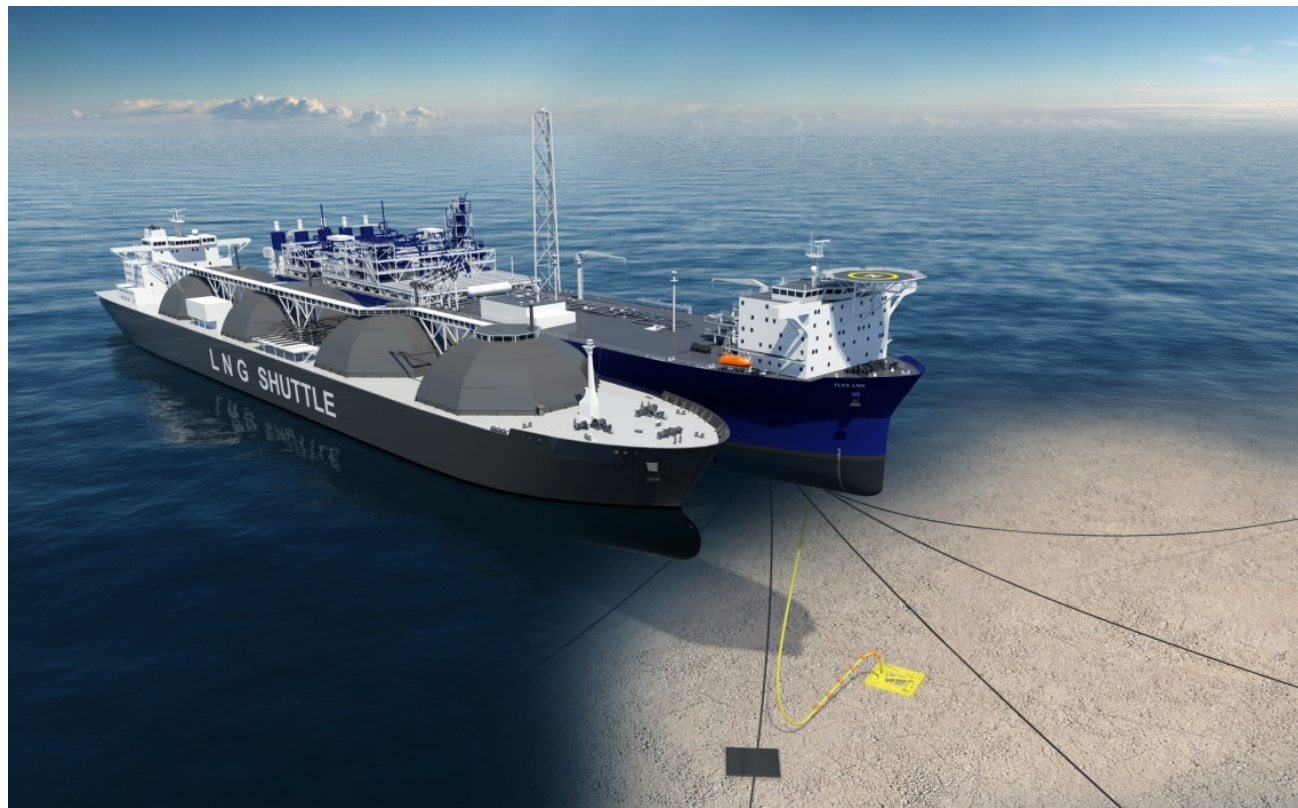




Building the Leading LNG FPSO Company



SEB Enskilda Nordic Seminar
7th January 2009

FLEX LNG Provides the LNG Industry With What it Needs

- LNG shipping and regasification will suffer until more LNG supply is brought online

LNG Value chain



Gas Supply

- The world is running out of easily accessible oil, but the world is awash with natural gas
- No shortage of feedstock for potential LNG plants, whether located onshore or offshore

Liquefaction

- Construction costs for greenfield liquefaction projects have skyrocketed over the last 3-4 years and the unit cost for liquefaction capacity has now reached the USD/ton 1300-1500 range
- Most planned capacity is in politically or environmentally challenging regions

LNG Shipping

- The LNG industry is long LNG shipping capacity. A trend that is set to last for the next 5 years
- LNG shipping has become a true commodity service and a large number of players have entered over the past 4 years

Regasification

- World wide LNG regasification capacity will by 2010 be ~3 times that of global liquefaction capacity
- Some local markets still in need of regas capacity (Brazil, emerging economies, some states in the US), but on a global scale there is a glut of regas capacity

