Golar LNG Partners LP

INTERIM RESULTS FOR THE PERIOD ENDED 31 MARCH 2016

Highlights

- Golar LNG Partners LP reports net income attributable to unit holders of $16.8 million and operating income of $56.1 million for the first quarter of 2016.
- Generated distributable cash flow of $43.6 million for the first quarter with a distribution coverage ratio of 1.14.
- Agreed to acquire the FSRU *Golar Tundra* for $330.0 million.
- Received commitments for a 5 year $800 million 7 vessel refinancing.
- *Golar Maria* enters dry-dock.

Subsequent Events

- Golar Maria completes dry-docking on schedule.
- Draw down on new 5 year $800 million senior secured credit facility.
- Completed acquisition of Golar Tundra.

Financial Results Overview

Golar LNG Partners L.P. ("Golar Partners" or the "Partnership") reports net income attributable to unit holders of $16.8 million and operating income of $56.1 million for the first quarter of 2016 ("the first quarter" or "1Q"), as compared to net income attributable to unit holders of $57.2 million and operating income of $63.1 million for the fourth quarter of 2015 ("the fourth quarter" or "4Q") and net income attributable to unit holders of $31.3 million and operating income of $58.7 million for the first quarter of 2015.

(USD '000)	Q1 2016	Q4 2015	Q1 2015
Revenue	101,065	114,993	99,846
Revenue net of voyage expenses	99,246	112,942	98,535
Adjusted EBITDA	81,131	93,924	81,344
Net Interest Expense	(11,068)	(13,847)	(12,469)
Other Financial Items	(21,812)	7,422	(10,370)
Taxes	(3,450)	3,459	(2,168)
Net Income after NCI	16,750	57,184	31,258
Net Debt	1,252,094	1,240,265	1,288,561

Revenue net of voyage expenses decreased from $112.9 million in the fourth quarter to $99.2 million in the first quarter. This is principally due to reduced revenue in respect of the *Golar Igloo* as a result of its scheduled winter downtime period during January and February. Additionally *Golar Maria* incurred 21 days off-hire together with positioning costs during 1Q in connection with its scheduled 5 yearly dry docking. The above items together with one less day in the reporting period resulted in a $13.7 million reduction in 1Q revenue.

Vessel operating expenses at $16.2 million were $0.8 million lower than the fourth quarter cost of $17.0 million. The overall decrease is mainly due to reduced operating expenses for the *Golar Grand* as it is currently in layup. Operating cost savings as a result of layup are passed on to the charterer by way of a lower daily hire rate under the terms of the charter. Administration expenses at $1.9 million were in line with the prior quarter cost of $2.0 million.

Net interest expense at $11.1 million for the first quarter was lower than the fourth quarter cost of $13.8 million. The decrease is primarily as a result of a $1.9 million credit to lease interest expense as a result of a reduction in the UK Lessors tax rate. The Partnership also recognised $1.1 million of incentive interest income in return for its early repayment of the Golar Eskimo vendor loan. Partly offsetting this is an increased charge in respect of the sale and leaseback financing for the *Golar Eskimo* that was entered into in 4Q. Other financial items recorded a $21.8 million first quarter loss compared to a $7.4 million gain in the fourth quarter. A $17.2 million non-cash mark-to-market loss on interest rate swaps in the first quarter reversed a $13.9 million fourth quarter gain following a decrease in interest rate swap rates during the quarter.

Largely as a result of lower revenue as noted above the Partnership's Distributable Cash Flow[1] for the fourth quarter was lower at $43.6 million as compared to $52.9 million in the fourth quarter and the distribution coverage ratio fell accordingly from 1.39 to 1.14 in 1Q.

[1]Distributable cash flow is a non-GAAP financial measure used by investors to measure the performance of master limited partnerships. Please see Appendix A for a reconciliation to the most directly comparable GAAP financial measure

Acquisitions

On February 10, 2016 the Partnership entered into an agreement to acquire from Golar LNG Limited ("Golar") its ownership interests in the disponent owner and operator of the FSRU *Golar Tundra* for a purchase price of $330.0 million. Concurrent with the execution of the purchase agreement, the Partnership paid a $30.0 million deposit to Golar. The acquisition subsequently closed on May 23, 2016.

