bodies corporate whose shares are listed for trading on the Oslo Stock Exchange, and includes any successor registry;
- for the purpose of these Bye-Laws a body corporate shall be deemed to be present in person if its representative duly authorized pursuant to the Companies Acts is present;
- words importing the singular number also include the plural number and vice versa;
- words importing the masculine gender also include the feminine and neuter genders respectively;
- words importing persons also include companies and associations or bodies of persons, whether corporate or unincorporated;
- references to writing shall include typewriting, printing, lithography, facsimile, photography and other modes of reproducing or reproducing words in a legible and non-transitory form;
- unless otherwise defined herein, any words or expressions defined in the Companies Acts in force at the date when these Bye-Laws or any part thereof are adopted shall bear the same meaning in these Bye-Laws or such part (as the case may be);
- headings in these Bye-Laws are inserted for convenience of reference only and shall not affect the construction thereof.

REGISTERED OFFICE

2. The Registered Office shall be at such place in Bermuda as the Board shall from time to time appoint.

SHARE RIGHTS

3. Subject to the Companies Acts and any special rights conferred on the holders of any other share of class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may by Ordinary Resolution determine.

4. Subject to the Companies Acts, any preference shares may, with the sanction of an Ordinary Resolution, be issued on terms:

(a) that they are to be redeemed on the happening of a specified event or on a given date; and/or

(b) that they are liable to be redeemed at the option of the Company; and/or

(c) if authorized by the Memorandum/Incorporating Act of the Company, that they are liable to be redeemed at the option of the holder.

The terms and manner of redemption shall be either as the Company may in general meeting determine or, in the event that the Company in general meeting may have so authorized, as the Board of Directors or any committee thereof may by resolution determine before the issuance of such shares.

MODIFICATION OF RIGHTS

5. Subject to the Companies Acts, all or any of the rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than seventy-five percent in nominal value of the issued shares of that class or with the sanction of a resolution passed by a majority of seventy-five percent of the votes cast at a separate general meeting of the holders of such shares voting in person or by proxy. To any such separate general meeting, all the provisions of these Bye-Laws as to general meetings of the Company shall mutatis mutandis apply, but so that:

(a) the necessary quorum at any such meeting shall be two or more persons (or in the event that there is only one holder of the shares of the relevant class, one person) holding or representing by proxy in the aggregate at least one third in nominal value of the shares of the relevant class;

(b) every holder of shares of the relevant class present in person or by proxy shall be entitled on a poll to one vote for every such share held by him; and

(c) any holder of shares of the relevant class present in person or by proxy may demand a poll.

6. The rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking pari passu therewith.

SHARES

7. Subject to the provisions of these Bye-Laws, the unissued shares of the Company (whether forming part of the original capital or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons at such times and for such consideration and upon such terms and conditions as the Board may determine.

8. The Board may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by law.

9. Except as ordered by a court of competent jurisdiction, as required by law or as otherwise provided in these Bye-Laws, no person shall be recognized by the Company as holding any share upon trust and the Company shall not be bound by or required in any way to recognize (even when having notice thereon) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

10. No shares shall be issued until they are fully paid except as may be prescribed by an Ordinary Resolution.

CERTIFICATES

11. The preparation, issue and delivery of certificates shall be governed by the Companies Acts. A person whose name is entered in the Register as the holder of any shares shall be entitled to receive within two months of a demand for same a certificate for such shares under the Seal of the Company as prima facie evidence of title of such person to such shares. In the case of a share held jointly by several persons, delivery of a certificate for such share to one of several joint holders shall be sufficient delivery to all.

12. If a share certificate is defaced, lost or destroyed it may be replaced without fee but on such terms (if any) as to evidence, indemnity and payment of the costs and out of pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of defacement, on delivery of the old certificate to the Company.

13. All certificates for share or loan capital or other securities of the Company (other than letters of allotment, scrip certificates and other like documents) shall, except to the extent that the terms and conditions for the time being relating thereto otherwise provide, be issued under the Seal. The Board may by resolution determine, either generally or in any particular case, that any signatures on any such certificates need not be autographic but may be affixed to such certificates by mechanical means or may be printed thereon or that such certificates need not be signed by any persons.

LIEN

14. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether presently payable or not, called or payable, at a date fixed by or in accordance with the terms of issue of such share in respect of such share, and the Company shall also have a first and paramount lien on every share (other than a fully paid share) standing registered in the name of a Shareholder, whether singly or jointly with any other person, for all the debts and liabilities of such Shareholder or his estate to the Company, whether the same shall have been incurred before or after notice to the Company of any interest of any person other than such Shareholder, and whether the time for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Shareholder or his estate and any other person, whether a Shareholder or not. The Companys lien on a share shall extend to all dividends payable thereon. The Board may at any time, either generally or in any particular case, waive any lien that has arisen or declare any share to be wholly or in part exempt from the provisions of this Bye-Law.

15. The Company may sell, in such manner as the Board may think fit, any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of the intention to sell in default of such payment has been served on the holder for the time being of the share.

16. The net proceeds of sale by the Company of any shares on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the holder of the share immediately before such sale. For giving effect to any such sale the Board may authorize some person to transfer the share sold to the purchaser thereof. The purchaser shall be registered as the holder of the share and he shall not be bound to see to the application of the purchase money nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the sale.

CALLS ON SHARES

17. The Board may from time to time make calls upon the Shareholders in respect of any moneys unpaid on their shares (whether on account of the par value of the shares or by way of premium) and not by the terms of issue thereof made payable at a date fixed by or in accordance with such terms of issue, and each Shareholder shall (subject to the Company serving upon him at least seven days notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Board may determine.

18. A call may be made payable by installments and shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed.

19. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

20. If a sum called in respect of the share shall not be paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for the payment thereof to the time of actual payment at such rate as the Board may determine, but the Board shall be at liberty to waive payment of such interest wholly or in part.

21. Any sum which, by the terms of issue of a share, becomes payable on allotment or at any date fixed by or in accordance with such terms of issue, whether on account of the nominal amount of the share or by way of premium, shall for all the purposes of these Bye-Laws be deemed to be a call duly made, notified and payable on the date on which, by the terms of issue, the same becomes payable and, in case of non- payment, all the relevant provisions of these Bye-Laws as to payment of interest, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

22. The Board may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

FORFEITURE OF SHARES

23. If a Shareholder fails to pay any call or installment of a call on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of such call or installment remains unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

24. The notice shall name a further day (not being less than fourteen days from the date of the notice) on or before which, and the place where, the payment required by the notice is to be made and shall state that, in the event of non-payment on or before the day and at the place appointed, the shares in respect of which such call is made or installment is payable will be liable to be forfeited. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, reference in these Bye- Laws to forfeiture shall include surrender.

25. If the requirements of any such notice as aforesaid are not compiled with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or installments and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect.

Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

26. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice as aforesaid.

27. A forfeited share shall be deemed to be the property of the Company and may be sold, re-offered or otherwise disposed of either to the person who was, before forfeiture, the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Board shall think fit, and, at any time before a sale, re-allotment or disposition, the forfeiture may be canceled on such terms as the Board may think fit.

28. A person whose shares have been forfeited shall thereupon cease to be a Shareholder in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all mon eys which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest thereon at such rate as the Board may determine from the date of forfeiture until payment, and the Company may enforce payment without being under any obligation to make any allowance for the value of the shares forfeited.

29. An affidavit in writing that the deponent is a Director or the Secretary and that a share has been duly forfeited on the date stated in the affidavit shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration (if any) given for the share on the sale, re-allotment or disposition thereof and the Board may authorize some person to transfer the share to the person to whom the same is sold, re-allotted or disposed of, and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the share.

REGISTER OF SHAREHOLDERS

30. The Secretary shall establish and maintain the Register of Shareholders at the Registered Office in the manner prescribed by the Companies Acts. Unless the Board otherwise determines, the Register of Shareholders shall be open to inspection in the manner prescribed by the Companies Acts between 10:00a.m. and 12:00 noon on every working day. Unless the Board so determines, no Shareholder or intending Shareholder shall be entitled to have entered in the Register any indication of any trust or any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share and if any such entry exists or is permitted by the Board it shall not be deemed to abrogate any of the provisions of Bye-Law 9.

31. Subject to the Companies Act, the Company may keep a branch Register of Shareholders in any place, and the Board may make and vary such regulations as it determines in respect of the keeping of any such Register and maintaining a Registration Office in connection therewith.

REGISTER OF DIRECTORS AND OFFICERS

32. The Secretary shall establish and maintain a register of the Directors and Officers of the Company as required by the Companies Acts. The register of Directors and Officers shall be open to inspection in the manner prescribed by the Companies Acts between 10:00a.m. and 12:00 noon on every working day.

TRANSFER OF SHARES

33. Subject to the Companies Acts and to such of the restrictions contained in these Bye-Laws as may be applicable and to the provisions of any applicable United States securities laws including without limitation the United States Securities Act, 1933, as amended, and the rules promulgated thereunder, any Shareholder may transfer all or any of his shares by an instrument of transfer in the usual common form or in any other form which the Board may approve

34. The instrument of transfer of a share shall be signed by or on behalf of the transferor and, where any share is not fully-paid, the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. Should the Company be permitted to do so under the laws of Bermuda, the Board may, either generally or in any particular case, upon request by the transferor or the transferee, accept mechanically or electronically (including a transfer by a London Stock Exchange nominee to whom no certificate was issued) executed transfer and may also make such regulations with respect to transfer in addition to the provisions of these Bye-Laws as it considers appropriate. The Board may, in its absolute discretion, decline to register any transfer of any share which is not a fully-paid share.

- The Board shall decline to register the transfer of any share, and shall direct the Registrar to decline (and the Registrar shall decline) to register the transfer of any interest in any share held through the VPS, to a person where the Board is of the opinion that such transfer might breach any law or requirement of any authority or any Listing Exchange until it has received such evidence as it may require to satisfy itself that no such breach would occur.

- The Board may decline to register the transfer of any share, and may direct the Registrar to decline (and the Registrar shall decline if so requested) to register the transfer of any interest in any share held through the VPS, if the registration of such transfer would be likely, in the opinion of the Board, to result in fifty percent or more of the aggregate issued share capital of the Company or shares of the Company to which are attached fifty percent or more of the votes attached to all outstanding shares of the Company being held or owned directly or indirectly, (including, without limitation, through the VPS) by a person or persons resident for tax purposes in a jurisdiction which applies a controlled foreign company tax legislation or a similar tax regime which, in the Board's opinion, will have the effect that Shareholders are taxed individually for a proportion of the Company's profits (a "**CFT Jurisdiction**"), provided that this provision shall not apply to the registration of shares in the name of the Registrar as nominee of persons whose interests in such shares are reflected in the VPS, but shall apply, mutatis mutandis, to interests in shares of the Company held by persons through the VPS.

