UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to_____

Commission File Number: 001-38790

New Fortress Energy Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**83-1482060**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
111 W. 19th Street, 8th Floor **New York, NY**	**10011**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (516) 268-7400

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☒
Non-accelerated filer ☐ Smaller reporting company ☐
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock	**"NFE"**	**Nasdaq Global Select Market**

As of October 29, 2021, the registrant had 206,863,242 shares of Class A common stock outstanding.

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GLOSSARY OF TERMS

As commonly used in the liquefied natural gas industry, to the extent applicable and as used in this Quarterly Report on Form 10-Q ("Quarterly Report"), the terms listed below have the following meanings:

Btu	the amount of heat required to raise the temperature of one avoirdupois pound of pure water from 59 degrees Fahrenheit to 60 degrees Fahrenheit at an absolute pressure of 14.696 pounds per square inch gage
CAA	Clean Air Act
CERCLA	Comprehensive Environmental Response, Compensation and Liability Act
CWA	Clean Water Act
DOE	U.S. Department of Energy
FERC	Federal Energy Regulatory Commission
GAAP	generally accepted accounting principles in the United States
GHG	greenhouse gases
GSA	gas sales agreement
Henry Hub	a natural gas pipeline located in Erath, Louisiana that serves as the official delivery location for futures contracts on the New York Mercantile Exchange
ISO container	International Organization of Standardization, an intermodal container
LNG	natural gas in its liquid state at or below its boiling point at or near atmospheric pressure
MMBtu	one million Btus, which corresponds to approximately 12.1 gallons of LNG
MW	megawatt. We estimate 2,500 LNG gallons would be required to produce one megawatt
NGA	Natural Gas Act of 1938, as amended
non-FTA countries	countries without a free trade agreement with the United States providing for national treatment for trade in natural gas and with which trade is permitted
OPA	Oil Pollution Act
OUR	Office of Utilities Regulation (Jamaica)
PHMSA	Pipeline and Hazardous Materials Safety Administration
PPA	power purchase agreement
SSA	steam supply agreement
TBtu	one trillion Btus, which corresponds to approximately 12,100,000 gallons of LNG

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

This Quarterly Report contains forward-looking statements regarding, among other things, our plans, strategies, prospects and projections, both business and financial. All statements contained in this Quarterly Report other than historical information are forward-looking statements that involve known and unknown risks and relate to future events, our future financial performance or our projected business results. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “projects,” “targets,” “potential” or “continue” or the negative of these terms or other comparable terminology. Such forward-looking statements are necessarily estimates based upon current information and involve a number of risks and uncertainties. Actual events or results may differ materially from the results anticipated in these forward-looking statements as a result of a variety of factors. While it is impossible to identify all such factors, factors that could cause actual results to differ materially from those estimated by us include:

- our limited operating history;
- loss of one or more of our customers;
- inability to procure LNG on a fixed-price basis, or otherwise to manage LNG price risks, including hedging arrangements;
- the completion of construction on our LNG terminals, facilities, power plants or Liquefaction Facilities (as defined herein) and the terms of our construction contracts for the completion of these assets;
- cost overruns and delays in the completion of one or more of our LNG terminals, facilities, power plants or Liquefaction Facilities, as well as difficulties in obtaining sufficient financing to pay for such costs and delays;
- our ability to obtain additional financing to effect our strategy;
- We may be unable to successfully integrate the businesses and realize the anticipated benefits of the Mergers;
- failure to produce or purchase sufficient amounts of LNG or natural gas at favorable prices to meet customer demand;
- hurricanes or other natural or manmade disasters;
- failure to obtain and maintain approvals and permits from governmental and regulatory agencies;
- operational, regulatory, environmental, political, legal and economic risks pertaining to the construction and operation of our facilities;
- inability to contract with suppliers and tankers to facilitate the delivery of LNG on their chartered LNG tankers;
- cyclical or other changes in the demand for and price of LNG and natural gas;
- failure of natural gas to be a competitive source of energy in the markets in which we operate, and seek to operate;
- competition from third parties in our business;
- inability to re-finance our outstanding indebtedness;
- changes to environmental and similar laws and governmental regulations that are adverse to our operations;
- inability to enter into favorable agreements and obtain necessary regulatory approvals;
- the tax treatment of us or of an investment in our Class A shares;
- the completion of the Exchange Transactions (as defined below);
- a major health and safety incident relating to our business;
- increased labor costs, and the unavailability of skilled workers or our failure to attract and retain qualified personnel;
- risks related to the jurisdictions in which we do, or seek to do, business, particularly Florida, Jamaica, Brazil and the Caribbean; and
- other risks described in the “Risk Factors” section of this Quarterly Report.

All forward-looking statements speak only as of the date of this Quarterly Report. When considering forward-looking statements, you should keep in mind the risks set forth under “Item 1A. Risk Factors” and other cautionary statements included in our Annual Report on Form 10-K for the year ended December 31, 2020 (our “Annual Report”), this Quarterly Report and in our other filings with the Securities and Exchange Commission (the “SEC”). The cautionary statements referred to in this section also should be considered in connection with any subsequent written or oral forward-looking statements that may be issued by us or persons acting on our behalf. We undertake no duty to update these forward-looking statements, even though our situation may change in the future. Furthermore, we cannot guarantee future results, events, levels of activity, performance, projections or achievements.

PART I
FINANCIAL INFORMATION

Item 1. Financial Statements.

New Fortress Energy Inc.
Condensed Consolidated Balance Sheets
As of September 30, 2021 and December 31, 2020
(Unaudited, in thousands of U.S. dollars, except share amounts)

	September 30, 2021	December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	$ 224,383	$ 601,522
Restricted cash	72,338	12,814
Receivables, net of allowances of $130 and $98, respectively	161,008	76,544
Inventory	82,390	22,860
Prepaid expenses and other current assets, net	75,602	48,270
Total current assets	615,721	762,010
Restricted cash	37,879	15,000
Construction in progress	973,880	234,037
Property, plant and equipment, net	2,025,688	614,206
Equity method investments	1,227,991	-
Right-of-use assets	145,941	141,347
Intangible assets, net	166,964	46,102
Finance leases, net	603,662	7,044
Goodwill	740,132	-
Deferred tax assets, net	6,087	2,315
Other non-current assets, net	121,142	86,030
Total assets	$ 6,665,087	$ 1,908,091
Liabilities		
Current liabilities		
Current portion of long-term debt	$ 249,752	$ -
Accounts payable	210,259	21,331
Accrued liabilities	159,304	90,352
Current lease liabilities	32,009	35,481
Due to affiliates	6,910	8,980
Other current liabilities	109,662	35,006
Total current liabilities	767,896	191,150
Long-term debt	3,597,659	1,239,561
Non-current lease liabilities	93,321	84,323
Deferred tax liabilities, net	284,176	2,330
Other long-term liabilities	37,885	15,641
Total liabilities	4,780,937	1,533,005
Commitments and contingencies (Note 20)		
Stockholders' equity		
Class A common stock, $0.01 par value, 750.0 million shares authorized, 206.9 million issued and outstanding as of September 30, 2021; 174.6 million issued and outstanding as of December 31, 2020	2,069	1,746
Additional paid-in capital	1,912,643	594,534
Accumulated deficit	(283,256)	(229,503)
Accumulated other comprehensive income	24,625	182
Total stockholders' equity attributable to NFE	1,656,081	366,959
Non-controlling interest	228,069	8,127
Total stockholders' equity	1,884,150	375,086
Total liabilities and stockholders' equity	$ 6,665,087	$ 1,908,091

The accompanying notes are an integral part of these condensed consolidated financial statements.

New Fortress Energy Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss
For the three and nine months ended September 30, 2021 and 2020
(Unaudited, in thousands of U.S. dollars, except share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenues				
Operating revenue	$ 188,389	$ 83,863	$ 382,421	$ 223,542
Vessel charter revenue	78,656	-	143,217	-
Other revenue	37,611	52,995	148,541	82,412
Total revenues	304,656	136,858	674,179	305,954
Operating expenses				
Cost of sales	135,432	71,665	333,533	209,780
Vessel operating expenses	15,301	-	30,701	-
Operations and maintenance	20,144	13,802	54,960	31,785
Selling, general and administrative	46,802	26,821	124,954	87,273
Transaction and integration costs	1,848	4,028	42,564	4,028
Contract termination charges and loss on mitigation sales	-	-	-	124,114
Depreciation and amortization	31,194	9,489	68,080	22,363
Total operating expenses	250,721	125,805	654,792	479,343
Operating income (loss)	53,935	11,053	19,387	(173,389)
Interest expense	57,595	19,813	107,757	50,901
Other (income) expense, net	(5,400)	2,569	(13,458)	4,179
Loss on extinguishment of debt, net	-	23,505	-	33,062
Net income (loss) before income from equity method investments and income taxes	1,740	(34,834)	(74,912)	(261,531)
(Loss) income from equity method investments	(15,983)	-	22,958	-
Tax provision	3,526	1,836	7,058	1,949
Net loss	(17,769)	(36,670)	(59,012)	(263,480)
Net loss attributable to non-controlling interest	7,963	312	5,259	81,163
Net loss attributable to stockholders	$ (9,806)	$ (36,358)	$ (53,753)	$ (182,317)
Net income (loss) per share – basic and diluted	$ (0.05)	$ (0.21)	$ (0.27)	$ (2.14)
Weighted average number of shares outstanding – basic and diluted	207,497,013	170,074,532	195,626,564	85,009,385
Other comprehensive loss:				
Net loss	$ (17,769)	$ (36,670)	$ (59,012)	$ (263,480)
Currency translation adjustment	76,996	(971)	(23,697)	(1,122)
Comprehensive loss	(94,765)	(35,699)	(35,315)	(262,358)
Comprehensive loss (income) attributable to non-controlling interest	8,162	(926)	6,005	80,156
Comprehensive loss attributable to stockholders	$ (86,603)	$ (36,625)	$ (29,310)	$ (182,202)

The accompanying notes are an integral part of these condensed consolidated financial statements.

