

Edgar Filing: GOLAR LNG LTD - Form 6-K

GOLAR LNG LTD
Form 6-K
November 30, 2006

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

FORM 6-K

Report of Foreign Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of November, 2006

Commission File Number: 000-50113

Golar LNG Limited

(Translation of registrant's name into English)

Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM 08, Bermuda

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper by Regulations S-T Rule 101(b)(1): _____

Indicate by check mark if the registrant is submitting the Form 6-K in paper by Regulations S-T Rule 101(b)(1): _____

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82

Item 1. INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Attached as Exhibit 1 is a copy of the press release of Golar LNG Limited (the "Company"), dated November 20, 2006.

Edgar Filing: GOLAR LNG LTD - Form 6-K

Exhibit 1

[GOLAR LNG LOGO OMITTED]

THIRD QUARTER INTERIM REPORT

July - Sept 2006

Highlights

- o Increase in revenue and operating income from previous quarter aided by improved spot vessel earnings
- o Interest rate swap valuation charge of \$11.7 million results in a net loss of \$5.9 million
- o Improved spot market rate outlook for the coming winter period
- o Livorno shareholders agreement signed

Results

Golar LNG reports increased operating income at \$23.9 million for the third quarter of 2006, up from \$22.3 million for the second quarter of 2006 and a net loss in the current quarter of \$5.9 million as compared to net income of \$17.3 million for the second quarter of 2006.

Net income has been negatively impacted by mark-to-market interest rate swap valuations, which resulted in a net charge of \$11.7 million in the third quarter as compared to a net gain last quarter of \$8.3 million. This \$20 million swing has been caused by the decline in long-term interest rates during the quarter. However, as approximately 43% of Golar's debt is on floating rate terms, lower interest rates in the future will, if sustained, improve long term earnings.

Revenues in the third quarter increased to \$55.9 million up from \$53.7 million in the second quarter. Increased earnings of spot vessels and the addition of the Granosa to the fleet in June 2006, offset in part by the offhire time for two vessels undergoing scheduled drydockings, have been the drivers behind the improvement in revenues and operating income. Average daily time charter equivalent rates (TCE's) for the fleet were \$52,000 per day during the third quarter of 2006 as compared to \$49,700 for the second quarter of 2006.

Vessel operating expenses at \$11.2 million for the quarter were increased from \$10.0 million for the second quarter of 2006 as a result of the addition of the Granosa to the fleet. Administrative expenses were at a similar level to the second quarter of 2006

Net interest expense for the third quarter was \$16.4 million compared to \$14.1 million for the second quarter of 2006. This increase is mainly due to a full quarter's charge in respect of the \$120 million Granosa facility and the additional interest cost arising from the Company's floating rate debt as a result of recent interest rate increases.

As noted above the results for the third quarter of 2006 have been negatively impacted by the mark-to-market revaluation of interest swaps arising because of the decrease in long-term interest rates. This valuation movement is the primary reason for the other financial items charge of \$14.1 million as compared to a net gain of \$11.7 million for the second quarter of 2006.

Edgar Filing: GOLAR LNG LTD - Form 6-K

The increase in net earnings of investees (Korea Line and LNG Ltd) from \$0.1 million for the second quarter of 2006 to \$1.6 million for this quarter is primarily as a result of Korea Line's improved earnings. The market value of Golar's investment in Korea Line has increased to \$79 million as at the end of the third quarter and this positive development has continued into the fourth quarter.

Year to date operating income at \$74.8 million is already 15% ahead of operating income for the full year of 2005 due to two vessels added to the fleet and improved vessel earnings. Similarly net income for the nine months to September 30, 2006 of \$39.4 million is up from \$23.9 million for the same period last year and 14% ahead of the full year 2005.