- For the purposes of this Bye-Law 34, each Shareholder (other than the Registrar in respect of those shares registered in its name in the Register as nominee of persons whose interests in such shares are reflected in the VPS) shall be deemed to be resident for tax purposes in the jurisdiction specified in the address shown in the Register for such Shareholder, and each person whose interests in shares are reflected in the VPS shall be deemed to be resident for tax purposes in the jurisdiction specified in the address shown in the VPS for such person. If such Shareholder or person is not resident for tax purpose in such jurisdiction or if there is a subsequent change in his residence for tax purposes, such Shareholder shall notify the Company immediately of his residence for tax purposes.

- Where any Shareholder or person whose interests in shares are reflected in the VPS fails to notify the Company in accordance with the foregoing, the Board and the Registrar may suspend sine die such Shareholder's or person's entitlement to vote or otherwise exercise any rights attaching to the shares or interests therein and to receive payments of income or capital which become due or payable in respect of such shares or interests and the Company shall have no liability to such Shareholder or person arising out of the late payment or non-payment of such sums and the Company may retain such sums for its own use and benefit. In addition to the foregoing the Board and the Registrar may dispose of the shares in the Company or interests herein of such Shareholder or person at the best price reasonably obtainable in all the circumstances.

Where a notice informing such Shareholder or person of the proposed disposal of his shares or interests therein has been served, his shares or interest therein may not be transferred otherwise than in accordance with this Bye-Law 34 and any other purported transfer of such shares or interests therein shall not be registered in the books of the Company or the VPS and shall be null and void.

- The provision of these Bye-Laws relating to the protection of purchaser of shares sold under lien or upon forfeiture shall apply mutatis mutandis to a disposal of shares or interests therein by the Company or the Registrar in accordance with this Bye-Law.

- Without limiting the generality of the foregoing, the Board may also decline to register any transfer unless:-

  (i) the instrument of transfer is duly stamped and lodged with the Company accompanied by the certificate for the shares to which it relates if any and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

  (ii) the instrument of transfer is in respect of only one class of share; and

  (iii) where applicable, the permission of the Bermuda Monetary Authority with respect thereto has been obtained.

- Subject to any directions of the Board from time to time in force the Secretary may exercise the powers and discretion of the Board under this Bye-Law 34 and Bye-Laws 33 and 35.

- If fifty percent or more of the aggregate issued share capital of the Company or shares to which are attached fifty percent or more of the votes attached to all outstanding shares of the Company are found to be held or owned directly or indirectly (including, without limitation, through the VPS) by a person or persons resident for tax purposes in a CFT Jurisdiction, other than the Registrar in respect of those shares registered in its name in the Register as nominee of persons whose interests in such shares are reflected in the VPS, the Board shall make an announcement to such effect through the Listing Exchange(s), and the Board and the Registrar shall thereafter be entitled and required to dispose of such number of shares of the Company or interests therein held or owned by such persons as will result in the percentage of the aggregate issued share capital of the Company held or owned as aforesaid being less than fifty percent, and, for these purposes, the Board and the Registrar shall in such case dispose of shares or interests therein owned by persons resident for tax purposes in the CFT Jurisdiction in question on the basis that the shares or interests therein most recently acquired shall be the first to be disposed of (i.e. on the basis of last acquired first sold) save where there is a breach of the obligation to notify tax residency pursuant to the foregoing, in which event the shares or interests therein of the person in breach thereof shall be sold first. Shareholders shall not be entitled to raise any objection to the disposal of their shares, but the provisions of these Bye-Laws relating to the protection of purchasers of shares sold under lien or upon forfeiture shall apply mutatis mutandis to any disposal of shares or interests therein made in accordance with this Bye-Law.

35. If the Board declines to register a transfer it shall, within sixty days after the date on which the instrument of transfer was lodged, send to the transferee notice of such refusal.

36. No fee shall be charged by the Company for registering any transfer, probate, letters of administration, certificate of death or marriage, power of attorney, distringas or stop notice, order of court or other instrument relating to or affecting the title to any share, or otherwise making an entry in the Register relating to any share.

TRANSMISSION OF SHARES

37. In the case of the death of a Shareholder, the survivor or survivors, where the deceased was a joint holder, and the estate representative, where he was sole holder, shall be the only person recognized by the Company as having any title to his shares; but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him solely or jointly with other persons. For the purpose of this Bye-Law 37, "**estate representative**" means the person to whom probate or letters of administration has or have been granted in Bermuda or, failing any such person, such other person as the Board may in its absolute discretion determine to be the person recognized by the Company for the purpose of this Bye-Law.

38. Any person becoming entitled to a share in consequence of the death of a Shareholder or otherwise by operation of applicable law may, subject as hereafter provided and upon such evidence being produced as may from time to time be required by the Board as to his entitlement, either be registered himself as the holder of the share or elect to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall signify his election by signing an instrument of transfer of such share in favor of that other person. All the limitations, restrictions and provisions of these Bye-Laws relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or instrument of transfer as aforesaid as if the death of the Shareholder or other event giving rise to the transmission had not occurred and the notice or instrument of transfer was an instrument of transfer shared by such Shareholder.

39. A person becoming entitled to a share in consequence of the death of a Shareholder or otherwise by operation of applicable law shall (upon such evidence being produced as may from time to time be required by the Board as to his entitlement) be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of the share to receive notices of or to attend or vote at general meetings of the Company or, save as aforesaid, to exercise in respect of the share any of the rights or privileges of a Shareholder until he shall have become registered as the holder thereof. The Board may at any time give notice requiring such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within sixty days the Board may thereafter withhold payment of all dividends and other moneys payable in respect of the shares until the requirements of the notice have been complied with.

40. Subject to any directions of the Board from time to time in force, the Secretary may exercise the powers and discretions of the Board under Bye-Laws 37, 38 and 39.

INCREASE OF CAPITAL

42. The Company may from time to time increase its capital by such sum to be divided into shares of such par value as the Company by Ordinary Resolution shall prescribe.

44. The new shares shall be subject to all the provisions of these Bye-Laws with reference to lien, the payment of calls, forfeiture, transfer, transmission and otherwise.

ALTERATION OF CAPITAL

45. The Company may from time to time by Ordinary Resolution:

(a) divide its shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions;

(b) consolidate and divide all or any of its share capital into shares of larger par value than its existing shares;

(c) sub-divide its shares or any of them into shares of smaller amount than is fixed by its memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, un paid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

(d) make provision for the issue and allotment of shares which do not carry any voting rights;

(e) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;

(f) change the currency denomination of its share capital.

Where any difficulty arises in regard to any division, consolidation, or sub-division under this Bye-Law 45, the Board may settle the same as it thinks expedient and, in particular, may arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the Shareholders who would have been entitled to the fractions, and, for this purpose, the Board may authorize some person to transfer the shares representing fractions to the purchaser thereof, who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

46. Subject to the provisions of the Companies Act and to any confirmation or consent required by law or these Bye-Laws, the Company may by Ordinary Resolution from time to time convert any preference shares into redeemable preference shares.

47. The Company may from time to time purchase its own shares on such terms and in such manner as may be authorized by the Board of Directors, subject to the rules, if applicable, of the Listing Exchange(s).

In the event the Company conducts a tender offer for its shares, any such offer which is made through the facilities of any or all Listing Exchange(s) shall be expressed as being conditional upon no Shareholders or persons resident for tax purposes in a CFT Jurisdiction owning or controlling fifty percent or more of the issued share capital or the votes attaching to the issued and outstanding share capital of the Company following such purchase.

Any share so purchased shall be treated as cancelled, and the amount of the Company's issued share capital shall be diminished by the nominal value of the shares purchased, but such purchase shall not be taken as reducing the amount of the Company's authorized share capital.

REDUCTION OF CAPITAL

48. Subject to the Companies Acts, its memorandum and any confirmation or consent required by law or these Bye-Laws, the Company may from time to time by Ordinary Resolution authorize the reduction of its issued share capital or any capital redemption reserve fund or any share premium or contributed surplus account in any manner.

49. In relation to any such reduction the Company may by Ordinary Resolution determine the terms upon which such reduction is to be effected, including, in the case of a reduction of part only of a class of shares, those shares to be affected.

GENERAL MEETINGS

50. The Board shall convene and the Company shall hold general meetings as Annual General Meetings in accordance with the requirements of the Companies Acts at such times and places subject to the limitation set out below as the Board shall appoint. The Board may whenever it thinks fit, and shall when required by the Companies Acts, convene general meetings other than Annual General Meetings which shall be called Special General Meetings. Any such Annual or Special General Meeting shall be held at any place other than in a CFT Jurisdiction.

NOTICE OF GENERAL MEETINGS

51. An Annual General Meeting shall be called by not less than seven days notice in writing and a Special General Meeting shall be called by not less than seven days notice in writing. The notice period shall be exclusive of the day on which the notice is served or deemed to be served and of the day on which the meeting to which it relates is to be held and shall specify the place, day and time of the meeting, and in the case of a Special General Meeting, the general nature of the business to be considered. Notice of every general meeting shall be given in any manner permitted by Bye-Laws 127 and 128 to all Share holders. Notwithstanding that a meeting of the Company is called by shorter notice than that specified in this Bye-Law, it shall be deemed to have been duly called if it is so agreed:

(a) in the case of a meeting called as an Annual General Meeting by all the Shareholders entitled to attend and vote thereat;

(b) in the case of any other meeting by a majority in number of the Shareholders having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five percent in nominal value of the shares giving that right; provided that notwithstanding any provision of these Bye-Laws, no Shareholder shall be entitled to attend any general meeting unless notice in writing of the intention to attend and vote in person or by proxy signed by or on behalf of the Shareholder (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) addressed to the Secretary is deposited (by post, courier, facsimile transmission or other electronic means) at the Registered Office at least 48 hours before the time appointed for holding the general meeting or adjournment thereof.

52. The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to or the non-receipt of notice of a meeting or such instrument of proxy by any person entitled to receive such notice shall not invalidate the proceedings at that meeting.

53. The Board may convene a Special General Meeting whenever it thinks fit. A Special General Meeting shall also be convened by the Board on the written requisition of Shareholders holding at the date of the deposit of the requisition not less than one tenth in nominal value of the paid-up capital of the Company which as at the date of the deposit carries the right to vote at a general meeting of the Company. The requisition must state the purposes of the meeting and must be signed by the requisitionists and deposited at the registered office of the Company, and may consist of several documents in like form each signed by one or more of the requisitionists.

PROCEEDINGS AT GENERAL MEETING

54. No business shall be transacted at any general meeting unless the requisite quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment, choice or election of a chairman which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Bye-Laws, the quorum at any general meeting shall be constituted by one or more shareholders, either present in person or represented by proxy, holding in the aggregate shares carrying 33 1/3% of the voting rights entitled to be exercised at such meeting.