New Fortress Energy Inc.
Condensed Consolidated Statements of Changes in Stockholders' Equity
For the three and nine months ended September 30, 2021 and 2020
(Unaudited, in thousands of U.S. dollars, except share amounts)

	Class A shares		Class B shares		Class A common stock		Additional paid-in	Accumulated	Accumulated other comprehensive	Non-controlling	Total stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	capital	Deficit	(loss) income	interest	equity
Balance as of December 31, 2020	-	$ -	-	$ -	174,622,862	$ 1,746	$ 594,534	$ (229,503)	$ 182	$ 8,127	$ 375,086
Net loss	-	-	-	-	-	-	-	(37,903)	-	(1,606)	(39,509)
Other comprehensive loss	-	-	-	-	-	-	-	-	(123)	(874)	(997)
Share-based compensation expense	-	-	-	-	-	-	1,770	-	-	-	1,770
Issuance of shares for vested RSUs	-	-	-	-	1,335,787	-	-	-	-	-	-
Shares withheld from employees related to share-based compensation, at cost	-	-	-	-	(638,235)	-	(27,571)	-	-	-	(27,571)
Dividends	-	-	-	-	-	-	(17,598)	-	-	-	(17,598)
Balance as of March 31, 2021	-	$ -	-	$ -	175,320,414	$ 1,746	$ 551,135	$ (267,406)	$ 59	$ 5,647	$ 291,181
Net (loss) income	-	-	-	-	-	-	-	(6,044)	-	4,310	(1,734)
Other comprehensive income	-	-	-	-	-	-	-	-	101,363	327	101,690
Share-based compensation expense	-	-	-	-	-	-	1,613	-	-	-	1,613
Shares issued as consideration in business combinations	-	-	-	-	31,372,549	314	1,400,470	-	-	-	1,400,784
Issuance of shares for vested RSUs	-	-	-	-	8,930	-	-	-	-	-	-
Shares withheld from employees related to share-based compensation, at cost	-	-	-	-	(3,329)	-	(164)	-	-	-	(164)
Non-controlling interest acquired in business combinations	-	-	-	-	-	-	-	-	-	229,285	229,285
Dividends	-	-	-	-	-	-	(20,736)	-	-	-	(20,736)
Balance as of June 30, 2021	-	$ -	-	$ -	206,698,564	$ 2,060	$ 1,932,318	$ (273,450)	$ 101,422	$ 239,569	$ 2,001,919
Net loss	-	-	-	-	-	-	-	(9,806)	-	(7,963)	(17,769)
Other comprehensive loss	-	-	-	-	-	-	-	-	(76,797)	(199)	(76,996)
Share-based compensation expense	-	-	-	-	-	-	1,562	-	-	-	1,562
Adjustments related to business combinations	-	-	-	-	-	-	-	-	-	(319)	(319)
Issuance of shares for vested RSUs	-	-	-	-	193,193	9	(9)	-	-	-	-
Shares withheld from employees related to share-based compensation, at cost	-	-	-	-	(28,515)	-	(478)	-	-	-	(478)
Dividends	-	-	-	-	-	-	(20,750)	-	-	(3,019)	(23,769)
Balance as of September 30, 2021	-	$ -	-	$ -	206,863,242	$ 2,069	$ 1,912,643	$ (283,256)	$ 24,625	$ 228,069	$ 1,884,150

	Class A shares		Class B shares		Class A common stock		Additional paid-in	Accumulated	Accumulated other comprehensive	Non-controlling	Total stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	capital	Deficit	(loss) income	interest	equity
Balance as of December 31, 2019	23,607,096	$ 130,658	144,342,572	$ -	-	$ -	$ -	$ (45,823)	$ (30)	$ 302,519	$ 387,324
Cumulative effect of accounting changes	-	-	-	-	-	-	-	(1,533)	-	(7,780)	(9,313)
Net loss	-	-	-	-	-	-	-	(8,466)	-	(51,757)	(60,223)
Other comprehensive loss	-	-	-	-	-	-	-	-	(53)	(316)	(369)
Share-based compensation expense	-	2,508	-	-	-	-	-	-	-	-	2,508
Issuance of shares for vested RSUs	1,212,907	-	-	-	-	-	-	-	-	-	-
Shares withheld from employees related to share-based compensation, at cost	(583,508)	(6,132)	-	-	-	-	-	-	-	-	(6,132)
Balance as of March 31, 2020	24,236,495	$ 127,034	144,342,572	$ -	-	$ -	$ -	$ (55,822)	$ (83)	$ 242,666	$ 313,795
Net loss	-	-	-	-	-	-	-	(137,493)	-	(29,094)	(166,587)
Other comprehensive income	-	-	-	-	-	-	-	-	435	85	520
Share-based compensation expense	-	1,922	-	-	-	-	-	-	-	-	1,922
Issuance of shares for vested RSUs	11,529	-	-	-	-	-	-	-	-	-	-
Shares withheld from employees related to share-based compensation, at cost	(3,250)	(40)	-	-	-	-	-	-	-	-	(40)
Exchange of NFI units	144,342,572	206,587	(144,342,572)	-	-	-	-	-	-	(206,587)	-
Balance as of June 30, 2020	168,587,346	$ 335,503	-	$ -	-	$ -	$ -	$ (193,315)	$ 352	$ 7,070	$ 149,610
Conversion from LLC to Corporation	(168,587,346)	(335,503)	-	-	168,587,346	1,687	333,816	-	-	-	-
Net loss	-	-	-	-	-	-	-	(36,358)	-	(312)	(36,670)
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	(267)	1,238	971
Share-based compensation expense	-	-	-	-	-	-	2,071	-	-	-	2,071
Issuance of shares for vested RSUs	-	-	-	-	157,148	-	-	-	-	-	-
Shares withheld from employees related to share-based compensation, at cost	-	-	-	-	(6,071)	-	(239)	-	-	-	(239)
Dividends	-	-	-	-	-	-	(17,006)	-	-	-	(17,006)
Balance as of September 30,	-	$ -	-	$ -	168,738,423	$ 1,687	$ 318,642	$ (229,673)	$ 85	$ 7,996	$ 98,737

The accompanying notes are an integral part of these condensed consolidated financial statements.

New Fortress Energy Inc.
Condensed Consolidated Statements of Cash Flows
For the nine months ended September 30, 2021 and 2020
(Unaudited, in thousands of U.S. dollars)

	Nine Months Ended September 30,	
	2021	**2020**
Cash flows from operating activities		
Net loss	$ (59,012)	$ (263,480)
Adjustments for:		
Amortization of deferred financing costs and debt guarantee, net	9,503	9,949
Depreciation and amortization	68,971	23,025
(Earnings) losses of equity method investees	(22,958)	-
Dividends received from equity method investees	14,259	-
Sales-type lease payments received in excess of interest income	1,458	-
Change in market value of derivatives	(4,955)	-
Contract termination charges and loss on mitigation sales	-	71,510
Loss on extinguishment and financing expenses	-	37,090
Deferred taxes	(4,280)	388
Change in value of Investment of equity securities	(7,265)	2,376
Share-based compensation	4,945	6,501
Other	72	1,895
Changes in operating assets and liabilities, net of acquisitions:		
(Increase) in receivables	(75,633)	(43,307)
(Increase) Decrease in inventories	(56,172)	26,691
Decrease (Increase) in other assets	25,500	(16,526)
Decrease in right-of-use assets	3,149	31,910
(Decrease) Increase in accounts payable/accrued liabilities	(2,530)	23,982
(Decrease) in amounts due to affiliates	(2,070)	(1,033)
(Decrease) in lease liabilities	(2,510)	(30,930)
(Decrease) Increase in other liabilities	(30,159)	4,249
Net cash (used in) operating activities	(139,687)	(115,710)
Cash flows from investing activities		
Capital expenditures	(430,549)	(115,841)
Cash paid for business combinations, net of cash acquired	(1,586,042)	-
Entities acquired in asset acquisitions, net of cash acquired	(8,817)	-
Other investing activities	(5,750)	137
Net cash (used in) provided by investing activities	(2,031,158)	(115,704)
Cash flows from financing activities		
Proceeds from borrowings of debt	2,234,650	1,832,144
Payment of deferred financing costs	(35,846)	(27,099)
Repayment of debt	(229,887)	(1,490,002)
Payments related to tax withholdings for share-based compensation	(29,717)	(6,356)
Payment of dividends	(65,051)	(16,871)
Net cash provided by financing activities	1,874,149	291,816
Impact of changes in foreign exchange rates on cash and cash equivalents	1,960	-
Net (decrease) increase in cash, cash equivalents and restricted cash	(294,736)	60,402
Cash, cash equivalents and restricted cash – beginning of period	629,336	93,035
Cash, cash equivalents and restricted cash – end of period	$ 334,600	$ 153,437
Supplemental disclosure of non-cash investing and financing activities:		
Changes in accounts payable and accrued liabilities associated with construction in progress and property, plant and equipment additions	$ 187,295	$ (4,682)
Liabilities associated with consideration paid for entities acquired in asset acquisitions	9,959	-
Consideration paid in shares for business combinations	1,400,784	-

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. Organization

New Fortress Energy Inc. ("NFE," together with its subsidiaries, the "Company"), a Delaware corporation, is a global integrated gas-to-power infrastructure company that seeks to use natural gas to satisfy the world's large and growing power needs and is engaged in providing energy and development services to end-users worldwide seeking to convert their operating assets from diesel or heavy fuel oil to LNG. The Company has liquefaction, regasification and power generation operations in the United States, Jamaica and Brazil. Subsequent to the Mergers (defined below), the Company has marine operations with vessels operating under time charters and in the spot market globally.

On April 15, 2021, the Company completed the acquisitions of Hygo Energy Transition Ltd. ("Hygo") and Golar LNG Partners LP ("GMLP"); referred to as the "Hygo Merger" and "GMLP Merger," respectively and, collectively, the "Mergers". NFE paid $580 million in cash and issued 31,372,549 shares of Class A common stock to Hygo's shareholders in connection with the Hygo Merger. NFE paid $3.55 per each common unit of GMLP outstanding and for each of the outstanding membership interests of GMLP's general partner, totaling $251 million. The Company also repaid certain outstanding debt facilities of GMLP in conjunction with closing the GMLP Merger. The results of operations of Hygo and GMLP have been included in the Company's condensed consolidated financial statements for the period subsequent to the Mergers.

As a result of the Mergers, the Company acquired one operating FSRU terminal in Sergipe, Brazil (the "Sergipe Facility"), a 50% interest in a 1.5GW power plant in Sergipe, Brazil (the "Sergipe Power Plant"), as well as two other FSRU terminals in development in Pará, Brazil (the "Barcarena Facility") and Santa Catarina, Brazil (the "Santa Catarina Facility").

