June 2017

Marine Money Week

The Next Generation of LNG Carriers
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FLEX LNG at a Glance

COMPANY SNAPSHOT

1. FLEX LNG is focused on providing safe, reliable, and cost effective solutions in the LNG shipping industry
   • FLEX LNG aims to become a leading supplier of LNG Carriers and floating storage & regasification units ("FSRUs")

2. FLEX LNG is listed on the Oslo Axess Stock Exchange with a market capitalization of NOK 3.6bn / USD 430m
   • Majority shareholder Geveran Trading Co Ltd is committed to building up FLEX LNG into major player in LNG shipping and floating regasification

3. FLEX LNG’s fleet will provide Charterers with highly efficient tonnage to cut fuel consumption and reduced boil off rate (BOR)
   • MEGI propulsion has ~30% lower fuel consumption than Tri-Fuel Diesel Electric (TFDE) vessels

4. FLEX LNG is actively pursuing opportunities in the FSRU market
   • Opportunities may include FSRU newbuildings for long-term charters and/or conversions of existing vessels

FLEX LNG FLEET

Owned Fleet

- 6 LNG MEGI vessels on order (Owned)
- Under construction at DSME and SHI in Korea
- Delivering Q1-Q2 2018, Q2-Q3 2019

Chartered-In Vessels

- 4 chartered-in TFDEs for 6 months firm period (+6 months option) from March 2017
- 155k-174k TFDE vessels
- Building market presence and operational experience
LNG Carrier (R)evolution

Steam Turbine: First LNG Vessel 1969

4-Stroke Diesel Engines:
First Dual Fuel (DFDE) in 2004
First Tri Fuel (TFDE) in 2008

2-Stroke Engines MEGI/X-DF:
First MEGI in 2016
First X-DF in 2017

# Vessels
0 100 200 300 400 500 600
1970 1995 2020

# LNGC Existing Fleet
Orderbook
Steam Turbine Propulsion:
- Steam turbine propulsion was the norm for nearly 40 years
- Propulsion system capable of burning gas
- Higher consumption fed by higher Boil-Off Rates (BOR)

Tri Fuel Diesel Electric Propulsion:
- Technical innovation allows diesel generators to burn gas. Multiple generators provide electricity to propulsion motors
- Improved fuel consumption by ~35% vs. Steam vessels
- Lower BOR containment systems developed allowing for increase in delivered volumes of LNG

MEGI / XDF Two-Stroke Propulsion:
- Direct gas injection into medium speed direct drive engines
- Improved fuel consumption by ~25% vs. TFDE and >50% vs. Steam vessels
- Lower consumption levels mean excess BOG at slow speeds. Re-liquefaction systems developed to recover excess boil-off

LNGC Fleet and Orderbook by Propulsion Type

The LNG fleet is undergoing a transformation to 2-stroke tonnage (MEGI and X-DF)
LNG Trend: Bigger, Better Ships, at Lower Shipyard Prices

LNGC Ships Have Grown in Cargo Capacity and Improved Fuel Efficiency and Boil Off Rates, Whilst Shipyard Prices Have Decreased

- Average newbuilding price per cubic meter of cargo capacity has decreased over the last ten years
- The average delivered vessel size has increased by ~13% since 2000
- The average newbuilding price per cubic meter decreased by ~15%

Unit Transportation Costs (UTC) have declined basis same Charter Rates

- Increased cargo capacity
- Decreased fuel consumption
- Steady to decreasing contract prices
- Modern two stroke LNGC provide improved shipping efficiency for Charterers/Consumers

Source: DSME, MAN, FLEX LNG
On a Unit Transportation Cost basis, the vessels will be on par with other vessel performance classes:

- TFDE at US$ 100,000 pd
- 145,000 m³ ST ~US$ 73,000 pd
- 174,000 m³ MEGI ~US$ 118,000 pd

Vessel UTC is affected by two major factors:

- The daily boil-off rate of the containment system
- The fuel efficiency and flexibility of the propulsion system

Voyage Assumptions: Sabine Pass to Tokyo Bay via Panama Canal (9278 nm), Round Trip, BOG priced at US$ 5.50 / MMBtu

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**Generic Vessel Class Specifications**

<table>
<thead>
<tr>
<th>Vessel Class</th>
<th>145k ST</th>
<th>160k TFDE</th>
<th>174k MEGI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity</td>
<td>145,000 m³</td>
<td>160,645 m³</td>
<td>174,000 m³</td>
</tr>
<tr>
<td>Cubic Meters</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tonnes (@ 98.5%)</td>
<td>65,414</td>
<td>72,472</td>
<td>78,497</td>
</tr>
<tr>
<td>Propulsion System</td>
<td>ST</td>
<td>TFDE</td>
<td>MEGI</td>
</tr>
<tr>
<td>Daily Boil-Off Rates</td>
<td>0.15%</td>
<td>0.10%</td>
<td>0.06%</td>
</tr>
<tr>
<td>Delivered Mmbtu</td>
<td>3,133,341</td>
<td>3,591,128</td>
<td>3,950,462</td>
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</table>