55. If within five minutes (or such longer time as the chairman of the meeting may determine to wait) after the time appointed for the meeting, a quorum is not present, the meeting, if convened on the requisition of Shareholders, shall be dissolved. In any other case, it shall stand adjourned to such other day and such other time and place as the chairman of the meeting may determine and at such adjourned meeting two Shareholders or, in the event that there is only one Shareholder, one Shareholder, present in person or by proxy (whatever the number of shares held by them) shall be a quorum. The Company shall give not less than five days notice of any meeting adjourned through want of a quorum and such notice shall state that two Shareholders or, in the event that there is only one Shareholder, one Shareholder, present in person or by proxy (whatever the number of shares held by them) shall be a quorum.

56. A meeting of the Shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and participation in such meeting shall constitute presence in person at such meeting.

57. Each Director and the Company's auditor and Secretary shall be entitled to attend and speak at any general meeting of the Company.

58. The Chairman (if any) of the Board or, in his absence, the President shall preside as chairman at every general meeting. If there is no such Chairman or President, or if at any meeting neither the Chairman nor the President is present within five minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to act or if one Director only is present he shall preside as chairman if willing to act. If no Director is present or if each of the Directors present declines to take the chair, the persons present and entitled to vote on a poll shall elect one of their number to be chairman.

59. The chairman of the meeting may, with the consent of those present at any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

60. Save as expressly provided by these Bye-Laws, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING

61. Save where a greater majority is required by the Companies Acts or these Bye-Laws, any question proposed for consideration at any general meeting shall be decided on by Ordinary Resolution.

62. The Board may, with the sanction of an Ordinary Resolution, amalgamate the Company with another company (whether or not the Company is the surviving company and whether or not such an amalga mation involves a change in the jurisdiction of the Company).

63. At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

(a) the chairman of the meeting; or

(b) at least three shareholders present in person or represented by proxy; or

(c) any shareholder or shareholders present in person or represented by proxy and holding between them not less than one tenth of the total voting rights of all the shareholders having the right to vote at such meeting; or

(d) a shareholder or shareholders present in person or represented by proxy holding shares conferring the right to vote at such meeting, being shares on which an aggregate sum has been paid up equal to at least one-tenth of the total sum paid up on all such shares conferring such right.

Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be final and conclusive, and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact without proof of the number of votes recorded for or against such resolution.

64. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forth with. A poll demanded on any other question shall be taken in such manner and either forthwith or at such time (being not later than three months after the date of the demand) and place as the chairman shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll.

65. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded and it may be withdrawn at any time before the close of the meeting or the taking of the poll whichever is the earlier.

66. On a poll, votes may be cast either personally or by proxy.

67. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

68. If a poll is duly demanded, the result of the poll shall be deemed to be the resolution of the meeting at which the poll is demanded.

69. In the case of any equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of such meeting shall not be entitled to a second or casting vote.

70. Subject to the provisions of these Bye-Laws and to any special rights or restrictions as to voting for the time being attached to any shares, every Shareholder who is present in person or by proxy or proxies shall have one vote for every share of which he is the holder.

71. In the case of joint holders of a share, the vote of the senior joint holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.

72. A Shareholder who is a patient for any purpose of any statute or applicable law relating to mental health or in respect of whom an order has been made by any Court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis ap pointed by such Court and such receiver, committee, curator bonis or other person may vote by proxy, and may otherwise act and be treated as such Shareholder for the purpose of general meetings.

73. No Shareholder shall, unless the Board otherwise determines, be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

74. If (i) any objection shall be raised to the qualification of any voter or (ii) any votes have been counted which ought not to have been counted or which might have been rejected or (iii) any votes are not counted which ought to have been counted, the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

PROXIES AND CORPORATE REPRESENTATIVES

75. A Shareholder may appoint one or more proxies to attend at a general meeting of the Company and to vote on his behalf and proxies appointed by a single Shareholder need not all exercise their vote in the same manner. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorized by him in writing or, if the appointor is a body corporate, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.

76. Any Shareholder may appoint a standing proxy or (if a body corporate) representative by depositing at the Registered Office a proxy or (if a body corporate) an authorization and such proxy or authorization shall be valid for all general meetings and adjournments thereof until notice of revocation is received at the Registered Office. Where a standing proxy or authorization exists, its operation shall be deemed to have been suspended at any general meeting or adjournment thereof at which the Shareholder is present or in respect of which the Shareholder has specially appointed a proxy or representative. The Board may from time to time require such evidence as it shall deem necessary as to the due execution and continuing validity of any such standing proxy or authorization and the operation of any such standing proxy or authorization shall be deemed to be suspended until such time as the Board determines that it has received the requested evidence or other evidence satisfactory to it.

77. Subject to Bye-Law 76, the instrument appointing a proxy together with such other evidence as to its due execution as the Board may from time to time require, shall be delivered at the Registered Office, at the place of the meeting, or at such place as may be specified in the notice convening the meeting or in any notice of any adjournment, or, in either case, in any document sent therewith, prior to the holding of the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequent to the date of a meeting or adjourned meeting, before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.

78. Instruments of proxy shall be in any common form or in such other form as the Board may approve and the Board may, if it thinks fit, send out with the notice of any meeting forms of instruments of proxy for use at that meeting. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall unless the contrary is stated therein be valid as well for any adjournment of the meeting as for the meeting to which it relates.

79. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revoca tion shall have been received by the Company at the Registered Office, the place of the meeting or such other place as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other documents sent therewith before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used.

80. Subject to the Companies Acts, the Board may at its discretion waive any of the provisions of these Bye-Laws related to proxies or authorizations and, in particular, may accept such verbal or other assurances as it thinks fit as to the right of any person to attend and vote on behalf of any Shareholder at general meetings.

APPOINTMENT AND REMOVAL OF DIRECTORS

82. The number of Directors shall be such number not less than two as the Company by Ordinary Resolu tion may from time to time determine and each Director shall hold office until the next annual general meeting following his election or until his successor is elected.

83. The Company shall at the Annual General Meeting and may in a general meeting by Ordinary Resolu tion determine the minimum and the maximum number of Directors and may by Ordinary Resolution determine that one or

more vacancies in the Board shall be deemed casual vacancies for the purposes of these Bye-Laws. Without prejudice to the power of the Company in any general meeting in pursuance of any of the provisions of these Bye-Laws to appoint any person to be a Director, the Board, so long as a quorum of Directors remains in office, shall have power at any time and from time to time to appoint any individual to be a Director so as to fill a casual vacancy.

84. The Company may in a Special General Meeting called for that purpose remove a Director provided notice of any such meeting shall be served upon the Director concerned not less than fourteen days before the meeting and he shall be entitled to be heard at that meeting. Any vacancy created by the removal of a Director at a Special General Meeting may be filled at the Meeting by the election of another person as Director in his place or, in the absence of any such election, by the Board.

RESIGNATION AND DISQUALIFICATION OF DIRECTORS

85. The office of a Director shall be vacated upon the happening of any of the following events:

(a) if he resigns his office by notice in writing delivered to the Registered Office or tendered at a meeting of the Board;

(b) if he becomes of unsound mind or a patient for any purpose of any statute or applicable law relating to mental health and the Board resolves that he shall be removed from office;

(c) if he becomes bankrupt or compounds with his creditors;

(d) if he is prohibited by law from being a Director; or

(e) if he ceases to be a Director by virtue of the Companies Acts or is removed from office pursuant to these Bye-Laws.

ALTERNATE DIRECTORS

86. (a) The Company may by Ordinary Resolution elect a person or persons qualified to be Directors to act as Directors in the alternative to any of the Directors of the Company or may authorize the Board to appoint such Alternate Directors and a Director may appoint and remove his own Alternate Director.

Any appointment or removal of an Alternate Director by a Director shall be effected by depositing a notice of appointment or removal with the Secretary at the Registered Office, signed by such Director, and such appointment or removal shall become effective on the date of receipt by the Secretary. Any Alternate Director may be removed by Ordinary Resolution of the Company and, if appointed by the Board, may be removed by the Board. Subject as aforesaid, the office of Alternate Director shall continue until the next annual election of Directors or, if earlier, the date on which the relevant Director ceases to be a Director. An Alternate Director may also be a Director in his own right and may act as alternate to more than one Director.

(b) A Director may at any time, by notice in writing signed by him delivered to the Registered Office of the Company or at a meeting of the Board, appoint any person (including another Director) to act as Alter nate Director in his place during his absence and may in like manner at any time determine such appointment. If such person is not another Director such appointment unless previously approved by the Board shall have effect only upon and subject to being so approved. The appointment of an Alternate Director shall determine on the happening of any event which, were he a Director, would cause him to vacate such office or if his appointor ceases to be a Director.

DIRECTORS' FEES AND ADDITIONAL REMUNERATION AND EXPENSES

87. The amount, if any, of Directors' fees shall from time to time be determined by the Company by Ordinary Resolution and in the absence of a determination to the contrary in general meeting, such fees shall be deemed to accrue from day to day. Each Director may be paid his reasonable traveling, hotel and incidental expenses properly incurred in attending and returning from meetings of the Board or committees constituted pursuant to these Bye-Laws or general meetings and shall be paid all expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director. Any Director who, by request, goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other of these Bye-Laws.

DIRECTORS' INTERESTS

88. (a) A Director may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other of these Bye-Laws.

(b) A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

(c) Subject to the provisions of the Companies Acts, a Director may notwithstanding his office be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is otherwise interested and may be a director or other officer of, employed by, a party to any transaction or arrangement with, or otherwise interested in any body corporate promoted by the Company or in which the Company is interested. The Board may also cause the voting power conferred by the shares in any other body corporate held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favor of any resolution appointing the Directors or any of them to be directors or officers of such other body corporate, or voting or providing for the payment of remuneration to the directors or officers of such other body corporate.

(d) So long as, where it is necessary, he declares the nature of his interest at the first opportunity at a meeting of the Board or by writing to the Directors as required by the Companies Acts, a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from any office or employment to which these Bye-Laws allow him to be appointed or from any transaction or arrangement in which these Bye-Laws allow him to be interested, and no such transaction or arrangement shall be liable to be avoided on the ground of any interest or benefit.

(e) Subject to the Companies Acts and any further disclosure required thereby, a general notice to the Directors by a Director or officer declaring that he is a director or officer or has an interest in a person and is to be regarded as interested in any transaction or arrangement made with that person, shall be a sufficient declaration of interest in relation to any transaction or arrangement so made.