The *Golar Tundra* is chartered for an initial five year term to West Africa Gas Limited ("WAGL"), an entity 60% owned by subsidiaries of the Nigerian National Petroleum Corporation and 40% owned by Sahara Energy Resource Ltd. The charter may be extended for an additional five years at WAGL's option. Concurrent with the closing on May 23 the Partnership entered into an agreement with Golar pursuant to which Golar will pay to the Partnership a daily fee plus operating expenses, aggregating to approximately $2.6 million per month, for the right to use the FSRU from May 23 until the date that the *Golar Tundra* commences operations under its Charter with WAGL. The Partnership will remit to Golar any hire receivable by *Golar Tundra* from third parties during this period.

During April Golar completed the minor modifications to the FSRU required to ensure its compatibility with the proposed receiving terminal inside the port of Tema, Ghana. The *Golar Tundra* is now en-route to Ghana and is expected to arrive offshore shortly. The Partnership is preparing to tender notice of readiness in the very near future and payments under the contract commence 30 days thereafter.

Corporate and Other Matters

On April 25 2016, Golar Partners declared a distribution for the fourth quarter of $0.5775 per unit. The first quarter distribution was paid on May 13, 2016 on total units of 62,336,335.

On February 29 the Partnership's General Partner appointed Ms Lori Wheeler Naess as a Director and Audit Committee Chairperson. Ms Naess was most recently a Director with PWC in Oslo and has previously served as a Senior Advisor for the Financial Supervisory Authority in Norway and held other roles with PWC in the US, Norway and Germany.

Total outstanding units as at March 31, 2016 were 62.336.335 of which 19,115,335 are owned by Golar, including 1,257,408 General Partner units.

Operational Review

Excluding scheduled downtime, the fleet reported 100% utilization for the quarter. This reduces to 91% when the *Golar Maria* dry-dock and *Golar Igloo's* winter downtime are taken into account. *Golar Maria's* dry-dock, originally expected to take 28 days, was completed 2 days ahead of schedule on April 5. Second quarter revenue will be slightly reduced as a result. As charterers of the *Golar Grand*, Golar have now placed the vessel into layup pending a recovery in the shipping market. The vessel's layup means that its scheduled 2016 dry-dock is not expected to take place until shortly before the vessel resumes service, likely during 2017. No other vessels in the fleet are scheduled to be dry docked this year.

Financing and Liquidity

As of March 31, 2016, the Partnership had cash and cash equivalents of $55.5 million and available and undrawn revolving credit facilities of approximately $12 million. Total debt and capital lease obligations net of total cash balances was $1,252.1 million as of March 31, 2016.

Based on the above net debt amount and annualized[2] first quarter 2015 adjusted EBITDA[3], Golar Partners' debt to adjusted EBITDA multiple was 3.9.

As of March 31, 2016, Golar Partners had interest rate swaps with a notional outstanding value of approximately $1,086.3 million (including swaps with a notional value of $377.2 million in connection with the Partnership's bonds) representing approximately 87% of net debt. The average fixed interest rate of swaps related to bank debt is approximately 1.93% with average maturity of approximately 3.6 years as of March 31, 2016.

As of March 31, 2016, the Partnership had outstanding bank debt of $1,057.0 million with average margins, in addition to LIBOR or fixed swap rates, of approximately 2.2%, a Norwegian Krone (NOK) bond of $157.2 million with a fixed rate of 6.485% and a $150.0 million Norwegian USD bond with a swapped all-in rate of 6.275%. The Partnership has a currency swap to hedge the NOK exposure for the Norwegian Krone bond. As the US dollar depreciated against the NOK during the quarter, the value of this bond in USD terms has increased whilst the swap liability has fallen. The total swap liability as at March 31, 2016, which also includes an interest rate swap element, was $77.9 million and the restricted cash securing this swap liability was $32.2 million.

During the first quarter the Partnership received commitments from Banks for a new 5 year, $800 million senior secured credit facility. Immediately prior to completion of the *Golar Tundra* acquisition on May 23 the Partnership closed and drew down on this facility. Consisting of a $650.0 million term loan and a $150.0 million revolver, this new facility, secured by seven of the Partnership's existing ten vessels, was used to refinance existing credit facilities amounting to approximately $681.4 million. A further $77.3 million was used to pay the outstanding balance due to Golar in respect of the acquired FSRU *Golar Tundra*. The balance of the agreed $330.0 million purchase price is comprised of an existing $222.7 million sale and leaseback facility secured by the *Golar Tundra* that has been assumed by the Partnership and the $30.0 million deposit paid upon signing the acquisition agreement in 1Q. The new $800 million facility will increase the average tenor of the Partnership's existing bank debt and extend the maturity of approximately $380 million of indebtedness from 2018 to 2021. $25 million of the revolving tranche currently remains undrawn.