LNG Market Update

Technical and Organisational Update

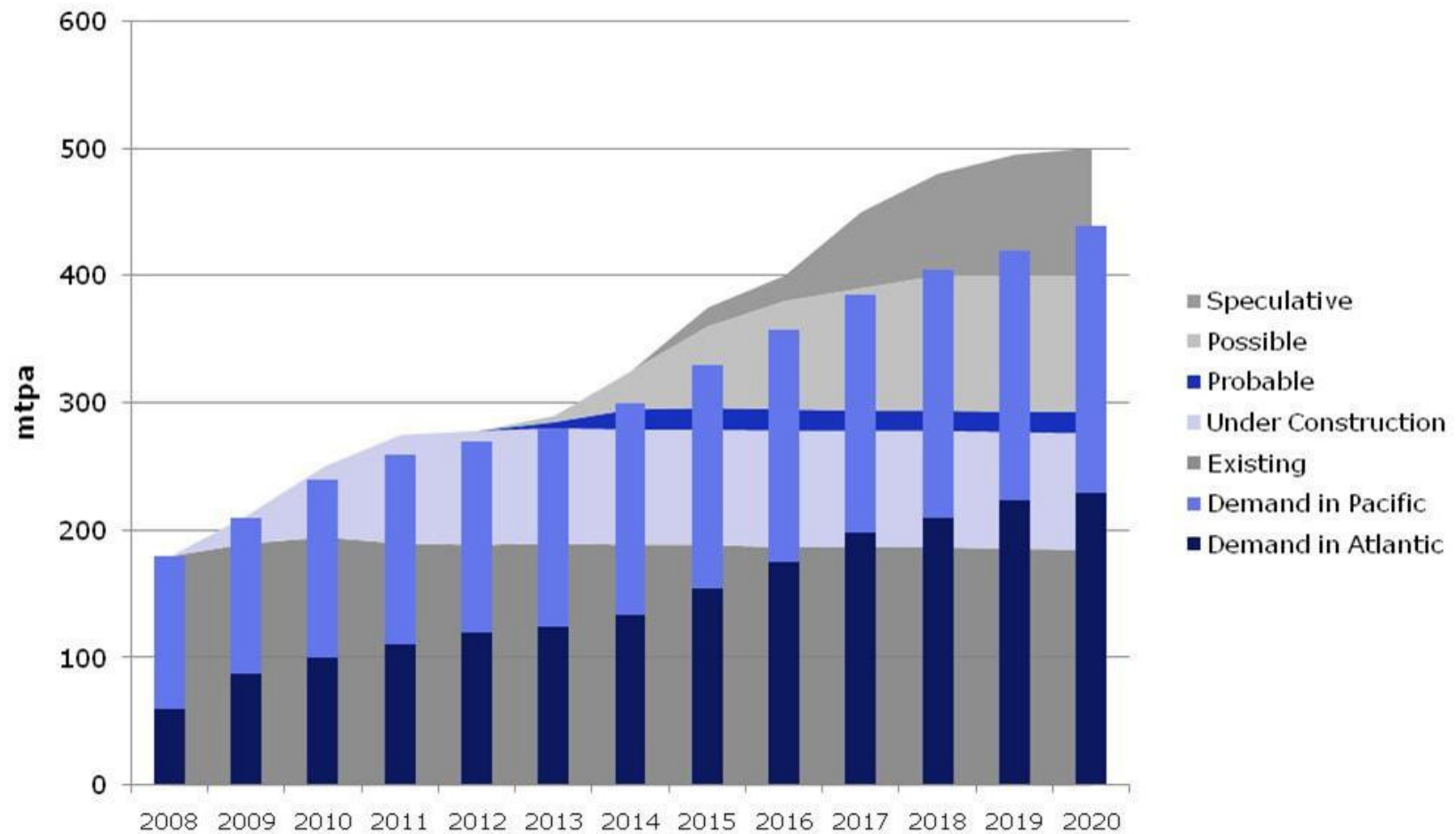
Commercial and Financial Update

Summary

LNG Shortage Predicted

- Slowdown in FIDs has lead to significant concerns for LNG supply beyond 2013

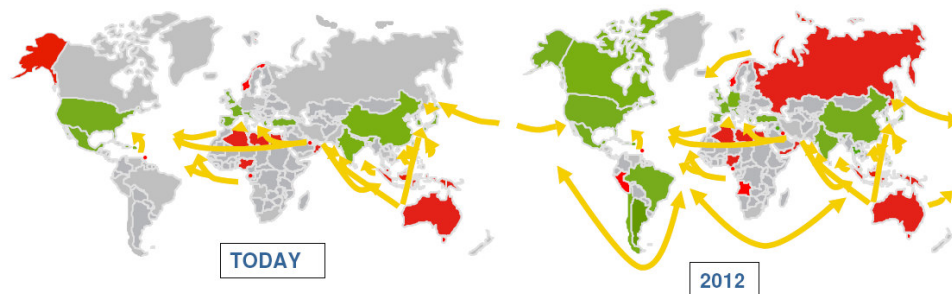
LNG supply and demand 2008-2020



And Investment Interest Remains Strong

- Expected surge in LNG demand reflected in LNG M&A activity

Global LNG market development: LNG importers increasing rapidly



# Countries	TODAY	2012	% change
LNG importers	17	29	70.5%
LNG exporters	15	18	20%

■ LNG importers
■ LNG exporters

Shell analysis



10 largest oil & gas M&A deals 2008

Date	Target	Acquiror	Value (USDm)
Sep-08	Origin Energy (CSG)	ConocoPhillips	8,000
Jul-08	Duvernay Oil Corp	Shell Canada	5,454
Jun-08	Hunt Petroleum	XTO Energy	4,191
Nov-08	Chesapeake	StatoilHydro	3,375
Oct-08	Queensland Gas	BG Group	3,272
Dec-08	Imperial Energy	ONGC	2,608
May-08	Santos Gladstone	Petronas	2,489
Apr-08	Devon Energy (assets)	GE Petrol	2,200
Sep-08	Tanganyika Oil	Sinopec	2,028
May-08	Headington Oil (assets)	XTO Energy	1,787
		Total	35,406
		LNG related	13,762
		LNG related %	39%

Source: Shell, Thompson and FLEX LNG

LNG Market Update

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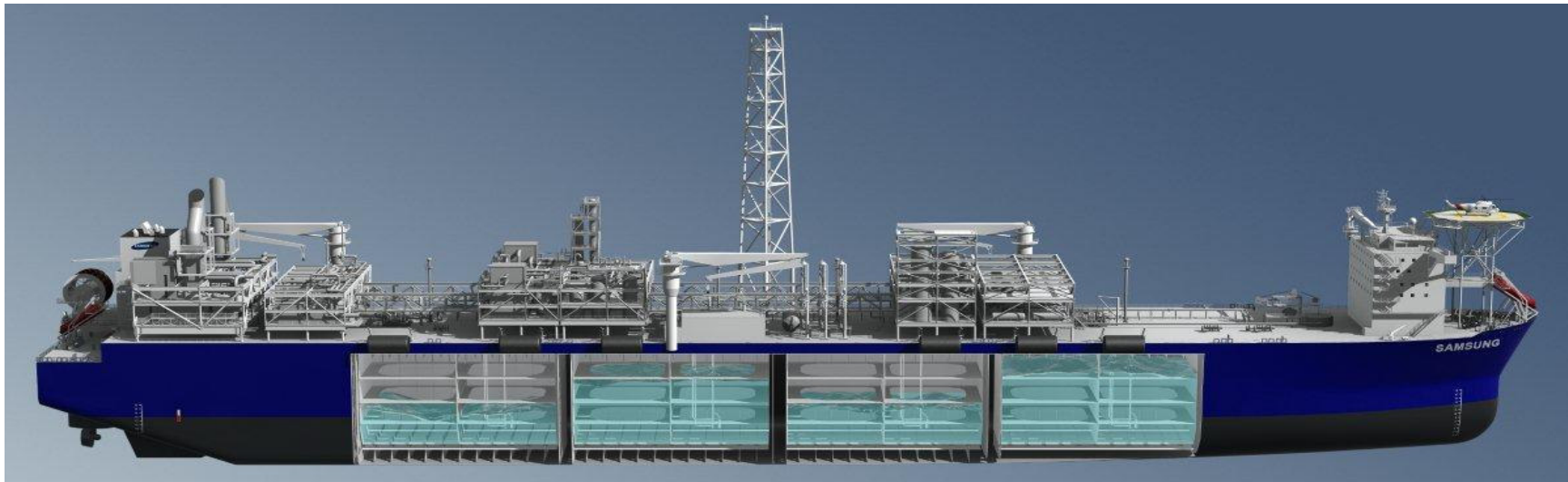
Firm Contract for TurnKey EPCIC Signed 17 September 2008

- Very confident that CAPEX of USD 550 – 700/tons liquefaction capacity per year still holds true