The Company acquired the *Nanook*, a newbuild FSRU moored and in service at the Sergipe Facility. In addition to the *Nanook*, the Company acquired a fleet of six other FSRUs, six LNG carriers and an interest in a floating liquefaction vessel, the *Hilli Episeyo* (the "Hilli"), which receives, liquefies and stores LNG at sea and transfers it to LNG carriers that berth while offshore, each of which are expected to help support the Company's existing facilities and international project pipeline. The majority of the FSRUs are operating in Brazil, Kuwait, Indonesia, Jamaica and Jordan under time charters, and uncontracted vessels are available for short term employment in the spot market.

The Company currently conducts its business through two operating segments, Terminals and Infrastructure and Ships. The business and reportable segment information reflect how the Chief Operating Decision Maker ("CODM") regularly reviews and manages the business.

2. Significant accounting policies

The principal accounting policies adopted are set out below.

(a) Basis of presentation and principles of consolidation

The accompanying unaudited interim condensed consolidated financial statements contained herein were prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and reflect all normal and recurring adjustments which are, in the opinion of management, necessary to provide a fair statement of the financial position, results of operations and cash flows of the Company for the interim periods presented. These condensed consolidated financial statements and accompanying notes should be read in conjunction with the Company's annual audited consolidated financial statements and accompanying notes included in its Annual Report on Form 10-K for the year ended December 31, 2020.

The condensed consolidated financial statements include the accounts of the Company and its wholly-owned and majority-owned consolidated subsidiaries. The ownership interest of other investors in consolidated subsidiaries is recorded as a non-controlling interest. All significant intercompany transactions and balances have been eliminated on consolidation. Certain prior year amounts have been reclassified to conform to current year presentation.

A variable interest entity ("VIE") is an entity that by design meets any of the following characteristics: (1) lacks sufficient equity to allow the entity to finance its activities without additional subordinated financial support; (2) as a group, equity investors do not have the ability to make significant decisions relating to the entity's operations through voting rights, or do not have the obligation to absorb the expected losses or do not have the right to receive residual returns of the entity; or (3) the voting rights of some investors are not proportional to their obligations to absorb the expected losses of the entity, their rights to receive the expected residual returns of the entity, or both, and substantially all of the entity's activities either involve or are conducted on behalf of an investor that has disproportionately few voting rights. The primary beneficiary of a VIE is required to consolidate the assets and liabilities of the VIE. The primary beneficiary is the party that has both (1) the power to direct the economic activities of the VIE that most significantly impact the VIE's economic performance; and (2) through its interest in the VIE, the obligation to absorb the losses or the right to receive the benefits from the VIE that could potentially be significant to the VIE.

The sale and leaseback financings of certain vessels acquired in the Mergers were consummated with VIEs. As part of these financings, the asset was sold to a single asset entity of the lending bank and then leased back. While the Company does not hold an equity investment in these entities, these entities are VIEs, and the Company has a variable interest in the entities due to the guarantees and fixed price repurchase options that absorb the losses of the VIE that could potentially be significant to the entity. The Company has concluded that it has the power to direct the economic activities that most impact the economic performance as it controls the significant decisions relating to the assets and it has the obligation to absorb losses or the right to receive the residual returns from the leased asset. As NFE has no equity interest in these VIEs, all equity attributable to these VIEs is included in non-controlling interests in the condensed consolidated financial statements.

(b) Revenue recognition

Terminals and Infrastructure

Within the Terminals and Infrastructure segment, the Company's contracts with customers may contain one or several performance obligations usually consisting of the sale of LNG, natural gas, power and steam, which are outputs from the Company's natural gas-fueled infrastructure. The transaction price for each of these contracts is structured using similar inputs and factors regardless of the output delivered to the customer. The customers consume the benefit of the natural gas, power and steam when they are delivered by the Company to the customer's power generation facilities or interconnection facility. Natural gas, power and steam qualify as a series with revenue being recognized over time using an output method, based on the quantity of natural gas, power or steam that the customer has consumed. LNG is delivered in containers transported by truck to customer sites, but may also be delivered via vessel to an unloading point specified in a contract. Revenue from sales of LNG is recognized at the point in time at which physical possession and the risks and rewards of ownership transfer to the customer, depending on the terms of the contract. Because the nature, timing and uncertainty of revenue and cash flows are substantially the same for LNG, natural gas, power and steam, the Company has presented Operating revenue on an aggregated basis.

The Company has concluded that variable consideration included in its agreements meets the exception for allocating variable consideration. As such, the variable consideration for these contracts is allocated to each distinct unit of LNG, natural gas, power or steam delivered and recognized when that distinct unit is delivered to the customer.

The Company's contracts with customers to supply natural gas or LNG may contain a lease of equipment, which may be accounted for as a finance or operating lease. For the Company's operating leases, the Company has elected the practical expedient to combine revenue for the sale of natural gas or LNG and operating lease income as the timing and pattern of transfer of the components are the same. The Company has concluded that the predominant component of the transaction is the sale of natural gas or LNG and therefore has not separated the lease component. The lease component of such operating leases is recognized as Operating revenue in the condensed consolidated statements of operations and comprehensive loss. The Company allocates consideration in agreements containing finance leases between lease and non-lease components based on the relative fair value of each component. The fair value of the lease component is estimated based on the estimated standalone selling price of the same or similar equipment leased to the customer. The Company estimates the fair value of the non-lease component by forecasting volumes and pricing of gas to be delivered to the customer over the lease term.

The current and non-current portion of finance leases are recorded within Prepaid expenses and other current assets and Finance leases, net on the condensed consolidated balance sheets, respectively. For finance leases accounted for as sales-type leases, the profit from the sale of equipment is recognized upon lease commencement in Other revenue in the condensed consolidated statements of operations and comprehensive loss. The lease payments for finance leases are segregated into principal and interest components similar to a loan. Interest income is recognized on an effective interest method over the lease term and included in Other revenue in the condensed consolidated statements of operations and comprehensive loss. The principal component of the lease payment is reflected as a reduction to the net investment in the lease.

In addition to the revenue recognized from the finance lease components of agreements with customers, Other revenue includes revenue recognized from the construction, installation and commissioning of equipment, inclusive of natural gas delivered for the commissioning process, to transform customers' facilities to operate utilizing natural gas or to allow customers to receive power or other outputs from our natural gas-fueled power generation facilities. Revenue from these development services is recognized over time as the Company transfers control of the asset to the customer or based on the quantity of natural gas consumed as part of commissioning the customer's facilities until such time that the customer has declared such conversion services have been completed. If the customer is not able to obtain control over the asset under construction until such services are completed, revenue is recognized when the services are completed and the customer has control of the infrastructure. Such agreements may also include a significant financing component, and the Company recognizes revenue for the interest income component over the term of the financing as Other revenue.

The timing of revenue recognition, billings and cash collections results in receivables, contract assets and contract liabilities. Receivables represent unconditional rights to consideration; unbilled amounts typically result from sales under long-term contracts when revenue recognized exceeds the amount billed to the customer. Contract assets are comprised of the transaction price allocated to completed performance obligations that will be billed to customers in subsequent periods. Contract assets are recognized within Prepaid expenses and other current assets, net and Other non-current assets, net on the condensed consolidated balance sheets. Contract liabilities consist of deferred revenue and are recognized within Other current liabilities on the condensed consolidated balance sheets.

Shipping and handling costs are not considered to be separate performance obligations. All such shipping and handling activities are performed prior to the customer obtaining control of the LNG or natural gas.

The Company collects sales taxes from its customers based on sales of taxable products and remits such collections to the appropriate taxing authority. The Company has elected to present sales tax collections in the condensed consolidated statements of operations and comprehensive loss on a net basis and, accordingly, such taxes are excluded from reported revenues.

The Company elected the practical expedient under which the Company does not adjust consideration for the effects of a significant financing component for those contracts where the Company expects at contract inception that the period between transferring goods to the customer and receiving payment from the customer will be one year or less.

Ships

Charter contracts for the use of the FSRUs and LNG carriers acquired as part of the Mergers are leases as the contracts convey the right to obtain substantially all of the economic benefits from the use of the asset and allow the customer to direct the use of that asset.

At inception, the Company makes an assessment on whether the charter contract is an operating lease or a finance lease. In making the classification assessment, the Company estimates the residual value of the underlying asset at the end of the lease term with reference to broker valuations. None of the vessel lease contracts contain residual value guarantees. Renewal periods and termination options are included in the lease term if the Company believes such options are reasonably certain to be exercised by the lessee. Generally, lease accounting commences when the asset is made available to the customer, however, where the contract contains specific customer acceptance testing conditions, the lease will not commence until the asset has successfully passed the acceptance test. The Company assesses leases for modifications when there is a change to the terms and conditions of the contract that results in a change in the scope or the consideration of the lease.

For charter contracts that are determined to be finance leases accounted for as sales-type leases, the profit from the sale of the vessel is recognized upon lease commencement in Other revenue in the condensed consolidated statements of operations and comprehensive loss. The lease payments for finance leases are segregated into principal and interest components similar to a loan. Interest income is recognized on an effective interest method over the lease term and included in Other revenue in the condensed consolidated statements of operations and comprehensive loss. The principal component of the lease payment is reflected as a reduction to the net investment in the lease. Revenue related to operating and service agreements in connection with charter contracts accounted for as sales-type leases are recognized over the term of the charter as the service is provided within Vessel charter revenue in the condensed consolidated statements of operations and comprehensive loss.

Revenues include lease payments under charters accounted for as operating leases and fees for repositioning vessels. Revenues generated from charters contracts are recorded over the term of the charter on a straight-line basis as service is provided and is included in Vessel charter revenue in the condensed consolidated statements of operations and comprehensive loss. Lease payments includes fixed payments (including in-substance fixed payments that are unavoidable) and variable payments based on a rate or index. For operating leases, the Company has elected the practical expedient to combine service revenue and operating lease income as the timing and pattern of transfer of the components are the same. Variable lease payments are recognized in the period in which the circumstances on which the variable lease payments are based become probable or occur.

Repositioning fees are included in Vessel charter revenues and are recognized at the end of the charter when the fee becomes fixed. However, where there is a fixed amount specified in the charter, which is not dependent upon redelivery location, the fee will be recognized evenly over the term of the charter.