[2]Annualized means the figure for the quarter multiplied by 4.
[3]Adjusted EBITDA: Earnings before interest, other financial items, taxes, non-controlling interest, depreciation and amortization. Adjusted EBITDA is a non-GAAP financial measure used by investors to measure our performance. Please see Appendix A for a reconciliation to the most directly comparable GAAP financial measure.

Outlook

Other than approximately 5 days' offhire in respect of the *Golar Maria* dry-dock there is no scheduled down time for the fleet during 2Q 2016. *Golar Tundra* will not commence its contract until after the end of 2Q but will receive approximately $2.6 million per month from Golar until scheduled contract commencement. Operating earnings in 2Q should therefore see an improvement over Q1.

Golar Partners has no vessels due for re-contracting until the end of 2017. The Partnership also benefits from the fact that its highest earning assets have the longest contracts. All the Partnership's vessels, except the *Golar Grand*, *Golar Maria* and *Golar Mazo,* representing 73% of the current fleet have contracts extending beyond 2017. These assets account for a disproportionate 81%[4] of net revenue and this percentage will increase with the acquisition of the *Golar Tundra*. The current Distributable Cash Flow contribution from the *Golar Grand*, *Golar Maria* and *Golar Mazo*[4] is approximately $38 million per annum. Total cash distribution coverage for 2015 was $32.6 million and the estimated Distributable Cash Flow contribution from the *Golar Tundra* is expected to be approximately $24 million per annum. Golar Partners therefore believes that the Partnership is in a strong position irrespective of the LNG carrier market conditions at the end of 2017 when these three vessels are due for re-contracting.

Golar Partners has $2.5 billion revenue backlog, an average remaining contract term of 4.74 years and an average distribution coverage ratio over the last twelve months of 1.24, which is likely to improve over time as a function of the additional EBITDA contribution from the *Golar Tundra*. In addition Golar Partners' debt maturity profile has been improved with the completion of the recent seven vessel refinancing. Golar Partners therefore believes that the Partnership has a solid basis with which to support its current distribution.

[4]Net of 40% Non-controlling interest of the Golar Mazo

FORWARD LOOKING STATEMENTS

This press release contains certain forward-looking statements concerning future events and Golar Partners operations, performance and financial condition. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain the words "believe," "anticipate," "expect," "estimate," "project," "will be," "will continue," "will likely result," "plan," "intend" or words or phrases of similar meanings. These statements involve known and unknown risks and are based upon a number of assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of which are beyond Golar Partners control. Actual results may differ materially from those expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially include, but are not limited to:

- statements about market trends in the floating storage and regasification unit (or FSRU), liquefied natural gas (or LNG) carrier and floating liquefied natural gas vessel (or FLNGV) industries, including charter rates, factors affecting supply and demand, and opportunities for the profitable operations of FSRUs, LNG carriers and FLNGVs;
- statements about Golar Partners and Golar's ability to retrofit vessels as FSRUs or FLNGVs and the timing of the delivery and acceptance of any such retrofitted vessels by their respective charterers;
- Golar Partners ability to increase distributions and the amount of any such increase;
- Golar Partners ability to integrate and realize the expected benefits from acquisitions, including the acquisition of the FSRU, *Golar Tundra*;
- our estimates of annual contracted revenues generated by the acquisition of the *Golar Tundra;*
- Golar Partners anticipated growth strategies;
- the effect of the worldwide economic slowdown;
- turmoil in the global financial markets;
- fluctuations in currencies and interest rates;
- general market conditions, including fluctuations in charter hire rates and vessel values;
- changes in Golar Partners' operating expenses, including drydocking and insurance costs and bunker prices;
- forecasts of Golar Partners' ability to make cash distributions on the units or any increases in cash distributions;
- Golar Partners' future financial condition or results of operations and future revenues and expenses;
- the repayment of debt and settling of interest rate swaps;
- Golar Partners' and Golar LNG Limited's ability to make additional borrowings and to access debt and equity markets;
- planned capital expenditures and availability of capital resources to fund capital expenditures;
- the exercise of purchase options by the Partnership's charterers;
- Golar Partners' ability to maintain long-term relationships with major LNG traders;
- Golar Partners' ability to leverage Golar's relationships and reputation in the shipping industry;