Turnkey EPCIC

- Turnkey Engineering, Procurement, Construction, Integration and Commissioning (EPCIC) contract signed on 17 September 2008 with SHI
- EPCIC terms and conditions developed in close cooperation with SHI, SG and LNG Offtakers
- FLEX LNG has secured optional EPCIC contracts from SHI for all existing LNGP Hulls on order
- ~95% of EPCIC contract value (LNGP Hull and Topsides) converted into turnkey lump sum during 1Q 2009

SPB containment system + generic and field specific topside modules



Developing a World Class FLNG Organisation

Recent organisational changes and hires

- Technical resources team significantly strengthened with resources within floating production and all core disciplines (e.g. process engineering and operations, off loading systems, marine and cryogenics, E&I, mechanical engineering, turret and structure)
- Newbuilding Management and Project Execution** headed by Patrick Janssens (former CTO of Exmar)
- Concept Development** headed by Fredrik Savio (former FPSO project interface manager for Chevron and Lead for ABB Lummus' floating LNG development)
- Upstream** headed by Mark Young (highly experienced reservoir engineering consultant with 33 years of experience from Shell, Phillips Petroleum and BP)
- Operations and Maintenance** is headed by Gary Baron (formerly Teekay and Woodside. Over 30 years experience in the maritime industry.)