Costs directly associated with the execution of the lease or costs incurred after lease inception but prior to the commencement of the lease that directly relate to preparing the asset for the contract are capitalized and amortized in Vessel operating expenses in the condensed consolidated statements of operations and comprehensive loss over the lease term.

The Company's LNG carriers may participate in an LNG carrier pool collaborative arrangement with Golar LNG Limited, referred to as the Cool Pool. The Cool Pool allows the pool participants to optimize the operation of the pool vessels through improved scheduling ability, cost efficiencies and common marketing. Under the Pool Agreement, the Pool Manager is responsible, as an agent, for the marketing and chartering of the participating vessels and paying certain voyage costs such as port call expenses and brokers' commissions in relation to employment contracts, with each of the Pool Participants continuing to be fully responsible for fulfilling the performance obligations in the contract.

The Company is primarily responsible for fulfilling the performance obligations in the time charters of vessels owned by the Company, and the Company is the principal in such time charters. Revenue and expenses for charters of the Company's vessels that participate in the Cool Pool are presented on a gross basis within Vessel charter revenues and Vessel operating expenses, respectively, in the condensed consolidated statements of operations and comprehensive loss. The Company's allocation of its share of the net revenues earned from the other pool participants' vessels, which may be either income or expense depending on the results of all pool participants, is reflected on a net basis within Vessel operating expenses in the condensed consolidated statements of operations and comprehensive loss.

(c) Business combinations

Business combinations are accounted for under the acquisition method. On acquisition, the identifiable assets acquired and liabilities assumed are measured at their fair values at the date of acquisition. Any excess of the purchase price over the fair values of the identifiable net assets acquired is recognized as goodwill. Acquisition related costs are expensed as incurred. The results of operations of acquired businesses are included in the Company's condensed consolidated statements of operations and comprehensive loss from the date of acquisition.

If the assets acquired do not meet the definition of a business, the transaction is accounted for as an asset acquisition and no goodwill is recognized. Costs incurred in conjunction with asset acquisitions are included in the purchase price, and any excess consideration transferred over the fair value of the net assets acquired is reallocated to the identifiable assets based on their relative fair values.

(d) Equity method investments

The Company accounts for investments in entities over which the Company has significant influence, but do not meet the criteria for consolidation, under the equity method of accounting. Under the equity method of accounting, the Company's investment is recorded at cost, or in the case of equity method investments acquired as part of the Mergers, at the acquisition date fair value of the investment. The carrying amount is adjusted for the Company's share of the earnings or losses, and dividends received from the investee reduce the carrying amount of the investment. The Company allocates the difference between the fair value of investments acquired in the Mergers and the Company's proportionate share of the carrying value of the underlying assets, or basis difference, across the assets and liabilities of the investee. The basis difference assigned to amortizable net assets is included in Income (loss) from equity method investments in the condensed consolidated statements of operations and comprehensive loss. When the Company's share of losses in an investee equals or exceeds the carrying value of the investment, no further losses are recognized unless the Company has incurred obligations or made payments on behalf of the investee.

(e) Lessor expense recognition

Vessel operating expenses, which are recognized when incurred, include crewing, repairs and maintenance, insurance, stores, lube oils, communication expenses and third-party management fees. Voyage expenses principally consist of fuel consumed before or after the term of time charter or when the vessel is off hire. Under time charters, the majority of voyage expenses are paid by customers. To the extent that these costs are a fixed amount specified in the charter, which is not dependent upon redelivery location, the estimated voyage expenses are recognized over the term of the time charter.

Initial direct costs include costs directly related to the negotiation and consummation of the lease are deferred and recognized in Vessel operating expenses over the lease term.

(f) Guarantees

Guarantees issued by the Company, excluding those that are guaranteeing the Company's own performance, are recognized at fair value at the time that the guarantees are issued and recognized in Other current liabilities and Other non-current liabilities on the condensed consolidated balance sheets. The guarantee liability is amortized each period as a reduction to Selling, general and administrative expenses. If it becomes probable that the Company will have to perform under a guarantee, the Company will recognize an additional liability if the amount of the loss can be reasonably estimated.

(g) Derivatives

As part of the Mergers, the Company acquired derivative positions that were used to reduce market risks associated with interest rates and foreign exchange rates. All derivative instruments are initially recorded at fair value as either assets or liabilities on the condensed consolidated balance sheets and subsequently remeasured to fair value, regardless of the purpose or intent for holding the derivative. The Company has not designated any derivatives as cash flow or fair value hedges; however, certain instruments may be considered economic hedges.

(h) Property, plant and equipment, net

Property, plant and equipment is recorded at cost. Expenditures for construction activities and betterments that extend the useful life of the asset are capitalized. Vessel refurbishment costs are capitalized and depreciated over the vessels' remaining useful economic lives. Refurbishment costs increase the capacity or improve the efficiency or safety of vessels and equipment. Expenditures for routine maintenance and repairs for assets in the Terminals and Infrastructure segment are charged to expense as incurred within Operations and maintenance in the condensed consolidated statements of operations and comprehensive loss; such expenditures for assets in the Ships segment that do not improve the operating efficiency or extend the useful lives of the vessels are expensed as incurred within Vessel operating expenses.

Major maintenance and overhauls of the Company's power plant and terminals are capitalized and depreciated over the expected period until the next anticipated major maintenance or overhaul. Drydocking expenditures are capitalized when incurred and amortized over the period until the next anticipated drydocking, which is generally five years. For vessels, the Company utilizes the "built-in overhaul" method of accounting. The built-in overhaul method is based on the segregation of vessel costs into those that should be depreciated over the useful life of the vessel and those that require drydocking at periodic intervals to reflect the different useful lives of the components of the assets. The estimated cost of the drydocking component is depreciated until the date of the first drydocking following acquisition of the vessel, upon which the cost is capitalized, and the process is repeated. If drydocking occurs prior to the expected timing, a cumulative adjustment to recognize the change in expected timing of drydocking is recognized within Depreciation and amortization in the condensed consolidated statements of operations and comprehensive loss.

The Company depreciates property, plant and equipment less the estimate residual value using the straight-line depreciation method over the estimated economic life of the asset or lease term, whichever is shorter using the following useful lives:

	Useful life (Yrs)
Vessels	5-30
Terminal and power plant equipment	4-24
CHP facilities	4-20
Gas terminals	5-24
ISO containers and associated equipment	3-25
LNG liquefaction facilities	20-40
Gas pipelines	4-24
Leasehold improvements	2-20

The Company reviews the remaining useful life of its assets on a regular basis to determine whether changes have taken place that would suggest that a change to depreciation policies is warranted.

Upon retirement or disposal of property, plant and equipment, the cost and related accumulated depreciation are removed from the account, and the resulting gains or losses, if any, are recorded in the condensed consolidated statements of operations and comprehensive loss. When a vessel is disposed, any unamortized drydocking expenditure is recognized as part of the gain or loss on disposal in the period of disposal.

(i) Transaction and integration costs

Transaction and integration costs are comprised of costs related to business combinations and include advisory, legal, accounting, valuation and other professional or consulting fees. This caption also includes gains or losses recognized in connection with business combinations, including the settlement of preexisting relationships between the Company and an acquired entity. Financing costs which are not deferred as part of the cost of the financing on the balance sheet are recognized within this caption including fees associated with debt modifications.

3. Adoption of new and revised standards

(a) New standards, amendments and interpretations issued but not effective for the year beginning January 1, 2021:

In August 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity (ASU 2020-06). ASU 2020-06 simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. ASU 2020-06 requires entities to provide expanded disclosures about the terms and features of convertible instruments and amends certain guidance in ASC 260 on the computation of EPS for convertible instruments and contracts on an entity's own equity. ASU 2020-06 is effective for public companies for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years, with early adoption of all amendments in the same period permitted. The Company will adopt this guidance in the first quarter of 2022 and does not expect it to have a material impact on the Company's financial position results of operations or cash flows.

(b) New and amended standards adopted by the Company:

In December 2019, FASB issued ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes ("ASU 2019-12"), which simplifies the accounting for income taxes, including removing certain exceptions related to the general principles in ASU 740, Income Taxes. ASU 2019-12 also clarifies and simplifies other aspects of the accounting for income taxes. The adoption of this guidance in the first quarter of 2021 did not have a material impact on the Company's financial position, results of operations or cash flows.

4. Acquisitions

Hygo Merger

On April 15, 2021, the Company completed the acquisition of all of the outstanding common and preferred shares representing all voting interests of Hygo, a 50-50 joint venture between Golar LNG Limited ("GLNG") and Stonepeak Infrastructure Fund II Cayman (G) Ltd., a fund managed by Stonepeak Infrastructure Partners ("Stonepeak"), in exchange for 31,372,549 shares of NFE Class A common stock and $580,000 in cash. The acquisition of Hygo expands the Company's footprint in South America with three gas-to-power projects in Brazil's large and fast-growing market.

Based on the closing price of NFE's common stock on April 15, 2021, the total value of consideration in the Hygo Merger was $1.98 billion, shown as follows:

Consideration		**As of April 15, 2021**
Cash consideration for Hygo Preferred Shares	$ 180,000	
Cash consideration for Hygo Common Shares	400,000	
Total Cash Consideration		$ 580,000
Merger consideration to be paid in shares of NFE Common Stock	1,400,784	
Total Non-Cash Consideration		1,400,784
Total Consideration		$ 1,980,784

The Company has determined it is the accounting acquirer of Hygo, which will be accounted for under the acquisition method of accounting for business combinations. The total purchase price of the transaction has been allocated to identifiable assets acquired, liabilities assumed and non-controlling interests of Hygo based on their respective estimated fair values as of the closing date.