- Golar Partners' ability to purchase vessels from Golar in the future;
- Golar Partners' continued ability to enter into long-term time charters, including charters for floating storage and regasification projects;
- Golar Partners' ability to maximize the use of its vessels, including the re-deployment or disposition of vessels no longer under long-term time charter;
- timely purchases and deliveries of newbuilding vessels;
- future purchase prices of newbuildings and secondhand vessels;
- Golar Partners' ability to compete successfully for future chartering and newbuilding opportunities;
- acceptance of a vessel by its charterer;
- termination dates and extensions of charters;
- the expected cost of, and Golar Partners' ability to comply with, governmental regulations, maritime self-regulatory organization standards, as well as standard regulations imposed by its charterers applicable to Golar Partners' business;
- availability of skilled labor, vessel crews and management;
- Golar Partners' general and administrative expenses and its fees and expenses payable under the fleet management agreements and the management and administrative services agreement;
- the anticipated taxation of Golar Partners and distributions to Golar Partners unitholders;
- estimated future maintenance and replacement capital expenditures;
- Golar Partners' ability to retain key employees;
- customers' increasing emphasis on environmental and safety concerns;
- potential liability from any pending or future litigation;
- potential disruption of shipping routes due to accidents, political events, piracy or acts by terrorists;
- future sales of Golar Partners' securities in the public market;
- Golar Partners' business strategy and other plans and objectives for future operations; and
- other factors listed from time to time in the reports and other documents that Golar Partners file with the U.S. Securities and Exchange Commission.

Factors, may cause actual results to be materially different from those contained in any forward-looking statement. Golar Partners does not intend to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Golar Partners' expectations with respect thereto or any change in events, conditions or circumstances on which any such statement is based.

May 31, 2016
Golar LNG Partners L.P.
Hamilton, Bermuda

Questions should be directed to:
c/o Golar Management Ltd - +44 207 063 7900
Brian Tienzo - Chief Finance Officer
Graham Robjohns - Chief Executive Officer

Golar LNG Partners LP

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in thousands)	2016 Jan-Mar	2015 Oct-Dec	2015 Jan-Mar	2015 Jan-Dec
Time charter revenues	$ 93,785	$ 106,713	$ 86,246	$ 393,132
Time charter revenues from related parties (1)	7,280	8,280	13,600	41,555
Total operating revenues	**101,065**	**114,993**	**99,846**	**434,687**
Vessel operating expenses	16,188	17,037	15,646	65,244
Voyage and commission expenses	1,819	2,050	1,311	7,724
Administrative expenses	1,927	1,982	1,545	6,643
Depreciation and amortization	25,039	30,837	22,600	99,256
Total operating expenses	**44,973**	**51,906**	**41,102**	**178,867**
Operating income	**56,092**	**63,087**	**58,744**	**255,820**
Financial (expenses) income				
Interest income	1,524	473	265	1,315
Interest expense	(12,592)	(14,320)	(12,734)	(55,324)
Other financial items	(21,812)	7,422	(10,370)	(23,459)
Net financial expenses	**(32,880)**	**(6,425)**	**(22,839)**	**(77,468)**
Income before tax	**23,212**	**56,662**	**35,905**	**178,352**
Tax	(3,450)	3,459	(2,168)	(5,669)
Net income	**19,762**	**60,121**	**33,737**	**172,683**
Less: Net income attributable to non-controlling interests	(3,012)	(2,937)	(2,479)	(10,547)
Net income attributable to Golar LNG Partners LP Owners	**$ 16,750**	**$ 57,184**	**$ 31,258**	**$ 162,136**
Weighted average units outstanding (in thousands of units):				
Common units	45,129	45,625	45,663	45,625
Subordinated units	15,949	15,949	15,949	15,949
General partner units	1,257	1,257	1,257	1,257

(1) Revenues from related parties relate to the charter of the *Golar Eskimo* and the *Golar Grand* to Golar. The *Golar Eskimo* charter by Golar finished on June 30, 2015.