POWERS AND DUTIES OF THE BOARD

89. Subject to the provisions of the Companies Acts and these Bye-Laws and to any directions given by the Company in general meeting, the Board shall manage the business of the Company and may pay all expenses incurred in promoting and incorporating the Company and may exercise all the powers of the Company. No alteration of these Bye-Laws and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Bye-Law shall not be limited by any special power given to the Board by these Bye-Laws and a meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.

90. The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking property and assets (present and future) and uncalled capital of the Company and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any other persons.

91. All checks, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

92. The Board on behalf of the Company may provide benefits, whether by the payment of gratuities or pensions or otherwise, for any person including any Director or former Director who has held any executive office or employment with the Company or with any body corporate which is or has been a subsidiary or affiliate of the Company or a predecessor in the business of the Company or of any such subsidiary or affiliate, and to any member of his family or any person who is or was dependent on him, and may contribute to any fund and pay premiums for the purchase or provision of any such gratuity, pension or other benefit, or for the insurance of any such person in connection with the provision of pensions.

93. The Board may from time to time appoint one or more of its body to be a managing director, joint managing director or an assistant managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the Board may determine and may revoke or terminate any such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of service between him and the Company which may be involved in such revocation or termination. Any person so appointed shall receive such remuneration (if any, whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and either in addition to or in lieu of his remuneration as a Director.

DELEGATION OF THE BOARD'S POWERS

94. The Board may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such power, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Bye-Laws) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney and of such attorney as the Board may think fit, and may also authorize any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. The Board may revoke or vary any such delegation of power, but no person dealing in good faith with such delegate without notice of such revocation or variation shall be affected by such revocation or variation.

95. The Board may entrust to and confer upon any Director or officer or, without prejudice to the provisions of Bye-Law 97, other individual any of the powers exercisable by it upon such terms and conditions with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.

96. The Board may delegate any of its powers, authorities or discretions to committees, consisting of such person or persons (whether a member or members of its body or not) as it thinks fit. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed upon it by the Board. The Board may revoke or vary any such delegation of its powers, authorities and discretions, but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.

PROCEEDINGS OF THE BOARD

97. The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit, provided that Board meetings are to be held outside CFT Jurisdictions. Questions arising at any meeting shall be determined by a majority of votes cast. In the case of an equality of votes the motion shall be deemed to have been lost. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a Board meeting.

98. Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent to him by post, cable, telex, telecopier or other mode of representing or reproducing words in a legible and non-transitory form at his last known address or any other address given by him to the Company for this purpose. A Director may waive notice of any meeting either prospectively or retrospectively.

99. (a) The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be individuals constituting a majority of the Board. Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

(b) Subject to the provisions of Bye-Law 89, a Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract, transaction or arrangement with the Company and has complied with the provisions of the Companies Acts and these Bye-Laws with regard to disclosure of his interest shall be entitled to vote in respect of any contract, transaction or arrangement in which he is so interested and if he shall do so his vote shall be counted, and he shall be taken into account in ascertaining whether a quorum is present.

100. So long as a quorum of Directors remains in office, the continuing Directors may act notwithstanding any vacancy in the Board but, if no such quorum remains, the continuing Directors or a sole continuing Director may act only for the purpose of calling a general meeting.

101. The Chairman (if any) of the Board or, in his absence, the President shall preside as chairman at every meeting of the Board. If there is no such Chairman or President, or if at any meeting neither the Chairman nor the President is present within five minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present may choose one of their number to be chairman of the meeting.

102. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Bye-Laws for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board.

103. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Board or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by one or more of the Directors or members of the committee concerned.

104. A meeting of the Board or a committee appointed by the Board may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and participation in such a meeting shall constitute presence in person at such meeting. A meeting of the Board or committee appointed by the Board held in the foregoing manner shall be deemed to take place at the place where the largest group of participating Directors or committee members has assembled or, if no such group exists, at the place where the chairman of the meeting participates. The Board or relevant committee shall use its best endeavours to ensure that any such meeting is not deemed to have been held in a CFT Jurisdiction, and the fact that one or more Directors may be present at such teleconference by virtue of his being physically in a CFT Jurisdiction shall not deem such meeting to have taken place in such jurisdiction.

105. All acts done by the Board or by any committee or by any person acting as a Director or member of a committee or any person duly authorized by the Board or any committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated their office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director, member of such committee or person so authorized.

OFFICERS

106. The officers of the Company shall include a President and a Vice-President who shall be Directors and shall be elected by the Board as soon as possible after the statutory meeting and each annual general meeting. In addition, the Board may appoint one of the Directors to be Chairman of the Board and any person whether or not he is a Director to hold such other office (including any additional Vice-Presidencies) as the Board may from time to time determine. Any person elected or appointed pursuant to this Bye-Law shall hold office for such period and upon such terms as the Board may determine and the Board may revoke or terminate any such election or appointment. Any such revocation or termination shall be without prejudice to any claim for damages that such officer may have against the Company or the Company may have against such officer for any breach of any contract of service between him and the Company which may be involved in such revocation or termination. Save as provided in the Companies Acts or these Bye-Laws, the powers and duties of the officers of the Company shall be such (if any) as are determined from time to time by the Board.

MINUTES

107. The Directors shall cause minutes to be made and books kept for the purpose of recording:

(a) all appointments of officers made by the Directors;

(b) the names of the Directors and other persons (if any) present at each meeting of Directors and of any committee;

(c) all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of committees; and

(d) all proceedings of managers (if any).

SECRETARY

108. The Secretary shall be appointed by the Board at such remuneration (if any) and upon such terms as it may think fit and any Secretary so appointed may be removed by the Board.

The duties of the Secretary shall be those prescribed by the Companies Acts together with such other duties as shall from time to time be prescribed by the Board.

109. A provision of the Companies Acts or these Bye-Laws requiring or authorizing a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in the place of, the Secretary.

THE SEAL

110. (a) The Seal shall consist of a circular metal device with the name of the Company around the outer margin thereof and the country and year of incorporation across the center thereof. Should the Seal not have been received by the Registered Office in such form at the date of adoption of these Bye-Laws then, pending such receipt, any document requiring to be sealed with the Seal shall be sealed by affixing a red wafer seal to the document with the name of the Company and the country and year of incorporation typewritten across the center thereof.

(b) The Board shall provide for the custody of every Seal. A Seal shall only be used by authority of the Board or of a committee of the Board authorized by the Board in their behalf. Subject to these Bye-Laws, any instrument to which a Seal is affixed shall be signed by a Director and by the Secretary or by a second Director; provided that the Secretary or a Director may affix a Seal over his signature only to authenticate copies of these Bye-Laws, the minutes of any meeting or any other documents requiring authentication.

DIVIDENDS AND OTHER PAYMENTS

111. The Board may from time to time declare cash dividends or distributions out of contributed surplus to be paid to the Shareholders according to their rights and interests including interim dividends as appear to the Board to be justified by the position of the Company. The Board may also pay any fixed cash dividend which is payable on any shares of the Company half yearly or on such other dates, whenever the position of the Company in the opinion of the Board, justifies such payment.

112. Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide:

(a) all dividends or distributions out of contributed surplus may be declared and paid according to the amounts paid up on the shares in respect of which the dividend or distribution is paid and an amount paid up on a share in advance of calls may be treated for the purpose of this Bye-Law as paid-up on the share;

(b) dividends or distributions out of contributed surplus may be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend or distribution is paid.

113. The Board may deduct from any dividend, distribution or other moneys payable to a Shareholder by the Company on or in respect of any share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.

114. No dividend, distribution or other moneys payable by the Company on or in respect of any share shall bear interest against the Company unless otherwise provided by the rights attached to such share.

115. Any dividend distribution, interest or other sum payable in cash to the holder of shares may be paid by check or warrant sent through the mail addressed to the holder at his address in the Register or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his registered address as appearing in the Register or addressed to such person at such address as the holder or joint holders may in writing direct. Every such check or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first in the Register in respect of such shares, and shall be sent at his or their risk, and payment of the check or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends, distributions or other moneys payable or property distributable in respect of the shares held by such joint holders.

116. Any dividend or distribution out of contributed surplus unclaimed for a period of six years from the date of declaration of such dividend or distribution shall be forfeited and shall revert to the Company, and the payment by the Board of any unclaimed dividend, distribution, interest or other sum payable on or in respect of the share into a separate account shall not constitute the Company a trustee in respect thereof.

117. The Board may direct payment or satisfaction of any dividend or distribution out of contributed surplus wholly or in part by the distribution of specific assets and, in particular, of paid up shares or debentures of any other body corporate, and where any difficulty arises in regard to such distribution or dividend the Board may settle it as it thinks expedient and, in particular, may authorize any person to sell and transfer any fractions or may ignore fractions altogether and may fix the value for distribution or dividend purposes of any such specific assets and may determine that cash payments shall be made to any Shareholders upon the basis of the value so fixed in order to secure equality of distribution and may vest any such specific assets in trustees as may seem expedient to the Board.

RESERVES

118. The Board may, before recommending or declaring any dividend or distribution out of contributed surplus, set aside such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose of the Company and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any sums which it may think it prudent not to distribute.

CAPITALIZATION OF PROFITS

119. The Company may, upon the recommendation of the Board, at any time and from time to time resolve by Ordinary Resolution to the effect that it is desirable to capitalize all or any part of any amount for the time being standing to the credit of any reserve or fund which is available for distribution or to the credit of any share premium account or any capital redemption reserve fund and accordingly that such amount be set free for distribution amongst the Shareholders or any class of Shareholders who would be entitled thereto if distributed by way of dividend and in the same proportions, provided that the same be not paid in cash but be applied either in or towards paying up amounts for the time being unpaid on any shares in the Company held by such Shareholders respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted, distributed and credited as fully paid among such Shareholders, or partly in one way or partly in the other, and the Board shall give effect to such resolution, provided that for the purpose of this Bye-Law, a share premium account and a capital redemption reserve fund may be applied only in paying up of unissued shares to be issued to such Shareholders credited as fully paid and provided further that any sum standing to the credit of a share premium account may only be applied in crediting as fully paid shares of the same class as that from which the relevant share premium was derived.

120. Where any difficulty arises in regard to any distribution under the last preceding Bye-Law, the Board may settle the same as it thinks expedient and, in particular, may authorize any person to sell and transfer any fractions, may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so, or may ignore fractions altogether, and may determine that cash payments should be made to any Shareholders in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Shareholders.

RECORD DATES

121. Notwithstanding any other provision of these Bye-Laws the Directors may fix any date as the record date for:

(a) determining the Members entitled to receive any dividend or other distribution and such record date may be on, or not more than 30 days before or after, any date on which such dividend or distribution is declared;

(b) determining the Members entitled to receive notice of and to vote at any general meeting of the Company.

ACCOUNTING RECORDS

122. The Board shall cause to be kept accounting records sufficient to give a fair presentation in all material respects of the state of the Company's affairs and to show and explain its transactions in accordance with the Companies Acts.