**Charter Hire Rate (US$ / day)**

<table>
<thead>
<tr>
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<th>174k MEGI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charter Hire</td>
<td>72,784</td>
<td>100,000</td>
<td>118,364</td>
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<tr>
<td>Transit Speed</td>
<td>48.86 days</td>
<td>48.86 days</td>
<td>48.86 days</td>
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<tr>
<td>Laden HFOE Consumption / day</td>
<td>142</td>
<td>91</td>
<td>68</td>
</tr>
<tr>
<td>Ballast HFOE Consumption / day</td>
<td>146</td>
<td>102</td>
<td>69</td>
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</table>

**Total Trade Costs (US$)**

<table>
<thead>
<tr>
<th>Vessel Class</th>
<th>145k ST</th>
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<th>174k MEGI</th>
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</thead>
<tbody>
<tr>
<td>Charter Hire</td>
<td>3,556,118</td>
<td>4,885,859</td>
<td>5,783,098</td>
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<tr>
<td>Fuel Costs</td>
<td>47,726</td>
<td>38,933</td>
<td>34,348</td>
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<tr>
<td>Boil-Off</td>
<td>1,551,970</td>
<td>1,061,014</td>
<td>814,872</td>
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<tr>
<td>Port Charges</td>
<td>312,000</td>
<td>312,000</td>
<td>312,000</td>
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<tr>
<td>Canal Fees</td>
<td>583,600</td>
<td>637,732</td>
<td>683,940</td>
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</table>

**Total Voyage Costs (US$)**

<table>
<thead>
<tr>
<th>Vessel Class</th>
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<th>160k TFDE</th>
<th>174k MEGI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charter Hire</td>
<td>6,051,414</td>
<td>6,935,537</td>
<td>7,629,518</td>
</tr>
<tr>
<td>Fuel Costs</td>
<td>1.13</td>
<td>1.36</td>
<td>1.46</td>
</tr>
<tr>
<td>Boil-Off</td>
<td>0.02</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Port Charges</td>
<td>0.50</td>
<td>0.30</td>
<td>0.21</td>
</tr>
<tr>
<td>Canal Fees</td>
<td>0.10</td>
<td>0.09</td>
<td>0.08</td>
</tr>
<tr>
<td>Total Voyage Cost Per MMBtu</td>
<td>1.93</td>
<td>1.93</td>
<td>1.93</td>
</tr>
</tbody>
</table>

Source: Poten & Partners
Efficiency Commands a Premium in LNG Shipping

Brokers began publishing assessed two-stroke (MEGI and X-DF) spot charter rates in January 2017

There are currently ten MEGIs on the water (all under term TC contracts)

Sources: Arctic Shipping Research, Fearnley LNG, Clarksons
Right Ships at the Right Time

Only 11 Open LNGCs out of 101 through 2021

Most of the vessels in the orderbook are committed to long term charters
- Currently, there are 101 LNGC newbuildings under construction
- 90% of the LNGC newbuildings built by 2021 are committed for long term charters

FLEX LNG owns 6 out of the 11 open LNG newbuildings, four of which delivers in 2018 and two in 2019
- Limited ordering – only 8 LNGC newbuildings contracted over the last 18 months
- Ramp up of LNG global supply is expected to drive strong demand for term charters of modern tonnage
- Incremental LNGC demand 30-50 vessels by 2021
- Most of the recent long term charters has been MEGI or XDF vessels

Source: FLEX LNG
FLEX LNG Strategic Focus

FLEX LNG has the goal of becoming a leading supplier of LNG Carriers and FSRUs by leveraging on its state of the art LNGCs and extensive experience in the FSRU sector.

The LNG market is growing rapidly and 30-50 additional vessels will be required by 2020.
- New export projects will add 25-30 mtpa of LNG per year over through 2020.
- The current orderbook is insufficient to meet this demand for LNGCs.
- FLEX LNG is well positioned to provide customers with superior transportation efficiency.
- Further newbuildings will be considered as the market evolves.

FLEX LNG has chartered in LNG vessels at competitive rates going into an improving market.
- Four LNGCs charted-in will allow FLEX LNG to become operational one year before the delivery of the newbuild vessels.
- FLEX LNG is building strong relationships with Charterers whilst developing our operational capabilities and reputation in market.
- Having LNGCs on charter also allows FLEX LNG to offer flexible delivery timing and charter periods in combination with the owned fleet.

FLEX LNG is actively pursuing opportunities in the FSRU market to leverage its experience with the development and implementation of FSRU projects.
- Opportunities may include FSRU newbuildings for long-term chartering contracts and/or conversions of existing vessels.
Thank You

June 2017