Golar LNG Partners LP
CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)	At March 31, 2016 *Unaudited*	At December 31, 2015 *Audited*
ASSETS		
Short-term		
Cash and cash equivalents	$ 55,531	$ 40,686
Restricted cash	45,045	56,714
Other current assets	18,378	25,984
Amount due from related parties	13,393	7,128
Inventories	1,324	1,339
Total Short-Term Assets	**133,671**	**131,851**
Long-term		
Restricted cash	136,097	136,559
Vessels and vessel under capital lease, net	1,827,720	1,847,403
Intangible assets, net	95,873	99,096
Other long-term assets	13,472	16,753
Amount due from related parties	30,000	—
Total Assets	**$ 2,236,833**	**$ 2,231,662**
LIABILITIES AND EQUITY		
Short-term		
Short-term debt and current portion of long-term debt	161,739	121,739
Other current liabilities	154,269	144,273
Total Short-Term Liabilities	**316,008**	**266,012**
Long-term		
Long-term debt (1)(2)	1,189,534	1,209,373
Obligation under capital lease	137,493	143,112
Other long-term liabilities	18,221	16,650
Total Liabilities	**1,661,256**	**1,635,147**
Equity		
Total Partners' capital	517,531	539,475
Accumulated other comprehensive loss	(8,931)	(9,725)
Non-controlling interest	66,977	66,765
Total Liabilities and Equity	**$ 2,236,833**	**$ 2,231,662**

(1) Following the adoption of amendments to ASC 835, deferred charges have been reclassified as a direct deduction to long-term debt as of March 31, 2016 and December 31, 2015.

(2) [In November 2015 we entered into a sale and leaseback transaction with Eskimo SPV, a subsidiary of CMBL. Eskimo SPV was determined to be a VIE of which we are deemed to be the primary beneficiary, and as a result, we are required to consolidate the results of Eskimo SPV. As reported in our Q4 preliminary earnings release, we classified this debt as short-term based on information available at the time. Subsequent to this and prior to filing of our 2015 Annual Report, we obtained information from Eskimo SPV that this debt is long-term in nature and therefore in our consolidated balance sheet as of December 31, 2015 we have reclassified it as long-term debt.]

Golar LNG Partners LP

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOWS

(in thousands)	2016 Jan-Mar	2015 Oct-Dec	2015 Jan-Mar	2015 Jan-Dec
OPERATING ACTIVITIES				
Net income	$ 19,762	$ 60,121	$ 33,737	$ 172,683
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	25,039	30,837	22,600	99,256
Recognition of deferred tax liability	581	—	—	—
Release of deferred tax asset	1,215	822	1,278	4,076
Amortization of deferred charges	1,103	1,574	975	6,308
Drydocking expenditure	—	(477)	(2,563)	(15,093)
Foreign exchange losses	236	(238)	(427)	(493)
Interest element included in obligations under capital leases	(1,693)	88	91	279
Recognition of foreign tax losses	—	(5,154)	—	(4,945)
Change in assets and liabilities, net of effects from purchase of subsidiaries:				
Trade accounts receivable	7,083	23,794	(5,027)	(11,704)
Inventories	15	157	(278)	(642)
Prepaid expenses, accrued income and other assets	2,590	2,062	2,227	3,188
Amount due to/from related companies	(6,450)	(26,209)	3,594	(18,071)
Trade accounts payable	(716)	(1,602)	289	902
Accrued expenses	(689)	(2,335)	(3,483)	(4,578)
Restricted cash	—	—	—	(7,686)
Other current liabilities	20,524	(17,459)	(4,207)	(11,250)
Net cash provided by operating activities	**68,600**	**65,981**	**48,806**	**212,230**
INVESTING ACTIVITIES				
Additions to vessels and equipment	—	(245)	(1,310)	(3,667)
Deposit made in connection with the *Golar Tundra* acquisition[1]	(30,000)	—	—	—
Short-term debt granted to related parties	—	(50,000)	—	(50,000)
Repayment of short-term debt granted to related parties	—	50,000	—	50,000
Acquisition of subsidiaries, net of cash acquired	—	—	(6,872)	(5,971)
Restricted cash	—	75	(12,655)	10,372
Net cash (used in)/provided by investing activities	**(30,000)**	**(170)**	**(20,837)**	**734**
FINANCING ACTIVITIES				
Proceeds from short-term and long-term debt	40,000	264,070	50,000	644,070
Repayments of debt, including debt due to related parties	(29,771)	(273,120)	(81,017)	(707,202)
Dividends paid to non-controlling interests	(2,800)	(3,400)	(2,800)	(11,400)
Restricted cash and short-term investments	7,605	(4,769)	—	(31,248)
Common units buy-back and cancellation	(499)	(5,971)	—	(5,970)
Cash distributions paid	(38,199)	(38,533)	(37,300)	(152,898)
Financing costs paid	(91)	(2,063)	(438)	(6,628)
Net cash used in financing activities	**(23,755)**	**(63,786)**	**(71,555)**	**(271,276)**
Net increase/(decrease) in cash and cash equivalents	14,845	2,025	(43,586)	(58,312)
Cash and cash equivalents at beginning of period	40,686	38,661	98,998	98,998
Cash and cash equivalents at end of period	**$ 55,531**	**$ 40,686**	**$ 55,412**	**$ 40,686**