Corporate and Other Matters

Agreement was reached with OLT Energy Toscana SpA in November to acquire 20% of the shares in the Livorno LNG regas terminal (OLT Offshore LNG Toscana S.p.A). The new LNG terminal, which earlier this year was granted a government decree approving or permitting the project, will have a regulated capacity of 3.75 Bcm/year. The terminal will be located 20 km out to sea off the Livorno coast; away from populated areas creating substantial environmental and security benefits and significantly reducing visual impact. Included in the deal is an intention between the parties to sell the LNG carrier Golar Frost to the project. It is also intended that Golar will have certain rights with respect to regasification capacity and LNG transportation.

The company is encouraged by the progress being made by LNG Ltd (Golar LNG shareholding 19.7%) with the 1.8 mtpa (million tonnes per annum) Padang LNG project (Central Sulawesi, Indonesia), including final environmental approval (AMDAL) received in October. LNG Ltd has been advised that a final decision in relation to gas supply to the project will be made in November. Golar has signed agreements to participate in a consortium with other major industry players to jointly develop this project if selected by the upstream resource holder.

The Floating Power Generation Plant (FPGP) project in Cyprus is progressing well with clarification meetings taking place in October 2006 between all interested parties. A hearing at the Cyprus Environmental Service also took place in October 2006 to review the Environmental Impact Assessment Study submitted by Golar in relation to the FPGP. The Company is waiting for the report of this meeting but does not however expect any major issues and also anticipates receiving the relevant licences by the end of 2006.

Progress continues to be made on the Floating Storage and Regasification Unit (FSRU) conversion project at Keppel Shipyard and discussions in relation to employment of the FSRU are continuing with several potential charterers. The Company has decided, based on the strength of the current market, to trade the vessel likely to be used in this project, the Golar Spirit, in the spot market after its charter to Pertamina expires in the fourth quarter of 2006. It will continue to be employed in the spot market until a final decision on the conversion schedule is made.

During October 2006 the Company extended the termination date of its Stock Indexed Total Return Swap by twelve months.

Market

The third quarter of 2006 has experienced abnormally high levels of storing LNG, both ashore and onboard vessels to maximise potential gains from both geographical and seasonal LNG price differentials. By the end of the quarter more than 10 vessels were employed in storage and this has significantly reduced

Edgar Filing: GOLAR LNG LTD - Form 6-K

the number of vessels available in the spot market. This new development has positively impacted spot time charter rates. Golar has directly participated and arguably has led in this activity through its charter of the Golar Winter to Shell from June this year.

Escalating LNG project construction costs and project complexities continue to have an impact on the rate of development of the industry. This inevitably is having an impact on shipyard berths and overall growth of the fleet.

A further 14.3 mtpa is scheduled for commissioning (either through new installations or upgradings) in 2007, however this is in part offset by the estimated decline in output from Arun and now Bontang of nearly 3.1 mtpa.

Currently there are 213 existing LNG carriers above 70,000 m³ with 148 on order.

Outlook

The LNG shipping market is generally well balanced although has moved slightly in the ship owner's favour moving into the winter months. Delays in the construction and commissioning of new LNG production capacity could in the future influence this balance negatively whilst geographical market price differentials, general seasonality and technical inefficiencies may well have a positive impact. It is likely therefore that the 'spot' market will remain volatile for some time yet.

The Board expects that earnings in the fourth quarter from the Company's spot vessels and those under charter to Shell will show continued improvement as the winter season approaches. Although an improvement in rates is anticipated, these and levels of utilisation will remain highly sensitive to the development in global gas prices and the price differences between the various markets for LNG as these strongly impact the requirement for shipping.

The Board continues to believe that there are promising opportunities within the Company's projects portfolio, which now fully cover the LNG mid stream activities - liquefaction, shipping, trading and regasification. These projects broaden the base of the company whilst maintaining the focus on LNG and provide the opportunity to earn returns in excess of current LNG shipping returns whilst also generating opportunity to employ existing company assets.

The Board is optimistic about the future development of the Company and looks forward to improved earnings from the Company's spot market vessels over the winter months. It is expected that earnings for the fourth quarter will confirm this trend.