123. The records of account shall be kept at the Registered Office or at such other place or places as the Board thinks fit and shall at all times be open to inspection by the Directors; PROVIDED that if the records of account are kept at some place outside Bermuda, there shall be kept at an office of the Company in Bermuda such records as will enable the Director to ascertain with reasonable accuracy the financial position of the Company at the end of each three-month period. No Shareholder (other than an officer of the Company) shall have any right to inspect any accounting record or book or document of the Company except as required by any Listing Exchange, by law, by regulations or as authorized by the Board or by Ordinary Resolution.

124. A copy of every balance sheet and statement of income and expenditure, including every document required by law to be annexed thereto, which is to be laid before the Company in general meeting, together with a copy of the auditor's report, shall be sent to each person entitled thereto in accordance with the requirements of the Companies Acts.

AUDIT

125. Save and to the extent that an audit is waived in the manner permitted by the Companies Acts, auditors shall be appointed and their duties regulated in accordance with the Companies Acts, any other applica ble law and such requirements not inconsistent with the Companies Acts as the Board may from time to time determine, save that the fees of the auditor shall be determined by Ordinary Resolution.

SERVICE OF NOTICES AND OTHER DOCUMENTS

126. Any notice or other document (including a share certificate) shall be in writing (except where otherwise expressly stated) and may be served on or delivered to any Shareholder by the Company either personally or by sending it through the mail (by airmail where applicable) in a prepaid letter addressed to such Shareholder at his address as appearing in the Register or by delivering it to or leaving it at such registered address. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed as sufficient service on or delivery to all the joint holders. Any notice or other document if sent by mail shall be deemed to have been served or delivered two Business Days after it was put in the mail; and, in proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the mail.

127. Any notice of a general meeting of the Company shall be deemed to be duly given to a Shareholder if it is sent to him by cable, telex, telecopier or other mode of representing or reproducing words in a legible and non-transitory form at his address as appearing in the Register or any other address given by him to the Company for this purpose. Any such notice shall be deemed to have been served two Business Days after its dispatch.

128. Any notice or other document delivered, sent or given to a Shareholder in any manner permitted by these Bye-Laws shall, notwithstanding that such Shareholder is then dead or bankrupt or that any other event has occurred, and whether or not the Company has received notice of the death or bankruptcy or name of such Shareholder as sole or joint holder unless his name shall, at the time of the service or delivery of the notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed as sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

WINDING UP

129. If the Company shall be wound up, the liquidator may, with the sanction of an Extraordinary Resolution and any other sanction required by the Companies Acts, divide among the Shareholders in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purposes set such values as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributors as the liquidator, with the like sanction, shall think fit, but so that no Shareholder shall be compelled to accept any shares or other assets upon which there is any liability.

INDEMNITY

130. Subject to the proviso below every person who is or was a Director, officer of the Company or member of a committee constituted under Bye-Law 96 (the "Company Indemnitee") or who is or was a director or officer of any of the Company's subsidiaries ("Subsidiary Indemnitee") shall be indemnified out of the funds of the Company against all civil liabilities, loss, damage or expense (including but not limited to liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable) incurred or suffered by him as such Director, officer of the Company or committee member, or as a director or officer of any of the Company's subsidiaries and the indemnity contained in this Bye-Law shall extend to any person acting as a Director, officer of the Company or committee member, or as a director or officer of any of the Company's subsidiaries in the reasonable belief that he has been so appointed or elected notwithstanding any defect in such appointment or election PROVIDED ALWAYS that the indemnity contained in this Bye-Law shall not extend to any matter which would render it void pursuant to the Companies Acts.

131. Every Company Indemnitee or Subsidiary Indemnitee shall be indemnified out of the funds of the Company against all liabilities incurred by him as such Company Indemnitee or Subsidiary Indemnitee in defending any proceedings, whether civil or criminal, in which judgment is given in his favor, or in which he is acquitted, or in connection with any application under the Companies Acts in which relief from liability is granted to him by the court.

132. To the extent that any Company Indemnitee or Subsidiary Indemnitee is entitled to claim an indemnity pursuant to these Bye-Laws in respect of amounts paid or discharged by him, the relevant indemnity shall take effect as an obligation of the Company to reimburse the person making such payment or effecting such discharge. The expenses incurred by the Company Indemnitee or Subsidiary Indemnitee pursuant to Bye-Laws 130 and 131 in any threatened or pending legal suits or proceedings shall be paid by the Company in advance upon the written request of the Company Indemnitee or Subsidiary Indemnitee upon proper documentation of such costs having been incurred. The same indemnity applies to ex penses incurred in any proceedings where such Company Indemnitee or Subsidiary Indemnitee is a party or threatened to be made a party to any legal suits or proceedings by or in the rights of the Company or any of the Companys subsidiaries to procure a judgment in its favor by reason of the fact that the Company Indemnitee or Subsidiary Indemnitee is or was such Company Indemnitee or Subsidiary Indemnitee. Provided, however, that the Company Indemnitee or Subsidiary Indemnitee shall under take to repay such amount to the extent that it is ultimately determined that the Company Indemnitee or Subsidiary Indemnitee is not entitled to indemnification.

133. Subject to the Companies Acts, the Company may purchase and maintain for any Company Indemnitee or Subsidiary Indemnitee, insurance against any liability arising in connection with his office with the Company or any of the Company's subsidiaries.

134. The Company shall indemnify its officers and directors to the fullest extent possible except as prohibited by the Companies Act. Without limiting the foregoing, the Officers and Directors (such term to include, for the purposes of this Bye-law, any alternate director or any person appointed to any committee by the Board or any person who is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (including, without limitation, any subsidiary of the Company) and every one of them, and their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted (actual or alleged) in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and none of them shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, provided that this indemnity shall not extend to any matter in respect of which such person is, or may be, found guilty of fraud or dishonesty.

135. The Company may purchase and maintain insurance to protect itself and any Director, Officer or other person entitled to indemnification pursuant to these Bye-laws to the fullest extent permitted by law.

136. All reasonable expenses incurred by or on behalf of any person entitled to indemnification pursuant to these Bye-laws in connection with any proceeding shall be advanced to such person by the Company within twenty (20) business days after the receipt by the Company of a statement or statements from such person requesting such advance or advances from time to time, whether prior to or after final disposition of such proceeding. Such statement or statements shall reasonably evidence the expenses incurred by such person and, if required by law or requested by the Company at the time of such advance, shall include or be accompanied by an undertaking by or on behalf of such person to repay the amounts advanced if it should ultimately be determined that such person is not entitled to be indemnified against such expenses pursuant to these Bye-laws.

137. The right of indemnification and advancement of expenses provided in these Bye-laws shall not be exclusive of any other rights to which those seeking indemnification may otherwise be entitled, and the provisions of these Bye-laws shall inure to the benefit of the heirs and legal representatives of any person entitled to indemnity under these Bye-laws and shall be applicable to proceedings commenced or continuing after the adoption of these Bye-laws, whether arising from acts or omissions occurring before or after such adoption. Any repeal or modification of the foregoing provisions of this section shall not adversely affect any right or protection existing at the time of such repeal or modification.

138. The Company and each Shareholder agrees to waive any claim or right of action it might have, whether individually or by or in the right of the Company, against any Director or Officer, and no Director or Officer shall have any liability for monetary damages, on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of his duties with or for the Company, provided that such waiver shall not extend to any matter in respect of which such person is, or may be, found guilty of fraud or dishonesty.

139. The Board may provide indemnification and advancement of expenses to the employees of the Company for their acts or omissions as the Board may, from time to time, determine.

ALTERATION OF BYE-LAWS

140. These Bye-Laws may be amended from time to time in the manner provided for in the Companies Acts, provided that any such amendment shall only become operative to the extent that it has been confirmed by Ordinary Resolution.

Appendix 3: Sub-registrar agreement

SUB-REGISTRAR AGREEMENT

This agreement relevant to the establishment of a sub-register of shareholders (the "**Agreement**") is entered into on this 29 th day of May 2001 by and between:

1. **Golar LNG Ltd** a company incorporated with limited liability in and under the laws of Bermuda with registered office in Bermunda (hereinafter the "Company").

and

2. **Christiania Bank og Kreditkasse**, Oslo, through the Registrar Department (Verdipapirservice) a company incorporated in and under the laws of the Kingdom of Norway with address Post Box 1166, Sentrum, 0107 OSLO Norway (hereinafter the "Registrar").

Whereas the Company is duly established under the laws of Bermuda and has applied for listing of the share capital of the Company on the Oslo Stock Exchange with the Oslo Stock Exchange Committee.

A condition for listing on the Oslo Stock Exchange is that the Company and its Norwegian Register are entered into the VPS (as defined below).

Whereas the Registrar is willing to act as

a) The Registrar on behalf of the Company in all matters relating to the VPS

The Registrar hereby represents and warrants to the Company that it has all powers, capacity and authority to enter into and perform and discharge all its obligations in accordance with the terms of this agreement.

b) Nominee in the Register of Members of the Company maintained in Bermuda for shareholders whose interest are registered in the VPS.

Now, therefore, the parties have entered into the following:

AGREEMENT

1. Definitions

The Registrar	Christiania Bank og Kreditkasse, Oslo through the Registrars Department in its capacity of acting as the connecting link between the VPS and the Company.
The Norwegian Register	The register of the Shareholders maintained in the VPS.
VPS	The Norwegian Registry of Securities (Verdipapirsentralen), the Norwegian computerised, book-entry based system, in which ownership and transactions related to securities are recorded.
Shareholders	Person or entity registered in the VPS as owner of a share of the Company.
Share(s)	Share in the issued share capital of the Company.

2. Appointment

The Company hereby appoints the Registrar to act as its registrar in accordance with this Agreement. To enable the Company to enforce the provisions of its Bye-laws as if the Shareholders were members in the Register of Members of the Company, the registrar agrees to provide such services as may be required, or requested by the Company.

3. Undertaking by the Registrar

The Registrar undertakes:

3.1 To comply in all respects with applicable laws and regulations in force from time to time and all reasonable directions and instructions given by the Company from time to time.

3.2 If any share, debenture, security or other right, asset or benefit (other than a cash dividend) (a "Security") accrues to the Registrar as nominee, the Registrar will ensure that the legal or registered title to such Security is held for the benefit of the Shareholders until such time as transfers of such Security are executed in favour of such Shareholders pro rata to their entitlement of such Security.

3.3 To ensure that, at all times, accurate and complete information is without undue delay registered in the VPS with respect to each person who is or becomes a Shareholder including:

a) name and address of each Shareholder;

b) number of shares held by each Shareholder;

c) date each Shareholder entered into the VPS as a Shareholder;

d) date any person ceased to be a Shareholder;

information concerning (c) and (d) will be retained for 10 years following the date referred to in (d); and all information which may be required in order to comply with any applicable Norwegian legislation and the rules of the Oslo Stock Exchange in force from time to time.