(1) In February 2016 we paid a $30.0 million deposit to Golar towards the total purchase price of the *Golar Tundra* acquisition.

APPENDIX A - RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

Distributable Cash Flow ("DCF")

Distributable cash flow represents net income adjusted for depreciation and amortization, unrealized gains and losses from derivatives, unrealized foreign exchange gains and losses, other non-cash items, and maintenance and replacement capital expenditures. Maintenance and replacement capital expenditures, including expenditure on drydocking, represent capital expenditures required to maintain over the long-term the operating capacity of, or the revenue generated by, Golar Partners' capital assets. Distributable cash flow is a quantitative standard used by investors in publicly-traded partnerships to assist in evaluating a partnership's ability to make quarterly cash distributions. Distributable cash flow is a non-GAAP financial measure and should not be considered as an alternative to net income or any other indicator of Golar Partner's performance calculated in accordance with GAAP. The table below reconciles distributable cash flow to net income, the most directly comparable GAAP measure.

(in thousands)	**Three months ended March 31, 2016**	**Three months ended December 31, 2015**
Net income	**$ 19,762**	**$ 60,121**
Add:		
Depreciation and amortization	25,039	30,837
Unrealized net loss/(gain) from interest rate derivatives	17,235	(13,884)
Net loss/(gain) from foreign exchange translation	236	(238)
Deferred costs amortization	1,103	1,574
Movement in deferred tax	1,796	(4,332)
Non-cash administration costs		—
Less:		
Estimated maintenance and replacement capital expenditures (including drydocking reserve)	(17,862)	(17,534)
Non-controlling interest's share of DCF before maintenance and replacement capital expenditure	(3,691)	(3,620)
Distributable cash flow	**$ 43,618**	**$ 52,924**
Distributions declared:		
Limited partners	$ 35,273	$ 35,273
General partner	2,926	2,926
Coverage ratio	**1.14**	**1.39**

Adjusted EBITDA

Adjusted EBITDA refers to earnings before interest, other financial items, taxes, non-controlling interest, depreciation and amortization. Adjusted EBITDA is a non-GAAP financial measure used by investors to measure our performance.

The Partnership believes that adjusted EBITDA assists its management and investors by increasing the comparability of its performance from period to period and against the performance of other companies in its industry that provide adjusted EBITDA information. This increased comparability is achieved by excluding the potentially disparate effects between periods or companies of interest, other financial items, taxes and depreciation and amortization, which items are affected by various and possibly changing financing methods, capital structure and historical cost basis and which items may significantly affect net income between periods. The Partnership believes that including adjusted EBITDA as a financial and operating measure benefits investors in (a) selecting between investing in the Partnership and other investment alternatives and (b) monitoring the Partnership's ongoing financial and operational strength in assessing whether to continue to hold common units. Adjusted EBITDA is a non-GAAP financial measure and should not be considered as an alternative to net income or any other indicator of Golar Partners' performance calculated in accordance with GAAP. The table below reconciles Adjusted EBITDA to net income, the most directly comparable GAAP measure.

	Three months ended March 31,	
(in thousands)	**2016**	**2015**
Net income	**$ 19,762**	**$ 33,737**
Depreciation and amortization	25,039	22,600
Net financial expenses	32,880	22,839
Tax	3,450	2,168
Adjusted EBITDA	**$ 81,131**	**$ 81,344**
Annualized adjusted EBITDA	**$ 324,524**	**$ 325,376**