Forward Looking Statements

This press release contains forward looking statements. These statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including examination of historical operating trends made by the management of Golar LNG. Although Golar LNG believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies, which are difficult or impossible to predict and are beyond its control, Golar LNG cannot give assurance that it will achieve or accomplish these expectations, beliefs or intentions.

Included among the factors that, in the Company's view, could cause actual results to differ materially from the forward looking statements contained in this press release are the following: inability of the Company to obtain financing for the new building vessels at all or on favourable terms; changes in

Edgar Filing: GOLAR LNG LTD - Form 6-K

demand; a material decline or prolonged weakness in rates for LNG carriers; political events affecting production in areas in which natural gas is produced and demand for natural gas in areas to which our vessels deliver; changes in demand for natural gas generally or in particular regions; changes in the financial stability of our major customers; adoption of new rules and regulations applicable to LNG carriers; actions taken by regulatory authorities that may prohibit the access of LNG carriers to various ports; our inability to achieve successful utilisation of our expanded fleet and inability to expand beyond the carriage of LNG; increases in costs including: crew wages, insurance, provisions, repairs and maintenance; changes in general domestic and international political conditions; changes in applicable maintenance or regulatory standards that could affect our anticipated dry-docking or maintenance and repair costs; failure of shipyards to comply with delivery schedules on a timely bases and other factors listed from time to time in registration statements and reports that we have filed with or furnished to the Securities and Exchange Commission, including our Registration Statement on Form 20-F and subsequent announcements and reports.

November 20, 2006
 The Board of Directors
 Golar LNG Limited
 Hamilton, Bermuda

Questions should be directed to:

Tor Olav Troim - +44 7734 976 575
 Golar Management (UK) Ltd - +44 207 517 8600:
 Gary Smith: Chief Executive Officer
 Charlie Peile: Executive Vice President, Head of Commercial
 Graham Robjohns: Chief Financial Officer

GOLAR LNG LIMITED THIRD QUARTER 2006 REPORT (UNAUDITED)

INCOME STATEMENT (in thousands of \$)	2006 Jul - Sept unaudited	2005 Jul - Sept unaudited	2006 Jan - Sept unaudited	2005 Jan - Sept unaudited
Operating revenues	55,938	42,787	166,960	125,960
Vessel operating expenses	11,157	9,253	31,520	28,960
Voyage expenses	2,189	967	8,881	3,960
Administrative expenses	3,974	2,658	10,093	9,960
Depreciation and amortization	14,723	12,913	41,713	37,960
Total operating expenses	32,043	25,791	92,207	79,960
Operating income	23,895	16,996	74,753	46,000
Interest income	10,304	8,752	29,358	26,960
Interest expense	(26,708)	(21,151)	(73,669)	(61,960)
Other financial items	(14,116)	8,963	7,534	1,960
(Loss)/income before taxes and minority interest	(6,625)	13,560	37,976	13,960
Minority interest	(663)	(2,164)	(5,214)	(5,960)
Taxes	(241)	(152)	(647)	(960)
Equity in net earnings of investee	1,600	(283)	7,244	16,960
Net (loss)/income	(5,929)	10,961	39,359	23,960

Edgar Filing: GOLAR LNG LTD - Form 6-K

Basic (loss)/earnings per share (\$) (\$0.09) \$0.17 \$0.60 \$0

BALANCE SHEET
(in thousands of \$)

	2006 Sept 30 unaudited	2005 Sept 30 unaudited	2005 Dec 31 audited
--	------------------------------	------------------------------	---------------------------

ASSETS

Short term			
Cash and cash equivalents	65,329	77,710	62,227
Restricted cash and short-term investments	53,976	43,703	49,448
Other current assets	24,872	17,194	17,898
Amounts due from related parties	525	28	17
Long term			
Restricted cash	747,899	708,623	696,308
Equity in net assets of non-consolidated associate	80,531	65,380	65,950
Newbuildings	33,107	109,248	111,565
Vessels and equipment, net	1,481,217	1,224,299	1,209,044
Other long term assets	31,325	10,885	18,238
Total assets	2,518,781	2,257,070	2,230,695