The process of estimating the fair values of certain tangible assets, identifiable intangible assets and assumed liabilities requires the use of judgment in determining the appropriate assumptions and estimates. The Company is in the process of finalizing the valuation of assets acquired, liabilities assumed and non-controlling interests of Hygo, and therefore the purchase price allocation should be considered preliminary. The preliminary purchase price allocation may be subject to further refinement as the evaluation of the underlying inputs and assumptions of third-party valuations and the assessment of acquisition-related income taxes are finalized. The goodwill balance may be adjusted pending the completion of the valuation of the assets acquired, liabilities assumed and non-controlling interests of Hygo as described above. The preliminary estimates may be subject to adjustments during the measurement period, not to exceed one year, based upon new information obtained about facts and circumstances that existed as of the acquisition date. Preliminary fair values assigned to the assets acquired, liabilities assumed and non-controlling interests of Hygo as of the closing date were as follows:

Hygo	**As of April 15, 2021**
Assets Acquired	
Cash and cash equivalents	$ 26,641
Restricted cash	48,183
Accounts receivable	5,126
Inventory	1,022
Other current assets	8,095
Assets under development	128,625
Property, plant and equipment, net	385,389
Equity method investments	823,521
Finance leases, net	601,000
Deferred tax assets, net	1,065
Other non-current assets	52,996
Total assets acquired:	$ 2,081,663
Liabilities Assumed	
Current portion of long-term debt	$ 38,712
Accounts payable	3,059
Accrued liabilities	39,149
Other current liabilities	13,495
Long-term debt	433,778
Deferred tax liabilities, net	254,949
Other non-current liabilities	21,520
Total liabilities assumed:	804,662
Non-controlling interest	36,115
Net assets acquired:	1,240,886
Goodwill	$ 739,898

During the three months ended September 30, 2021, the Company made certain measurement period adjustments to the assets acquired, liabilities assumed and non-controlling interests of Hygo due to additional information utilized to determine fair value during the measurement period. The measurement period adjustment impacted the fair value of debt assumed, including associated impacts to non-controlling interests and deferred tax liabilities. The measurement period adjustment decreased goodwill by $7,039, and the Company recognized additional interest expense of $1,088 in the three months ended September 30, 2021.

The fair value of Hygo's non-controlling interest ("NCI") as of April 15, 2021 was $36,115, including the fair value of the net assets of VIEs that Hygo has consolidated. These VIEs are special purpose vehicles ("SPV") for the sale and leaseback of certain vessels, and Hygo has no equity investment in these entities. The fair value of NCI was determined based on the valuation of the SPV's external debt and the lease receivable asset associated with the sales leaseback transaction with Hygo's subsidiary, using a discounted cash flow method.

The fair value of receivables acquired from Hygo is $8,009, which approximates the gross contractual amount; no material amounts are expected to be uncollectible.

Goodwill is calculated as the excess of the purchase price over the net assets acquired. Goodwill represents access to additional LNG and natural gas distribution systems and power markets, including a local workforce that will allow the Company to rapidly develop and deploy LNG to power solutions.

The Company's results of operations for the nine months ended September 30, 2021 include Hygo's result of operations from the date of acquisition, April 15, 2021, through September 30, 2021. Revenue and net income (loss) attributable to Hygo during the period was $42,136 and $9,324, respectively.

GMLP Merger

On April 15, 2021, the Company completed the acquisition of all of the outstanding common units, representing all voting interests, of GMLP in exchange for $3.55 in cash per common unit and for each of the outstanding membership interest of GMLP's general partner. In conjunction with the closing of the GMLP Merger, NFE simultaneously extinguished a portion of GMLP's debt for total consideration of $1.15 billion.

With the acquisition of GMLP, the Company gains vessels to support the existing terminals and business development pipeline, as well as an interest in a floating natural gas facility ("FLNG"), which is expected to provide consistent cash flow streams under a long-term tolling arrangement. The interest in the FLNG facility also provides the Company access to intellectual property that will be used to develop future FLNG solutions.

The consideration paid by the Company in the GMLP Merger was as follows:

Consideration		**As of April 15, 2021**
GMLP Common Units ($3.55 per unit x 69,301,636 units)	$ 246,021	
GMLP General Partner Interest ($3.55 per unit x 1,436,391 units)	5,099	
Partnership Phantom Units ($3.55 per unit x 58,960 units)	209	
Cash Consideration		$ 251,329
GMLP debt repaid in acquisition	899,792	
Total Cash Consideration		1,151,121
Cash settlement of preexisting relationship	(3,978)	
Total Consideration		$ 1,147,143

The Company has determined it is the accounting acquirer of GMLP, which will be accounted for under the acquisition method of accounting for business combinations. The total purchase price of the transaction has been allocated to identifiable assets acquired, liabilities assumed and non-controlling interests of GMLP based on their respective estimated fair values as of the closing date.

The process of estimating the fair values of certain tangible assets, identifiable intangible assets and assumed liabilities requires the use of judgment in determining the appropriate assumptions and estimates. The Company is in the process of finalizing the valuation of assets acquired, liabilities assumed and non-controlling interests of GMLP, and therefore the purchase price allocation should be considered preliminary. The preliminary purchase price allocation may be subject to further refinement as the evaluation of the underlying inputs and assumptions of third-party valuations and the assessment of acquisition-related income taxes are finalized. The goodwill balance may be adjusted pending the completion of the valuation of the assets acquired, liabilities assumed and non-controlling interests of GMLP as described above. The preliminary estimates may be subject to adjustments during the measurement period, not to exceed one year, based upon new information obtained about facts and circumstances that existed as of the acquisition date. Preliminary fair values assigned to the assets acquired, liabilities assumed and non-controlling interests of GMLP as of the closing date were as follows:

GMLP	As of April 15, 2021
Assets Acquired	
Cash and cash equivalents	$ 41,461
Restricted cash	24,816
Accounts receivable	3,195
Inventory	2,151
Other current assets	2,789
Equity method investments	355,500
Property, plant and equipment, net	1,063,215
Intangible assets, net	120,000
Deferred tax assets, net	963
Other non-current assets	4,400
Total assets acquired:	$ 1,618,490
Liabilities Assumed	
Current portion of long-term debt	$ 158,073
Accounts payable	3,019
Accrued liabilities	17,226
Other current liabilities	73,774
Deferred tax liabilities, net	16,008
Other non-current liabilities	10,630
Total liabilities assumed:	278,730
Non-controlling interest	192,851
Net assets to be acquired:	1,146,909
Goodwill	$ 234

During the three months ended September 30, 2021, the Company made certain measurement period adjustments to the assets acquired, liabilities assumed and non-controlling interests of GMLP due to additional information utilized to determine fair value during the measurement period. The measurement period adjustment impacted the fair value of debt assumed, including associated impacts to non-controlling interests. The measurement period adjustment decreased goodwill by $1,431, and the Company recognized an amortization of the discount on debt of $11,119 as an addition to interest expense for the period after the GMLP Merger.

The fair value of GMLP's NCI as of April 15, 2021 was $192,851, which represents the fair value of other investors' interest in the *Mazo*, GMLP's preferred units which were not acquired by the Company and the fair value of net assets of an SPV formed for the purpose of a sale and leaseback of the *Eskimo*. The fair value of GMLP's preferred units and the valuation of the SPV's external debt and the lease receivable asset associated with the sale leaseback transaction have been estimated using a discounted cash flow method.

The fair value of receivables acquired from GMLP is $4,797, which approximates the gross contractual amount; no material amounts are expected to be uncollectible.

The Company acquired favorable and unfavorable leases for the use of GMLP's vessels. The fair value of the favorable contracts is $120,000 and the fair value of the unfavorable contracts is $13,400. The total weighted average amortization period is approximately three years; the favorable contract asset has a weighted average amortization period of approximately three years and the unfavorable contract liability has a weighted average amortization period of approximately one year.

The Company and GMLP had an existing lease agreement prior to the GMLP Merger. As a result of the acquisition, the lease agreement and any associated receivable and payable balances are effectively settled. The lease agreement also included provisions that required a subsidiary of NFE to indemnify GMLP to the extent that GMLP incurred certain tax liabilities as a result of the lease. A loss of $3,978 related to settlement of this indemnification provision was recognized in Transaction and integration costs in the condensed consolidated statements of operations and comprehensive loss in the second quarter of 2021.

The Company's results of operations for the nine months ended September 30, 2021 include GMLP's result of operations from the date of acquisition, April 15, 2021, through September 30, 2021. Revenue and net income (loss) attributable to GMLP during this period was $123,261 and $82,310, respectively.

Acquisition costs associated with the Mergers of $58 and $33,530 for the three and nine months ended September 30, 2021 were included in Transaction and integration costs in the Company's condensed consolidated statements of operations and comprehensive loss.

Unaudited pro forma financial information

The following table summarizes the unaudited pro forma condensed financial information of the Company as if the Mergers had occurred on January 1, 2020.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenue	$ 304,656	$ 229,619	$ 780,875	$ 571,892
Net income (loss)	(8,994)	(35,127)	(75,963)	(357,190)
Net income (loss) attributable to stockholders	(12,822)	(36,870)	(95,954)	(281,127)

The unaudited pro forma financial information is based on historical results of operations as if the acquisitions had occurred on January 1, 2020, adjusted for transaction costs incurred, adjustments to depreciation expense associated with the recognition of the fair value of vessels acquired, additional amortization expense associated with the recognition of the fair value of favorable and unfavorable customer contracts for vessel charters, additional interest expense as a result of incurring new debt and extinguishing historical debt, elimination of a pre-existing lease relationship between the Company and GMLP, and a step-up of the equity method investments and a favorable power purchase agreement contract.

Pro forma net income (loss) for the nine months ended September 30, 2020 includes non-recurring expenses associated with the Mergers of $37,508; such non-recurring expenses have been removed from the pro forma financial information for the nine months ended September 30, 2021. Transaction costs incurred and the elimination of a pre-existing lease relationship between the Company and GMLP are considered to be non-recurring. The unaudited pro forma financial information does not give effect to any synergies, operating efficiencies or cost savings that may result from the Mergers.

GLNG management and services agreements

In connection with the closing of the Mergers, the Company entered into multiple agreements with Golar Management Limited, a subsidiary of GLNG (“Golar Management”), including omnibus agreements, transition services agreements, ship management agreements and other services agreements described as follows:

- The Company and Golar Management entered into transition service agreements whereby Golar Management provides certain administrative and consulting services to facilitate the integration of GMLP and Hygo (the “Transition Services Agreements”). The Transition Services Agreements commenced on April 15, 2021 and will terminate on April 30, 2022 unless terminated earlier by either party. The Company pays Golar Management monthly payments of $250 and will reimburse Golar Management for all reasonable and documented out-of-pocket expenses or remittances of funds paid to a third party in connection with the provision of the Transition Services.