3.4 To forward, without undue delay, all dividends declared by the Company and confirmed pursuant to clause 3.8 to all Shareholders in the Norwegian Register. To Shareholders who maintain a Norwegian address and/or have supplied VPS with details of their Norwegian kroner account, such dividend will be paid in Norwegian kroner. Other Shareholders in the Norwegian Register who maintain a non-Norwegian address and who have not supplied details of any Norwegian kroner account to the VPS, will receive dividends by cheque in local currency.

3.5 The Registrar will assist in forwarding information to all shareholders register in the VPS. In connection with the annual meeting this includes the notice, proxy and annual report to all shareholders registered at the record date.

The Registrar agrees not to attend or vote at such meeting other than in accordance with proxies from Shareholders registered in the VPS.

3.6 Upon any change or alteration of the share capital of the Company, the Registrar will without undue delay perform all necessary amendments to the VPS. For the purpose of this clause, instruction from the Company will be accompanied by a statement from the auditors of the Company in respect of such adjustment stating the number of shares in the Capital of the Company which in their opinion it is fair and reasonable to be allotted and issued to each Shareholder.

3.7 To assist the Company, within the Registrar's powers, to enforce the provisions of the Articles of Association of the Company in order to confer upon all Shareholders all such rights as if they were members of the Company under the Articles of Association.

3.8 To assist the Company in discharging all obligations towards the Shareholders under the Listing Agreement between the Oslo Stock Exchange and the Company

4. Undertakings by the Company:

The Company undertakes to:

4.1 Inform the Registrar of any decision made by the Company relevant to the continued registration of the Company and its Shareholders in the VPS, in order for the Registrar to be able to comply with this Agreement.

4.2 Confirm to the Registrar full details of any dividend declared by the Company before any payment is made to the Registrar on behalf of the Shareholders on the Norwegian Register

4.3 Provide the Registrar with an updated and complete copy of its Memorandum of Association and Bye-laws, and immediately inform the Registrar of any amendment to its Memorandum of Association or Bye-laws**.**

4.4 Provide the Registrar with the names and addresses of the members of its Board of Directors, and inform the Registrar of any changes to such Board of Directors.

5. Statistics

From the Register of Shareholders the Company can request different statistics. Among the statistics which can be requested without special orders are:

5.1 Updated register of Shareholders from the Norwegian Register.

5.2 Report showing the percentages of the total share capital which have been recorded in the VPS.

5.3 Transcript of the 20 largest shareholders

5.4 Report showing the percentages of the issued share capital that is owned by Shareholders who are, according to the information in the VPS records, resident in Norway for such jurisdiction as the Board of Directors of the Company may nominate from time to time.

5.5 The shareholder register in a label format for postage, including the name and address of all shareholders in the VPS.

All statistics are available on paper, disc and by e-mail

If anyone other than the Company request a transcript or labels from the Norwegian Register, the Registrar shall obtain consent from the Company prior to releasing such information.

An updated register of Shareholders will be available at the Registrar's office for public inspection in accordance with Norwegian law.

If stock brokers, newspapers or other persons request a transcript of the 20 largest Shareholders in the Norwegian Register, the Registrar is authorised by the Company to release such transcript to the requesting party.

6. Movement of shares between the Register of Members and the VPS

6.1 Shareholders may demand to be transferred from the Norwegian Register to the register of Members in Bermuda in place of the Registrar as nominee owner of interest in shares and vica versa. An agreement for the conversion of shares between the Registers will be entered into separately.

7. Payments

7.1 The Company shall pay the services of the Registrar in accordance with the standard charges of the Registrar which may include reasonable and properly incurred out of pocket expenses. The Registrar shall render monthly invoices to the Company detailing the fees payable including out-of-pocket expenses and costs properly incurred by the Registrar. The invoice will be paid promptly by the Company. The Company may authorise the Registrar to debit the Company's account with an Norwegian Bank for all invoices.

7.2 Settlement of charges will take place monthly in arrears.

8. Confidentiality

Any information regarding the Company which may be obtained by the Registrar in connection with the performance of its duties as Registrar, in accordance with this Agreement, will be treated as private and confidential and will not be disclosed to any third person, unless required by applicable law.

9 Third party rights

9.1 In addition to the parties to this Agreement, any Shareholder, who proves to be a holder of any rights pursuant to clauses 3.1 to 3.6 hereof, shall be entitled to enforce any rights pursuant to these clauses directly against any party to this Agreement.

10. Termination

10.1 The Agreement may be terminated by either party upon two months' written notice.

10.2 The Company and the Registrar may terminate this Agreement upon 10 days written notice in the event of any material breach by the other party of its duties here under. The Registrar may terminate this Agreement upon 10 days' written notice in the event that the Company becomes unable to pay its debts.

10.3 Upon notice of termination of this Agreement for any reason whatsoever, the Company shall, without delay, appoint a new registrar in place of Christiania Bank og Kreditkasse, Oslo. The Company shall in writing notify each Shareholder of the new registrar and the date of which the new registrar entered in the Register of Members of the Company as their new nominee in place of Christiania Bank og Kreditkasse. The Registrar shall immediately transfer all information concerning Shareholders to the Company.

11. Indemnity

11.1 The Registrar hereby agrees to indemnify the Company from any loss, damage, costs and expenses which the Company may suffer or incur as a result, directly, of any gross negligence or wilful misconduct on the part of the Registrar to perform any of its obligations hereunder.

11.2 The Registrar is not responsible for any loss or losses incurred by the Company as a result of insufficient, misleading or wrongful information or instruction(s) given to the Registrar by the Company, a person or entity representing or acting on behalf of the Company, or the VPS.

12. Governing law and jurisdiction

This Agreement shall be governed by and construed in accordance with the laws of the Kingdom of Norway. Any dispute between the parties in relation to this Agreement which cannot be amicably settled between the parties shall be submitted to arbitration in Oslo according to the Norwegian Civil Procedure Act, chapter 32. The arbitration shall be conducted in the English language or accompanied by a qualified English translation.

This Agreement shall come into force when the Company is registered in the Norwegian Registry of Securities and Christiania Bank og Kreditkasse, registered as the Company's Registrar.

This Agreement is issued in two originals, one to each of the parties.

Date and place..... Oslo.....

for Christiania Bank og Kreditkasse

Appendix 4: Overview of the LNG shipping market

This presentation is prepared by Fearnley Consultants, the research division of Fearnleys AS.

General Background – the LNG industry

Natural gas accounts for around 24% of world energy consumption. This compares with oil (41%), coal (25%) and nuclear (7.6%). Liquefied Natural Gas (LNG) is produced by cooling natural gas to -163 °C, which is the boiling point of its main constituent, methane. In its liquefied state, LNG occupies approximately 1/600th the volume of its gaseous state and can, therefore, be transported economically by sea in dedicated vessels. LNG can also be stored at slightly above atmospheric pressure in double walled cryogenic tanks. It is converted back to natural gas by simply raising its temperature.

The LNG industry is quite new. The first LNG trade was developed in the mid 1960's between Algeria and the UK. One reason for the development of LNG trades was that many of the world's gas fields are not located near potential customers. To be able to develop these gas fields commercially for exports to natural gas consumers, the gas had to be either piped over long distances or liquefied and transported by sea.

Today, LNG trades are mainly in Asia, which accounted for 72% of world imports in 2000. Europe takes the bulk of the balance. USA only accounted for 5% of the total in 2000, but several industry analysts see this market as the primary growth area for the next decade, in addition to China and India. Transportation of LNG accounted for approximately 25% of world natural gas trades, the remaining being transported by pipeline. The main exporters of LNG are Indonesia, Algeria and Malaysia, together accounting for nearly 70% of all exports.

Pipelines are the main alternative means of transporting natural gas. Pipelines are the most economical means of transporting natural gas over distances of up to about 1,000 km, assuming a direct route. However, there are a number of non-economic factors which come into play when deciding to transport LNG through a pipeline. These can be the nature of the terrain along the supply route and the political stability of the countries through which the pipelines pass. These factors can have a crucial importance and be the overriding factor in the decision to choose pipeline transportation. LNG as an energy import option is significant in that it reduces certain countries' dependency on oil and coal imports. LNG also helps achieve environmental goals due to its clean burning. LNG has the advantage of being shipped directly to the demand centre's nearest port. It can be stored and therefore also be be used to eliminate peaks and troughs in consumption.

Natural gas is an increasingly popular fuel in the power generation sector as a result of (i) the development of combined cycle gas turbines which are a competitive means of generating electricity compared with coal and fuel oil and (ii) the clean-burning qualities of natural gas which have become of greater value as a result of growing concerns about the effect of the combustion of fossil fuels on the environment.

Electricity consumption is rising rapidly in many different parts of the world, mainly because of the increasing importance of service industries such as computing and telecommunications and the increasing use of electricity in households. In developing countries, power consumption is also rising rapidly because increases in living standards are leading to growth in demand for the products of these industries.

The LNG Trade - The Demand Side for LNG Shipping

The volume of trade and distance between LNG sellers and buyers creates demand for LNG seaborne trade. The world's first LNG supply contract was signed in 1961 with start up in 1964. The contract, between Algeria and the UK, was for a duration of 15 years. Subsequent agreements soon increased the standard contract term to 20-25 years. Shipping contracts were (and are) often for similar periods. This has to do with how the industry evaluates LNG shipping, seeing it as an integral part of a logistical chain which works as a "floating pipeline" between exporting LNG production facilities and importing terminals. Shipping LNG by sea is, however, a more flexible form of transporting natural gas than pipelines, which are fixed-route structures and for which throughput capacity cannot be easily expanded. Ships are also movable assets.

LNG exporters

There are presently 16 LNG export projects located in 12 different countries. Four of these projects – Qatar-RasGas, Trinidad, Nigeria and Oman – commenced operations in 1999 and 2000. The largest exporters are listed below based on data for year 2000:

1.	Indonesia	59 million cbm
2.	Algeria	44 million cbm
3.	Malaysia	21 million cbm

Nigeria, Qatar, Brunei, Oman and Australia are competing for the positions behind the three largest exporters. Other LNG producing countries include United Arab Emirates, Trinidad and Tobago, Libya, and Alaska (USA). A number of existing LNG exporting plants are either being expanded, or are planning expansion; these include plants in Australia, Brunei, Indonesia-Bontang, Malaysia, Nigeria, Oman, Trinidad and Tobago, and Qatar (both projects).

In addition, new LNG export plants are under construction or being evaluated in Norway (Snøhvit LNG), Angola, Yemen, Australia (two new projects), East Timor, Egypt (as many as four different projects), Indonesia (a third project), Iran, Nigeria (two new projects), Venezuela (two projects) and Russia (Sakhalin). Trade is therefore expected to grow over the next 5-10 years based on currently planned projects.