LIABILITIES AND STOCKHOLDERS' EQUITY

Short term			
Current portion of long-term debt	72,461	65,822	67,564
Current portion of capital lease obligations	4,994	2,537	2,466
Other current liabilities	51,154	53,158	53,077
Amounts due to related parties	111	397	886
Long term			
Long term debt	827,249	780,622	758,183
Long term capital lease obligations	971,963	818,671	801,500
Other long term liabilities	83,027	83,457	84,878
Minority interest	32,801	25,028	27,587
Stockholders' equity	475,021	427,378	434,554
Total liabilities and stockholders' equity	2,518,781	2,257,070	2,230,695

STATEMENT OF CASH FLOWS
(in thousands of \$)

	2006 Jul - Sept unaudited	2005 Jul - Sept unaudited	2006 Jan - Sept unaudited	2005 Jan - Sept unaudited
--	---------------------------------	---------------------------------	---------------------------------	---------------------------------

OPERATING ACTIVITIES

Net (loss)/income	(5,929)	10,961	39,359	23,000
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortisation	14,723	12,913	41,713	37,000

Edgar Filing: GOLAR LNG LTD - Form 6-K

Amortisation of deferred charges	471	348	1,212	2,
Income attributable to minority interests	663	2,164	5,214	5,
Undistributed net earnings of				
non-consolidated investee	(1,600)	283	(6,064)	(15,
Drydocking expenditure	(5,140)	145	(5,790)	(9,
Stock-based compensation	735	-	2,084	
Change in market value of equity, interest rate and currency derivatives	9,477	(6,650)	(18,614)	8,
Interest element included in capital lease obligations	526	1,706	3,791	5,
Unrealised foreign exchange loss / (gain)	4,076	(3,221)	11,427	(12,
Change in operating assets and liabilities	2,149	1,186	516	4,
Net cash provided by operating activities	20,151	19,835	74,848	52,
INVESTING ACTIVITIES				
Additions to newbuildings	(726)	(1,246)	(224,300)	(137,
Additions to vessels and equipment	(1,606)	(312)	(10,799)	(3,
Long-term restricted cash	2,594	(5,974)	3,738	(53,
Purchase of unlisted investments	-	-	(500)	(3,
Purchase of marketable securities	-	-	(10,386)	
Proceeds from disposal of marketable securities	-	-	2,248	
Short-term restricted cash and investments	(6,430)	(2,572)	(4,528)	(1,
Net cash used in investing activities	(6,168)	(10,104)	(244,527)	(200,
FINANCING ACTIVITIES				
Proceeds from long-term debt	-	-	120,000	420,
Proceeds from long-term capital lease obligation	-	-	102,983	44,
Repayments of long-term capital lease obligation	(1,242)	(529)	(2,798)	(2,
Repayments of long-term debt	(12,944)	(11,969)	(46,038)	(276,
Financing costs paid	-	(117)	(1,366)	(3,
Dividends paid to minority shareholders	-	(7,200)	-	(7,
Payments to repurchase equity	-	-	-	(
Net cash provided by financing activities	(14,186)	(19,815)	172,781	174,
Net (decrease) / increase in cash and cash equivalents	(203)	(10,084)	3,102	26,
Cash and cash equivalents at beginning of period	65,532	87,794	62,227	51,
Cash and cash equivalents at end of period	65,329	77,710	65,329	77,

Notes

-
- The financial information included in this interim report has been derived from information prepared by the Company in accordance with accounting principles generally accepted in the United States of America.
 - The number of shares outstanding as of September 30, 2006 was 65,562,000 (June 30, 2006: 65,562,000). The weighted average number of shares outstanding for the third quarter and nine months of 2006 was 65,562,000 and was 65,567,616 for the twelve months ended December 31, 2005.

Edgar Filing: GOLAR LNG LTD - Form 6-K

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

Golar LNG Limited

(Registrant)

Date November 29, 2006

By /s/ Graham Robjohns

Graham Robjohns
Chief Financial Officer

SK 03849 0004 726060