- The Company’s vessel-owning subsidiaries entered into ship management agreements with Golar Management (the “Ship Management Agreements”), pursuant to which Golar Management provides certain technical, crew, insurance and commercial management services for the acquired vessels for a specified annual cost per vessel. The Ship Management Agreements commenced on April 15, 2021 will continue until terminated by either party by notice, in which event the relevant Ship Management Agreements will terminate upon the later of 12 months after April 15, 2021 or two months from the date on which such notice is received.

- The Company also entered into certain agreements to facilitate the integration of the acquired businesses and their operations whereby GLNG or its subsidiaries will continue to provide certain guarantees and indemnities under charter arrangements or GMLP’s and Hygo’s sale leaseback agreements. NFE pays the relevant Charter Guarantor or Golar an annual guarantee fee of $250 per vessel.

- The Company and Golar Management (Bermuda) Limited (“Golar Bermuda”) entered into a services agreement (the “Bermuda Services Agreement”) pursuant to which Golar Bermuda will act as GMLP’s and Hygo’s registered office in Bermuda and provide certain corporate secretarial, registrar and administration services (the “Bermuda Services Agreements”). The Bermuda Services Agreements commenced on April 15, 2021. Either party may terminate the Bermuda Services Agreements upon 30 days’ prior written notice. Golar Partners and Hygo pay Golar Bermuda an aggregate annual fee of $50 for the Bermuda services and will reimburse Golar Bermuda for all incidental documented costs and expenses reasonably incurred by Golar Bermuda and its designees in connection with the provision of the Bermuda services.

During the period subsequent to the completion of the Mergers, the Company incurred $3,387 and $6,487 for the three and nine months ended September 30, 2021, respectively, in management, services or guarantee fees under these agreements with GLNG, Golar Management or GLNG affiliated entities.

Asset acquisitions

On January 12, 2021, the Company acquired 100% of the outstanding share quota of CH4 Energia Ltda. (“CH4”), an entity that owns key permits and authorizations to develop an LNG terminal and an up to 1.37 GW gas-fired power plant at the Port of Suape in Brazil. The purchase consideration consisted of $903 of cash paid at closing in addition to potential future payments contingent on achieving certain construction milestones of up to approximately $3,600. As the contingent payments meet the definition of a derivative, the fair value of the contingent payments as of the acquisition date of $3,047 was included as part of the purchase consideration and was recognized in Other non-current liabilities on the condensed consolidated balance sheets. The selling shareholders of CH4 may also receive future payments based on gas consumed by the power plant or sold to customers from the LNG terminal. For the three and nine months ended September 30, 2021, the Company recognized a gain from the change in fair value of the derivative liability of $62 and $9, respectively, which is presented in Other (income) expense, net in the condensed consolidated statements of operations and comprehensive loss.

The purchase of CH4 has been accounted for as an asset acquisition. As a result, no goodwill was recorded, and the Company’s acquisition-related costs of $295 were included in the purchase consideration. The total purchase consideration of $5,776, which includes a deferred tax liability of $1,531 recognized as a result from the acquisition, was allocated to permits and authorizations acquired and was recorded within Intangible assets, net.

On March 11, 2021, the Company acquired 100% of the outstanding shares of Pecém Energia S.A. (“Pecém”) and Energetica Camacari Muricy II S.A. (“Muricy”). These companies collectively hold grants to operate as an independent power provider and 15-year power purchase agreements for the development of thermoelectric power plants in the State of Bahia, Brazil. The Company is seeking to obtain the necessary approvals to transfer the power purchase agreements in connection with the construction the gas-fired power plant and LNG import terminal at the Port of Suape.

The purchase consideration consisted of $8,041 of cash paid at closing in addition to potential future payments contingent on achieving commercial operations of the gas-fired power plant at the Port of Suape of up to approximately $10.5 million. As the contingent payments meet the definition of a derivative, the fair value of the contingent payments as of the acquisition date of $7,473 was included as part of the purchase consideration and was recognized in Other non-current liabilities on the condensed consolidated balance sheets. The selling shareholders may also receive future payments based on power generated by the power plant in Suape, subject to a maximum payment of approximately $4.6 million. For the three and nine months ended September 30, 2021, the Company recognized a gain from the change in fair value of the derivative liability of $843 and $427, respectively, which is presented in Other (income) expense, net in the condensed consolidated statements of operations and comprehensive loss.

The purchases of Pecém and Muricy were accounted for as asset acquisitions. As a result, no goodwill was recorded, and the Company’s acquisition-related costs of $1,275 were included in the purchase consideration. Of the total purchase consideration, $16,585 was allocated to acquired power purchase agreements and recorded in Intangible assets, net on the condensed consolidated balance sheets; the remaining purchase consideration was related to working capital acquired.

5. VIEs

Lessor VIEs

The Company assumed sale leaseback arrangements for four vessels as part of the Mergers. The counterparty to each of these sale leaseback arrangements is a VIE, and these lessor VIEs are SPVs wholly owned by financial institutions. While the Company does not own hold an equity investment in these entities, these lessor VIEs are consolidated in the condensed consolidated financial statements. As the Company has no equity attributable to these lessor VIEs, all equity attributable to these lessor VIEs is included in non- controlling interests in the condensed consolidated financial statements. Transactions between our wholly-owned subsidiaries and these VIEs are eliminated in consolidation, including sale leaseback transactions.

China Merchants Bank Lending (“CMBL”)

In November 2015, the *Eskimo* was sold to a subsidiary of CMBL, Sea 23 Leasing Co. Limited, and subsequently leased back under a bareboat charter for a term of ten years. The Company has options to repurchase the vessel throughout the charter term at fixed pre-determined amounts, commencing from the third anniversary of the commencement of the bareboat charter, with an obligation to repurchase the vessel at the end of the ten-year lease period.

CCB Financial Leasing Corporation Limited ("CCBFL")

In September 2018, the *Nanook* was sold to a subsidiary of CCBFL, Compass Shipping 23 Corporation Limited, and subsequently leased back on a bareboat charter for a term of twelve years. The Company has options to repurchase the vessel throughout the charter term at fixed pre-determined amounts, commencing from the third anniversary of the commencement of the bareboat charter, with an obligation to repurchase the vessel at the end of the twelve-year lease period.

Oriental Shipping Company ("COSCO")

In December 2019, the *Penguin* was sold to a subsidiary of COSCO, Oriental Fleet LNG 02 Limited, and subsequently leased back on a bareboat charter for a term of six years. The Company has options to repurchase the vessel throughout the charter term at fixed pre-determined amounts, commencing from the first anniversary of the commencement of the bareboat charter, with an obligation to repurchase the vessel at the end of the six-year lease period.

AVIC International Leasing Company Limited ("AVIC")

In March 2020, the *Celsius* was sold to a subsidiary of AVIC, Noble Celsius Shipping Limited, and subsequently leased back on a bareboat charter for a term of seven years. The Company has options to repurchase the vessel throughout the charter term at fixed predetermined amounts, commencing from the first anniversary of the commencement of the bareboat charter, with an obligation to repurchase the vessel at the end of the seven-year lease period.

While the Company does not hold an equity investment in the above SPVs, the Company has a variable interest in these SPVs. The Company is the primary beneficiary of these VIEs and, accordingly, these VIEs are consolidated into the Company's financial results for the period after the Mergers. The effect of the bareboat charter arrangements is eliminated upon consolidation of the SPVs. The equity attributable to CMBL, CCBFL, COSCO and AVIC in their respective VIEs are included in non-controlling interests in the condensed consolidated financial statements. As of September 30, 2021, the *Eskimo*, *Penguin* and *Celsius* are recorded as Property, plant and equipment, net on the condensed consolidated balance sheet, and the *Nanook* was recognized in Finance leases, net on the condensed consolidated balance sheet.

The following table gives a summary of the sale and leaseback arrangements, including repurchase options and obligations as of September 30, 2021:

Vessel	End of lease term	Date of next repurchase option	Repurchase price at next repurchase option date	Repurchase obligation at end of lease term
Eskimo	November 2025	November 2021	$ 189,100	$ 128,250
Nanook	September 2030	December 2021	202,116	94,179
Penguin	December 2025	December 2021	92,761	63,040
Celsius	March 2027	March 2022	98,290	45,000

A summary of payment obligations under the bareboat charters with the lessor VIEs as of September 30, 2021, are shown below:

Vessel	Remaining 2021	2022	2023	2024	2025	2026+
Eskimo	$ 3,353	$ -	$ -	$ -	$ -	$ -
Nanook	5,477	21,561	20,964	20,390	19,768	85,754
Penguin	2,955	11,663	11,322	10,962	8,002	-
Celsius	3,976	15,574	15,023	14,484	13,922	12,753

The payment obligation table above includes variable rental payments due under the lease based on an assumed LIBOR plus margin but excludes the repurchase obligation at the end of lease term.

The assets and liabilities of these lessor VIEs that most significantly impact the condensed consolidated balance sheet as of September 30, 2021 are as follows:

	Eskimo	Nanook	Penguin	Celsius
Assets				
Restricted cash	$ -	$ 19,533	$ 9,690	$ 24,924
Liabilities				
Long-term interest bearing debt - current portion	$ 152,004	$ -	$ 18,813	$ 5,870
Long-term interest bearing debt - non-current portion	-	202,006	77,738	110,336

As a result of the Mergers, the most significant impact of the lessor VIEs operations on the Company's condensed consolidated statement of operations is an addition to interest expense of $15,263 and $8,628 for the three and nine months ended September 30, 2021, respectively. Upon assumption of the debt held by VIEs in conjunction with the Mergers, the Company recognized the liabilities assumed at fair value, and the amortization of the discount of $11,550 and $1,843 has been recognized as an addition to interest expense incurred of $3,713 and $6,785 for the three and nine months ended, respectively. The most significant impact of the lessor VIEs cash flows on the condensed consolidated statements of cash flows is net cash used in financing activities of $21,061 for the period subsequent to the completion of the Mergers.

Other VIEs

Hilli LLC

The Company acquired an interest of 50% of the common units of Hilli LLC ("Hilli Common Units") as part of the acquisition of GMLP. Hilli LLC owns Golar Hilli Corporation ("Hilli Corp"), the disponent owner of the Hilli. The Company determined that Hilli LLC is a VIE, and the Company is not the primary beneficiary of Hilli LLC. Thus, Hilli LLC has not been consolidated into the financial statements and has been recognized as an equity method investment.

As of September 30, 2021 the maximum exposure as a result of the Company's ownership in the Hilli LLC is the carrying value of the equity method investment of $363,543 and the outstanding portion of the Hilli Leaseback (defined below) which have been guaranteed by the Company.