LNG Importers

There are currently 11 LNG importing countries of which two – Greece and Puerto Rico – commenced imports in 2000. Both China and India will become LNG importers in the near future with a potential of taking significant volumes in the years to come. The largest LNG importers in 2000 were:

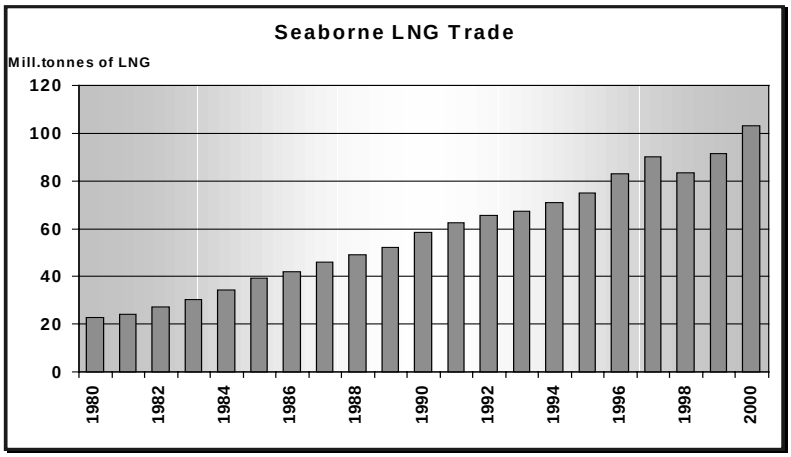
1.	Japan	118 million cbm
2.	Korea	32 million cbm
3.	France	19 million cbm

With natural gas prices peaking in the US, interest in natural gas and hence, LNG imports have increased. Renewed interest in US/Mexico LNG imports, with more than 15 new LNG import terminal projects currently being promoted, in addition to the re-opening of two existing terminals, will, in itself, result in significantly more Atlantic LNG imports/trade in the years to come. The two "mothballed" LNG terminals in the U.S. – Elba Island, Georgia and Cove Point, Maryland – are due to be reactivated in late 2001 and 2002 respectively. EIA, the International Energy Agency, forecasts an 8% per annum growth in US LNG imports to 2020.

Work is in progress or being planned to build more LNG import facilities in (in alphabetical order) the Bahamas, Brazil, China, Dominican Republic, Honduras, India, Israel, Italy, Japan, Mexico, Portugal, Singapore, Spain, Taiwan Turkey, U.S. (both on east and west coasts). Even though Latin America does not yet have any LNG import terminals, there is also a very significant demand outlook for natural gas in this region.

LNG Trade

In year 2000, world LNG trade amounted to some 100+ million tonnes, 10% higher than the year before, and 50% higher than in 1995. Trade development is shown in the graph below:



Japan dominates the world trade in LNG, having imported 53% of world total in 2000. Japan takes the majority of exports from Indonesia, Malaysia, United Arab Emirates, Qatar, Australia, Alaska and Brunei. Korea is second, importing from Oman, Qatar, Indonesia and Malaysia, with France as number three, importing mainly from Algeria and Nigeria. Diversification of supply has often been an issue in LNG trades.

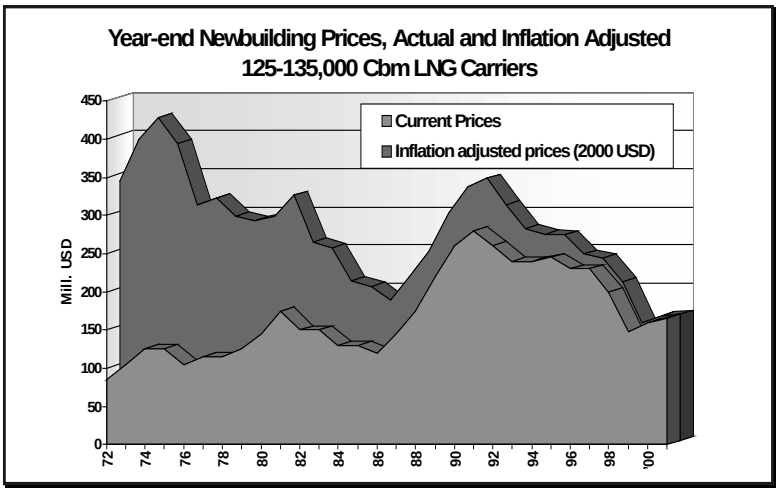
The number of LNG trade routes in 2000 totalled 112, 62% higher than 5 years earlier. The main reason for this rapid increase was the advent of spot and short-term trading activity, which utilised surplus export capacity and shipping on routes other than those for which these facilities were originally dedicated. According to Poten & Partners, there is a potential uncommitted LNG production capacity of about 9.5 million tonnes per year today, and this figure may grow substantially in the years to come.
During the 1990s, the volume of spot (single cargo or a series of cargoes over a pre-set period) and short-term trading activity (contracts of up to four years) rose from virtually zero to approximately 9% of total world trade in LNG. A lack of shipping capacity and terminal access in the US was the major factor inhibiting further growth in 2000/2001

The LNG Fleet, The Supply Side

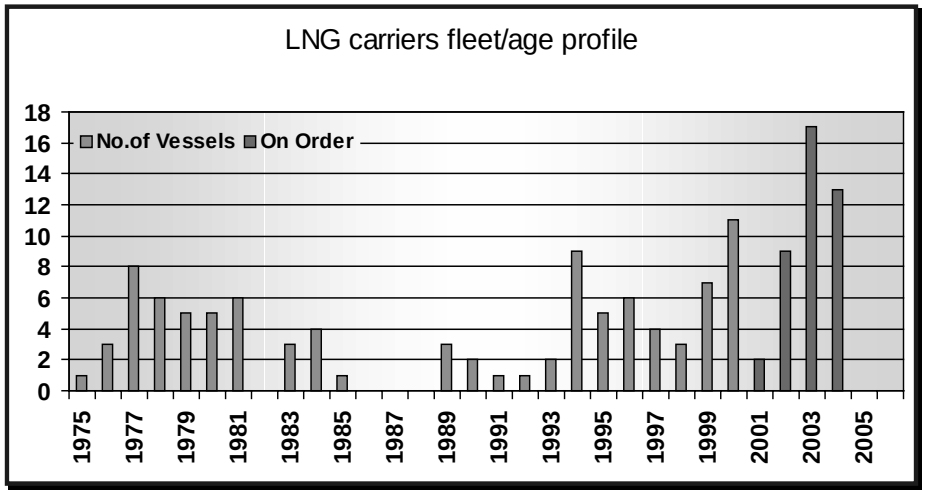
As per mid-June 2001, there were 127 LNG carriers with a total of 14.2 million cubic metres capacity in the world fleet. The orderbook consisted of 42 new vessels at that time. Most vessels continue to be built for long-term contracts of 20-25-years duration which feature new export and import facilities. The major oil and gas companies such as Shell and BP, which have interests in several export and import terminals, have ordered new LNG carriers primarily with a view to supplementing shipping capacity on existing routes, but also with a thought to anticipated growth in LNG trades world-wide.

Despite the sharp drop in newbuilding prices, to a low of some USD 145 million in South Korea in early 2000, and the buoyant outlook for the LNG business, very few vessels in the current orderbook are purely speculative plays. Bankers have generally been reluctant to support orders aimed primarily at the spot and short-term markets. However, a trend of ordering LNG vessels prior to signing an LNG sale and purchase agreement on the project has emerged. In the current orderbook, Fearnleys only see one Exmar and one Bergesen order as truly speculative, in addition to Golar LNG's two orders. There is, however, a group of "semi-speculative" orders where the ships were not dedicated to a specific project when ordered, but are likely to be allocated to a trade before delivery. BP, Shell, TEPCO, MISC and Tokyo Gas vessel orders are typical examples here.

The following chart shows the development in LNG newbuilding prices (source: Fearnleys):

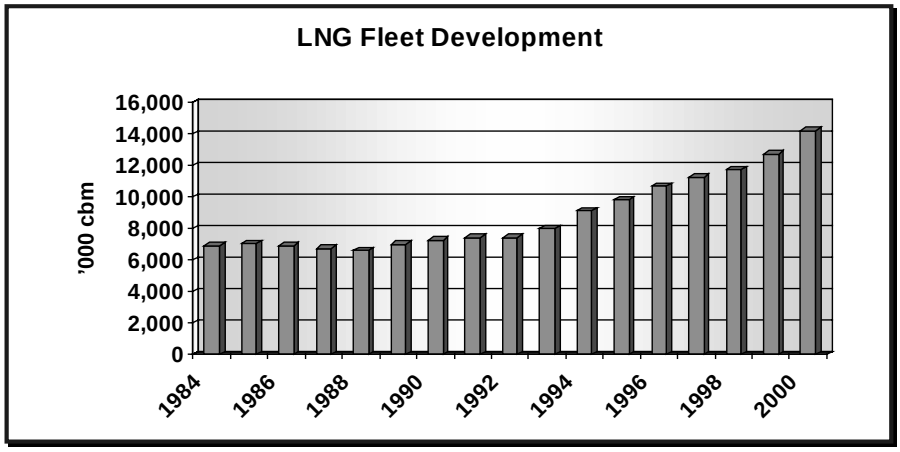


In today's international LNG trades, a standard ship design has evolved with a size of around 125-140.000 cbm. These designs are determined by two main factors: port restrictions and the economies of scale achieved by building larger ships. The current orderbook only consists of vessels in this size category, but smaller vessels have been built for dedicated trades. The total large LNG fleet age profile is shown in the graph below (source: Fearnleys).



As with the oil tanker fleet, a significant number of ships still actively trading in LNG were built in the mid 1970's although the average age of the fleet is 14 years. LNG carriers have a much longer service life than conventional LPG carriers, tankers or bulk carriers, with a possible trading life of more than 40 years. In recent contract renewals, LNG vessels were put on timecharters with durations surpassing the vessels' 40th birthday. As a result, hardly any scrapping has occurred in this shipping segment during the last years. Fearnleys have only recorded the Melrose, built in 1971 and only 2,725 cbm as scrapped during the last 3 years. During the energy crisis in the 1980's, several removals occurred.

The development in the LNG fleet is illustrated in the following chart (source: Fearnleys):



The LNG fleet is mainly controlled by the major projects, exporters or importers. There are relatively few independent ship owners in the LNG business compared with other merchant shipping sectors: Bergesen and Leif Hoegh (Norway), Mitsui in association with NYK and K-Line (Japan) and Exmar (Belgium) are the main competitors to Golar LNG with relatively substantial LNG experience. The high cost of vessels, charterers' requirements such as gas experience, quality operation and financial strength in addition to the need for specially qualified personnel, particularly in steam propulsion plant and gas cargo handling operations, represent high barriers to entry in the business.