Organisational overview



World leading technical project partners



LNG Market Update

Technical and Organisational Update

Commercial and Financial Update

Summary

Progress LNG

– Timeline being extended

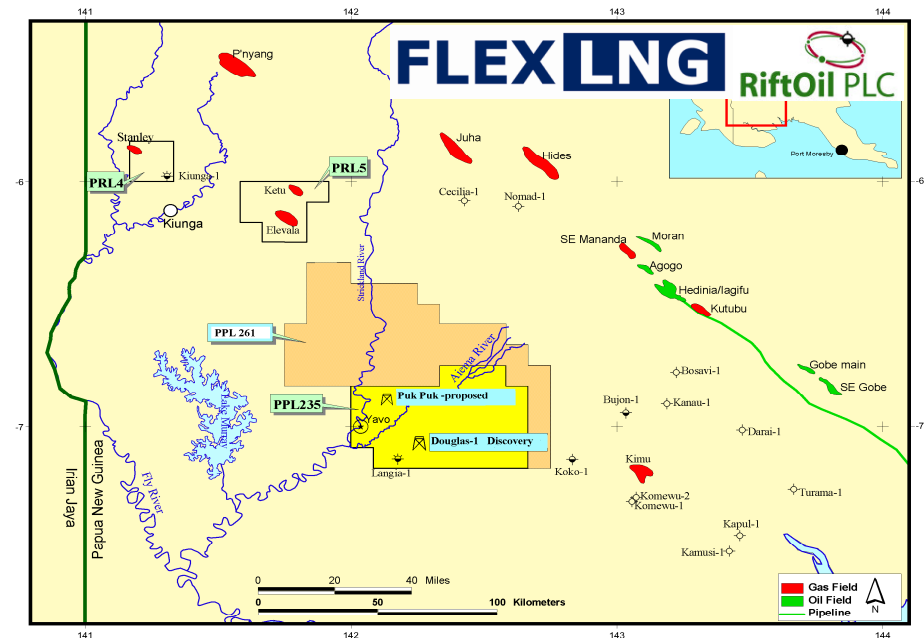
- HoA signed 9 June 2008 between FLEX LNG, Mitsubishi Corporation and Peak Petroleum Industries Nigeria Ltd.
- LNG production of gas reserves in block OML 122 offshore Nigeria
- Peak Petroleum is the licence holder and Mitsubishi Corporation is the LNG offtaker
- Production rate: 1.5 mtpa + condensate production
- Target deadline for FID of end 2008 has not been achieved due to level of complexity involved in designing the world's first floating LNG project
- Project partners currently reviewing timeline to evaluate when FID can be reached
- Structure of co-operation developed between Mitsubishi and FLEX now being replicated for several other potential projects and the two companies are discussing a closer strategic cooperation within FLNG



The Rift Project

- Moving rapidly in Papua New Guinea

- HOA signed in June 2008 with Rift Oil Plc (UK) to work together to monetize Rift Oil's acreage onshore Papua New Guinea (PNG)
- Rift Oil has drilled two wells resulting in two gas discoveries with potential resources estimated at up to 2 TCF
- The gas will be piped to an offshore location where it will be liquefied by utilizing one of FLEX LNG Producers
- Pipeline study has been commissioned and is ongoing



Financing

- Industrial partnerships key focus area

- Significant capital required through 2009
- In current challenging capital market FLEX has focused on securing industrial partners (LNG offtakers) to share capex requirements
- Co-investment in vessels key priority, due to:
 - Clearly defined projects and exposure preferred by potential partners
 - Current low share price not attractive for new equity issue
- Ongoing discussions with debt finance providers
 - Signed contracts for employment a pre-requisite
 - Focus on finance providers in Asian region (commercial banks and ECAs)

LNG Market Update

Technical and Organisational Update

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Summary

Summary

✓ **Solution to the LNG market bottleneck**

- FLEXible LNG supply; redeployment / second life
- Low CAPEX liquefaction solution, 550 – 700\$/ton liquefaction capacity
- Short lead time to market

✓ **Market focused engineering**

- Adaptability for field/client specific requirements
- Maximum use of proven and robust technologies
- Addressing the industries main concerns

✓ **Strong Commercial and Financial Viability**

- Extensive commercial interest
- Focus on structuring “bankable” projects
- Strong Project Economics
- World leading project partners