6. Revenue recognition

Operating revenue includes revenue from sales of LNG and natural gas as well as outputs from the Company's natural gas-fueled power generation facilities, including power and steam. Other revenue includes revenue for development services as well as interest income from the Company's finance leases and other revenue. The table below summarizes the balances in Other revenue:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Development services revenue	$ 25,264	$ 51,974	$ 125,924	$ 79,540
Interest income and other revenue	12,347	1,021	22,617	2,872
Total other revenue	$ 37,611	$ 52,995	$ 148,541	$ 82,412

Development services revenue recognized in the three and nine months ended September 30, 2021 included $25,264 and $114,654, respectively, for the customer's use of natural gas as part of commissioning their assets.

Under most customer contracts, invoicing occurs once the Company's performance obligations have been satisfied, at which point payment is unconditional. As of September 30, 2021 and December 31, 2020, receivables related to revenue from contracts with customers totaled $126,783 and $76,431, respectively, and were included in Receivables, net on the condensed consolidated balance sheets, net of current expected credit losses of $130 and $98, respectively. Other items included in Receivables, net not related to revenue from contracts with customers represent leases which are accounted for outside the scope of ASC 606 and receivables associated with reimbursable costs.

The Company has recognized contract liabilities, comprised of unconditional payments due or paid under the contracts with customers prior to the Company's satisfaction of the related performance obligations. The performance obligations are expected to be satisfied during the next 12 months, and the contract liabilities are classified within Other current liabilities on the condensed consolidated balance sheets. Contract assets are comprised of the transaction price allocated to completed performance obligations that will be billed to customers in subsequent periods. The contract liabilities and contract assets balances as of September 30, 2021 and December 31, 2020 are detailed below:

	September 30, 2021	December 31, 2020
Contract assets, net - current	$ 7,310	$ 4,029
Contract assets, net - non-current	38,554	30,434
Total contract assets, net	$ 45,864	$ 34,463
Contract liabilities	$ 2,371	$ 8,399
Revenue recognized in the year from:		
Amounts included in contract liabilities at the beginning of the year	$ 6,340	$ 6,542

Contract assets are presented net of expected credit losses of $530 and $376 as of September 30, 2021 and December 31, 2020, respectively. As of September 30, 2021 and December 31, 2020, contract assets was comprised of $45,513 and $6,821 of unbilled receivables, respectively, that represent unconditional rights to payment only subject to the passage of time.

The Company has recognized costs to fulfill a contract with a significant customer, which primarily consist of expenses required to enhance resources to deliver under the agreement with the customer. As of September 30, 2021, the Company has capitalized $11,132, of which $604 of these costs is presented within Other current assets and $10,528 is presented within Other non-current assets on the condensed consolidated balance sheets. As of December 31, 2020, the Company had capitalized $11,276, of which $588 of these costs was presented within Other current assets and $10,688 was presented within Other non-current assets on the condensed consolidated balance sheets. In the first quarter of 2020, the Company began delivery under the agreement and started recognizing these costs on a straight-line basis over the expected term of the agreement.

Transaction price allocated to remaining performance obligations

Some of the Company's contracts are short-term in nature with a contract term of less than a year. The Company applied the optional exemption not to report any unfulfilled performance obligations related to these contracts.

The Company has arrangements in which LNG, natural gas or outputs from the Company's power generation facilities are sold on a "take-or-pay" basis whereby the customer is obligated to pay for the minimum guaranteed volumes even if it does not take delivery. The price under these agreements is typically based on a market index plus a fixed margin. The fixed transaction price allocated to the remaining performance obligations under these arrangements represents the fixed margin multiplied by the outstanding minimum guaranteed volumes. The Company expects to recognize this revenue over the following time periods. The pattern of recognition reflects the minimum guaranteed volumes in each period:

Period	**Revenue**
Remainder of 2021	$ 67,761
2022	474,995
2023	515,235
2024	511,719
2025	503,099
Thereafter	8,446,430
Total	$ 10,519,239

For all other sales contracts that have a term exceeding one year, the Company has elected the practical expedient in ASC 606 under which the Company does not disclose the transaction price allocated to remaining performance obligations if the variable consideration is allocated entirely to a wholly unsatisfied performance obligation. For these excluded contracts, the sources of variability are (a) the market index prices of natural gas used to price the contracts, and (b) the variation in volumes that may be delivered to the customer. Both sources of variability are expected to be resolved at or shortly before delivery of each unit of LNG, natural gas, power or steam. As each unit of LNG, natural gas, power or steam represents a separate performance obligation, future volumes are wholly unsatisfied.

Lessor arrangements

The Company's vessel charters of LNG carriers and FSRUs can take the form of operating or finance leases. Property, plant and equipment subject to vessel charters accounted for as operating leases is included within Vessels within Note 14 Property, plant and equipment, net. The following is the carrying amount of property, plant and equipment that is leased to customers under operating leases:

	September 30, 2021	**December 31, 2020**
Property, plant and equipment	$ 1,274,293	$ 18,394
Accumulated depreciation	(20,128)	(932)
Property, plant and equipment, net	$ 1,254,165	$ 17,462

The components of lease income from vessel operating leases for the three and nine months ended September 30, 2021 were as follows:

	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2021
Operating lease income	$ 74,069	$ 136,095
Variable lease income	3,096	4,466
Total operating lease income	$ 77,165	$ 140,561

The Company's charter of the *Nanook* to CELSE and certain equipment leases provided in connection with the supply of natural gas or LNG are accounted for as finance leases.

The Company recognized interest income of $11,607 and $21,288 for the three months and nine months ended September 30, 2021, respectively, related to the finance lease of the *Nanook* included within Other revenue in the condensed consolidated statements of operations and comprehensive loss. The Company recognized revenue of $1,491 and $2,656 for the three months and nine months ended September 30, 2021, respectively, related to the operation and services agreement within Vessel charter revenue in the condensed consolidated statements of operations and comprehensive loss.

As of September 30, 2021, there were outstanding balances due from CELSE of $6,183, of which $4,210 is recognized in Receivables, net and a loan to CELSE of $1,973 is recognized in Prepaid expenses and other current assets, net on the condensed consolidated balance sheets. CELSE is an affiliate due to the equity method investment held in CELSE's parent, CELSEPAR, and as such, these transactions and balances are related party in nature.

The following table shows the expected future lease payments as of September 30, 2021, for the remainder of 2021 through 2025 and thereafter:

	Future cash receipts	
	Financing Leases	Operating Leases
Remainder of 2021	$ 12,478	$ 64,827
2022	49,951	244,239
2023	50,616	144,375
2024	51,442	105,572
2025	51,876	25,961
Thereafter	1,104,102	-
Total minimum lease receivable	$ 1,320,465	$ 584,974
Unguaranteed residual value	107,000	
Gross investment in sales-type lease	$ 1,427,465	
Less: Unearned interest income	818,758	
Less: Current expected credit losses	1,546	
Net investment in leased vessel	$ 607,161	
Current portion of net investment in leased asset	$ 3,499	
Non-current portion of net investment in leased asset	603,662	

7. Leases, as lessee

The Company has operating leases primarily for the use of LNG vessels, marine port space, office space, land and equipment under non-cancellable lease agreements. The Company's leases may include multiple optional renewal periods that are exercisable solely at the Company's discretion. Renewal periods are included in the lease term when the Company is reasonably certain that the renewal options would be exercised, and the associated lease payments for such periods are reflected in the ROU asset and lease liability.

The Company's leases include fixed lease payments which may include escalation terms based on a fixed percentage or may vary based on an inflation index or other market adjustments. Escalations based on changes in inflation indices and market adjustments and other lease costs that vary based on the use of the underlying asset are not included as lease payments in the calculation of the lease liability or ROU asset; such payments are included in variable lease cost when the obligation that triggers the variable payment becomes probable. Variable lease cost includes contingent rent payments for office space based on the percentage occupied by the Company in addition to common area charges and other charges that are variable in nature. The Company also has a component of lease payments that are variable related to the LNG vessels, in which the Company may receive credits based on the performance of the LNG vessels during the period.

As of September 30, 2021 and December 31, 2020, right-of-use assets, current lease liabilities and non-current lease liabilities consisted of the following:

	September 30, 2021	December 31, 2020
Operating right-of-use-assets	$ 126,424	$ 141,347
Finance right-of-use-assets [1]	19,517	-
Total right-of-use assets	$ 145,941	$ 141,347
Current lease liabilities:		
Operating lease liabilities	$ 28,871	$ 35,481
Finance lease liabilities	3,138	-
Total current lease liabilities	$ 32,009	$ 35,481
Non-current lease liabilities:		
Operating lease liabilities	$ 80,736	$ 84,323
Finance lease liabilities	12,585	-
Total non-current lease liabilities	$ 93,321	$ 84,323

(1) Finance lease right-of-use assets are recorded net of accumulated amortization of $289 as of September 30, 2021.

For the three and nine months ended September 30, 2021 and 2020, the Company's operating lease cost recorded within the condensed consolidated statements of operations and comprehensive loss were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Fixed lease cost	$ 9,450	$ 11,160	$ 30,231	$ 28,024
Variable lease cost	221	1,054	1,417	1,767
Short-term lease cost	523	473	2,752	1,088
Lease cost - Cost of sales	$ 7,954	$ 10,690	$ 27,983	$ 26,150
Lease cost - Operations and maintenance	486	619	1,592	1,447
Lease cost - Selling, general and administrative	1,754	1,378	4,825	3,282

For the three and nine months ended September 30, 2021, the Company has capitalized $5,297 and $8,809 of lease costs, respectively, for vessels and port space used during the commissioning of development projects in addition to short-term lease costs for vessels chartered by the Company to transport inventory from a supplier's facilities to the Company's storage locations which are capitalized to inventory.

Beginning in the second quarter of 2021, leases for ISO tanks and a parcel of land that transfer the ownership in underlying assets to the Company at the end of the lease have commenced, and these leases are treated as finance leases. For the three and nine months ended September 30, 2021, the Company recognized interest expense related to finance leases of $152 and $202, respectively, which are included within Interest expense, net in the condensed consolidated statements of operations and comprehensive loss. For the three and nine months ended September 30, 2021, the Company recognized amortization of the right-of-use asset related to finance leases of $228 and $289, respectively, which are included within Depreciation and amortization in the condensed consolidated statements of operations and comprehensive loss.