Shipyard capacity

Current LNG orders consist of 42 LNG ships placed at three yards in Korea, one in Europe and three in Japan. The yard orderbooks are full, and the earliest delivery for a new LNG ship is now likely to be in 2005. The following yards are licensed to build LNG ships:

- Korea: Daewoo, Hyundai, Hanjin, Samsung
- Japan: NKK, Mitsui, Mitsubishi, Kawasaki, IHI
- Europe: Kvaerner Masa, Ch. de l'Atlantique, HDW, IZAR, Italcantieri
- USA: Newport News, Avondale

Only IZAR in Europe, four Korean yards and three Japanese yards have recent experience with LNG shipbuilding. The US yards are not expected to be competitive for international tenders.

Several industry analysts expect that current high demand for LNG ships will drive slot availability and thus push prices gradually upwards. Berths suitable for LNG carriers can also be used for VLCCs, suezmaxes, capesizes, cruiseships and large container vessels. Yards like Samsung and Hyundai can, for instance, increase their annual LNG ship capacity from today's level, but this will then reduce their ability to build other types of ships. Demand for such ships will, therefore, to a certain extent, influence LNG newbuilding prices.

Future developments

LNG has, over the years, gained a reputation as a safe, reliable and clean fuel for energy production. During the last years, LNG's commercial competitiveness has increased. Natural gas field development costs fell, LNG production facilities became cheaper, larger and more efficient, shipping costs fell due to reduced newbuilding costs and finally, the development of more efficient combined cycle gas turbines (CCGT) increased LNG's competitiveness for electricity production. Nearly all of the over 100 power plants coming onstream in the US over the next several years are expected to be fuelled by natural gas.

Today, natural gas is not only environmentally friendly, it is also often the most commercially competitive way of supplying electric power to consumers. The major competitor for LNG is, therefore, often piped natural gas, if that is a viable option. Coal and nuclear power may also be a competitor, but often face strong local and environmental resistance. Nevertheless, the success of LNG in the future depends upon LNG prices being competitive with other energy sources, whether it is priced as energy or as electricity after being utilised in a CCGT power plant.

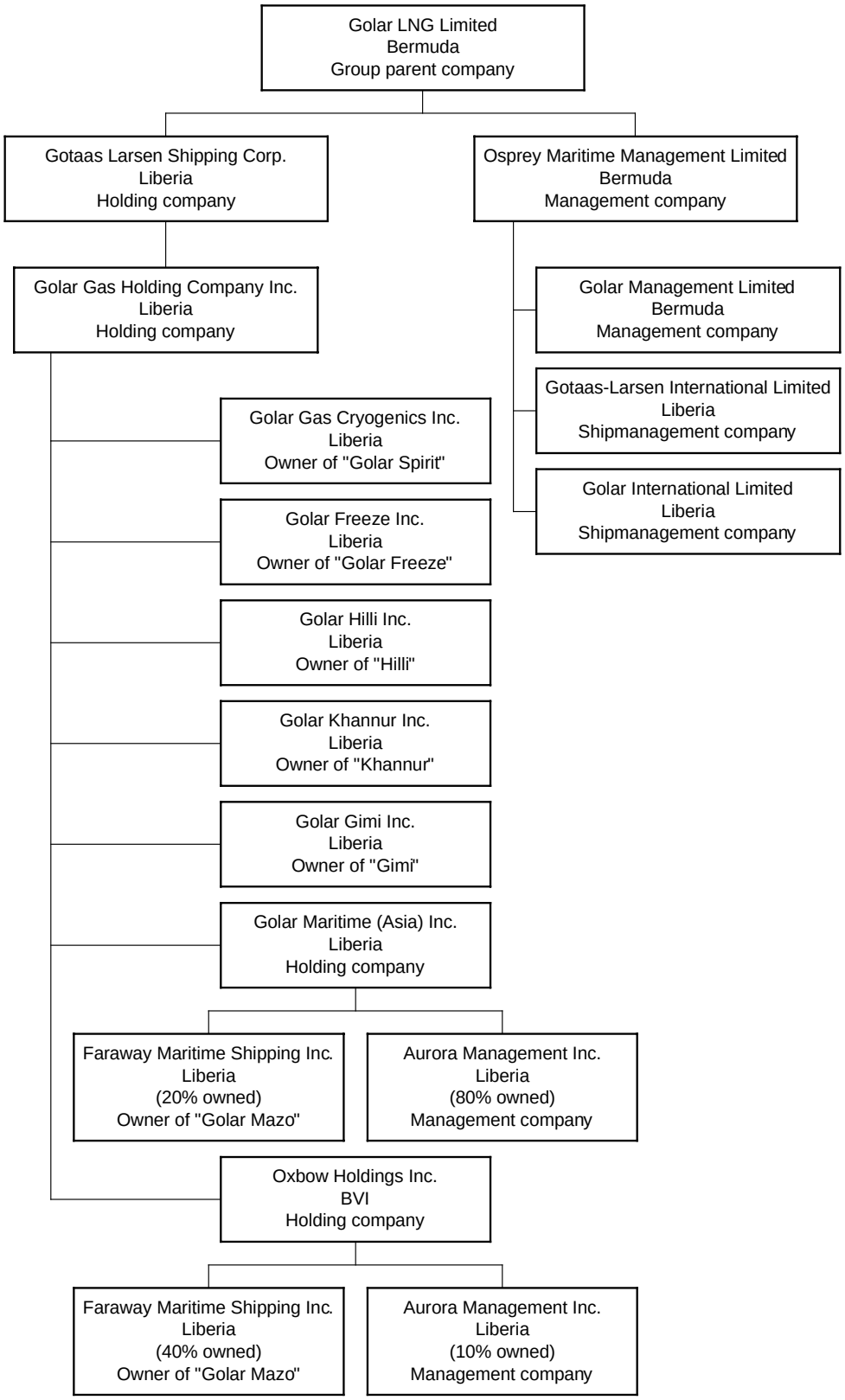
According to Poten & Partners, a New York based energy consultant, world LNG trade is expected to increase at a rate of 7-8% per annum during the period 2000 to 2010. The same company estimates that an additional 78 LNG carriers of 137,000 cubic metre capacity will be required to accommodate this growth in demand.

In several oil fields, there is significant associated gas production. Until now, this gas have been either reinjected into the reservoir or flared. Permission to flare gas will, however, become more and more difficult to obtain. One solution to solve the flaring issue will be to produce LNG from the gas stream. Due to this fact, we might see several new LNG projects being developed, not as a result of market demand, but as a by-product of oil production.

The LNG industry is growing and changing. The number of production facilities and importing terminals is increasing every year. LNG volumes and trades are increasing and changing. Spot/short term contracts are becoming more and more part of the industry. After being an industry dominated by players in the Far East, the Atlantic basin has emerged as one of the most interesting arenas in today's LNG trades with markets in the US and Europe opening up for free competition. The fleet will increase significantly during the coming years. These changes will create opportunities for sellers, buyers, traders and shipowners.

Appendix 5: Group structure

All companies are 100% owned unless otherwise specified.



Appendix 6: Glossary of maritime terms

Ballast – A voyage with no cargo on board to get a ship in position for the next loading port or docking. During a ballast voyage, the vessel is partly loaded with water, normally in separate ballast tanks, in order to maintain stability.

Ballast ratio – Time at sea without cargo as a percentage of total time.

Bareboat (b/b) – The hiring or leasing of a vessel from one company to another (the charterer), which in turn provides crew, bunkers, stores etc. and pays all operating costs.

Bunkers – The ship's fuel, either diesel (for motor driven ships) or heavy fuel oil (for turbine driven ships).

Charterer – Cargo owner or another person or company who hires a ship.

Charter-party – Transport contract between shipowner and charterer.

COA – Contract of Affreightment – quantity contract. An agreement between shipowner and charterer concerning the freight of a defined amount of cargo. The shipowner chooses the ship.

Crude (oil) – Unrefined oil directly from the reservoir.

Daily operating costs – The costs of a vessel's technical operation, crewing and insurance (excluding costs of financing).

Demurrage – Money paid to shipowner by charterer, shipper or receiver for failing to complete loading/discharging within time allowed according to charter party.

Dispatch – Remuneration payable by shipowner to charterer, shipper or receiver for loading/discharging in less than the time allowed according to the charter-party.

Drydocking – To put a vessel into a dry dock for inspection, repair and maintenance. Normally done on regular basis.

Dwt (deadweight ton) – A measure expressed in metric tons (1,000 kg) or long tons (1,016 kg) of a ship's carrying capacity, including bunker oil, fresh water, crew and provisions. This is the most important commercial measure of the capacity.

Freight rate – The agreed freight charge calculated by metric tons of cargo or deadweight ton per month or other relevant measurement unit.

IMO – International Maritime Organization - UN's maritime authority.

Knot – A measure of the speed of the vessel. One knot is equal to one nautical mile per hour, that is 1,85 km/h.

LNG – Liquid Natural Gas; natural gas (mainly ethane) which is cooled to its boiling point which is –163 centigrades and can thereby be transported by ship in its liquid form.

Net revenue/Time charter (t/c) equivalent – Gross freight income less voyage costs (bunker costs, port duties etc.).

Shipbroker – A person/company who on behalf of ship-owner/shipper negotiates a deal for the transportation of cargo at an agreed price. Shipbrokers are also active when shipping companies negotiate the purchasing and selling of ships, both second-hand tonnage and newbuilding contracts.

Ship Management – The technical administration of a ship, including services like technical operation, maintenance, repair, crewing and insurance.

Spot market – Short term contracts, normally not longer than three months in duration.

Time charter (t/c) – An arrangement whereby a shipowner places a crewed ship at a charterer's disposal for a certain period. Freight is customarily paid periodically in advance. The charterer also pays for bunker charges, port duties etc.

Ton – 1,000 kilos (metric ton = 2,204 lb).

Voyage charter – The transportation of cargo from port(s) of loading to port(s) of discharge. Payment is normally per ton of cargo, and the ship owner pays for bunkers, port and canal charges etc.

Voyage costs – Costs directly related to a specific voyage (e.g. bunkers).

Golar LNG Limited
Mercury House
101 Front Street
Hamilton, Bermuda

Golar Management Ltd.
30 Marsh Wall
London E14 9TP
England

Fearnley Fonds ASA
P.O. Box 1158 Sentrum
N-0107 Oslo, Norway
Tel.: (47) 22 93 60 00
Fax: (47) 22 93 63 60

Orkla Enskilda Securities ASA
P.O. Box 1363 Vika
N-0113 Oslo, Norway
Tel.: (47) 21 00 85 00
Fax: (47) 21 00 89 00