Cash paid for operating leases is reported in operating activities in the condensed consolidated statements of cash flows. Supplemental cash flow information related to leases was as follows for the nine months ended September 30, 2021 and 2020:

	Nine Months Ended September 30,	
	2021	2020
Operating cash outflows for operating lease liabilities	$ 26,905	$ 32,230
Financing cash outflows for finance lease liabilities	1,092	-
Right-of-use assets obtained in exchange for new operating lease liabilities	7,377	172,053
Right-of-use assets obtained in exchange for new finance lease liabilities	19,805	-

The future payments due under operating and finance leases as of September 30, 2021 are as follows:

	Operating Leases	Financing Leases
Due remainder of 2021	$ 9,788	$ 1,218
2022	33,540	3,449
2023	26,868	3,519
2024	20,496	3,538
2025	12,085	3,538
Thereafter	61,417	2,883
Total Lease Payments	$ 164,194	$ 18,145
Less: effects of discounting	54,587	2,422
Present value of lease liabilities	$ 109,607	$ 15,723
Current lease liability	$ 28,871	$ 3,138
Non-current lease liability	80,736	12,585

As of September 30, 2021, the weighted-average remaining lease term for operating leases was 8.4 years and finance leases was 5.4 years. Because the Company generally does not have access to the rate implicit in the lease, the incremental borrowing rate is utilized as the discount rate. The weighted average discount rate associated with operating leases as of September 30, 2021 was 8.5%. The weighted average discount rate associated with finance leases as of September 30, 2021 was 5.1%.

The Company has entered into several leases for ISO tanks that have not commenced as of September 30, 2021 with noncancelable terms of 5 years and including fixed payments of approximately $6.3 million.

8. Financial instruments

Interest rate and currency risk management

In connection with the Mergers, the Company has acquired financial instruments that GMLP and Hygo used to reduce the risk associated with fluctuations in interest rates and foreign exchange rates. Interest rate swaps are used to convert floating rate interest obligations to fixed rates, which from an economic perspective hedges the interest rate exposure. The Company also acquired a cross currency interest rate swap to manage interest rate exposure on the Debenture Loan and the foreign exchange rate exposure on the US dollar cash flows from the charter of the *Nanook* to CELSE that guarantees the repayments of the Brazilian Real-denominated Debenture Loan.

The Company does not hold or issue instruments for speculative or trading purposes, and the counterparties to such contracts are major banking and financial institutions. Credit risk exists to the extent that the counterparties are unable to perform under the contracts; however, the Company does not anticipate non-performance by any counterparties.

The following table summarizes the terms of interest rate and cross currency interest rate swaps as of September 30, 2021:

Instrument	Notional Amount	Maturity Dates	Fixed Interest Rate	Forward Foreign Exchange Rate
Interest rate swap: Receiving floating, pay fixed	$ 372,750,000	March 31, 2026	2.86%	N/A
Cross currency interest rate swap - Debenture Loan, due 2024	BRL 230,100,142	September 2024	5.90%	5.424

The mark-to-market gain or loss on our interest rate and foreign currency swaps that are not designated as hedges for accounting purposes for the period are reported in the condensed consolidated statements of operations and comprehensive loss in Other (income) expense, net.

Fair value

Fair value measurements and disclosures require the use of valuation techniques to measure fair value that maximize the use of observable inputs and minimize use of unobservable inputs. These inputs are prioritized as follows:

- Level 1 – observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities or market corroborated inputs.

- Level 3 - unobservable inputs for which there is little or no market data and which require the Company to develop its own assumptions about how market participants price the asset or liability.

The valuation techniques that may be used to measure fair value are as follows:

- Market approach – uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

- Income approach – uses valuation techniques, such as the discounted cash flow technique, to convert future amounts to a single present amount based on current market expectations about those future amounts.

- Cost approach – based on the amount that currently would be required to replace the service capacity of an asset (replacement cost).

The following table presents the Company's financial assets and financial liabilities, including those that are measured at fair value, as of September 30, 2021 and December 31, 2020:

	Fair Value Hierarchy	September 30, 2021 Carrying Value	September 30, 2021 Fair Value	December 31, 2020 Carrying Value	December 31, 2020 Fair Value	Valuation Technique
Non-Derivatives:						
Cash and cash equivalents	Level 1	$ 224,383	$ 224,383	$ 601,522	$ 601,522	Market approach
Restricted cash	Level 1	110,217	110,217	27,814	27,814	Market approach
Investment in equity securities	Level 1	12,421	12,421	256	256	Market approach
Investment in equity securities	Level 3	1,849	1,849	1,000	1,000	Market approach
Long-term debt[1]	Level 2	3,888,894	3,685,935	1,250,000	1,327,488	Market approach
Derivatives:						
Derivative liability[2][3]	Level 3	31,803	31,803	10,716	10,716	Income approach
Equity agreement[3][4]	Level 3	18,893	18,893	22,768	22,768	Income approach
Interest rate swap liability[5][6]	Level 2	28,046	28,046	-	-	Income approach

[1] Long-term debt is recorded at amortized cost on the condensed consolidated balance sheets, and is presented in the above table gross of deferred financing costs of $41,483 and $10,439 as of September 30, 2021 and December 31, 2020, respectively.

[2] Consideration due to the sellers in assets acquisitions when certain contingent events occur. The liability associated with the derivative liabilities is recorded within Other long-term liabilities on the condensed consolidated balance sheets.

[3] The Company estimates fair value of the derivative liability and equity agreement using a discounted cash flows method with discount rates based on the average yield curve for bonds with similar credit ratings and matching terms to the discount periods as well as a probability of the contingent event occurring.

[4] To be paid at the earlier of agreed-upon date or the date on which the valid planning permission is received for the facility in development in Shannon, Ireland. The liability associated with the equity agreement is recorded within Other current liabilities on the condensed consolidated balance sheets.

[5] Interest rate swap liability and cross currency interest rate swap liability is presented within Other current liabilities on the condensed consolidated balance sheets.

[6] The fair value of certain derivative instruments, including interest rate swaps, is estimated considering current interest rates, foreign exchange rates, closing quoted market prices and the creditworthiness of counterparties.

The Company believes the carrying amounts of cash and cash equivalents, accounts receivable, finance lease receivables and accounts payable approximated their fair value as of September 30, 2021 and December 31, 2020.

As part of the Hygo Merger, the Company assumed liabilities for payments due to sellers in asset acquisitions completed prior to the Hygo Merger, and these liabilities are reflected as derivative liabilities. Activity during the nine months ended September 30, 2021 also included the recognition of additional derivative liabilities from transactions accounted for as asset acquisitions of $10,520 (Note 4). During the three and nine months ended September 30, 2021 and 2020, the Company had no settlements of the equity agreement or derivative liabilities or any transfers in or out of Level 3 in the fair value hierarchy.

The table below summarizes the fair value adjustment to instruments measured at Level 3 in the fair value hierarchy, the derivative liability and equity agreement, as well as the cross currency interest rate swap and the interest rate swap. These adjustments have been recorded within Other (income) expense, net in the condensed consolidated statements of operations and comprehensive loss for the three and nine months ended September 30, 2021 and 2020:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Derivative liability/Equity agreement - Fair value adjustment - Loss (Gain)	$ 155	$ 2,892	$ (558)	$ 2,598
Interest rate swap - Fair value adjustment - Loss (gain)	227	-	(119)	-
Cross currency interest rate swap - Fair value adjustment - Loss (gain)	4,051	-	(1,962)	-

Under the Company's interest rate swap, the Company is required to provide cash collateral, and as of September 30, 2021, $12,500 of cash collateral is presented as restricted cash on the condensed consolidated balance sheets.

9. Restricted cash

As of September 30, 2021 and December 31, 2020, restricted cash consisted of the following:

	September 30, 2021	December 31, 2020
Cash held by lessor VIEs	$ 54,147	$ -
Collateral for interest rate swaps	12,500	-
Collateral for performance under customer agreements	15,000	15,000
Collateral for LNG purchases	-	11,664
Collateral for letters of credit and performance bonds	27,814	900
Other restricted cash	756	250
Total restricted cash	$ 110,217	$ 27,814
Current restricted cash	$ 72,338	$ 12,814
Non-current restricted cash	37,879	15,000

Restricted cash does not include minimum consolidated cash balances of $30,000 required to be maintained as part of the financial covenants for sale and leaseback financings and the Vessel Term Loan Facility that is included in Cash and cash equivalents on the condensed consolidated balance sheets as of September 30, 2021.

10. Inventory

As of September 30, 2021 and December 31, 2020, inventory consisted of the following:

	September 30, 2021	December 31, 2020
LNG and natural gas inventory	$ 66,660	$ 13,986
Automotive diesel oil inventory	4,659	3,986
Bunker fuel, materials, supplies and other	11,071	4,888
Total inventory	$ 82,390	$ 22,860

Inventory is adjusted to the lower of cost or net realizable value each quarter. Changes in the value of inventory are recorded within Cost of sales in the condensed consolidated statements of operations and comprehensive loss. No adjustments were recorded during the nine months ended September 30, 2021 and 2020.

11. Prepaid expenses and other current assets

As of September 30, 2021 and December 31, 2020, prepaid expenses and other current assets consisted of the following:

	September 30, 2021	December 31, 2020
Prepaid LNG	$ 6,143	$ 11,987
Prepaid expenses	10,710	4,941
Due from affiliates	2,919	1,881
Other current assets	55,830	29,461
Total prepaid expenses and other current assets, net	$ 75,602	$ 48,270

Other current assets as of September 30, 2021 and December 31, 2020 primarily consists of receivables for recoverable taxes and deposits.

12. Equity method investments

As a result of the Mergers, the Company acquired investments in Centrais Elétricas de Sergipe Participações S.A. (“CELSEPAR”) and Hilli LLC, both of which have been recognized as equity method investments. The Company has a 50% ownership interest in both entities. The investments are reflected in the Terminals and Infrastructure and Ships segments, respectively.

Changes in the balance of the Company’s equity method investments is as follows:

	September 30, 2021
Equity method investments as of December 31, 2020	$ -
Acquisition of equity method investments in the Mergers	1,179,021
Dividends	(14,259)
Equity in earnings / losses of investees	22,958
Foreign currency translation adjustment	40,271
Equity method investments as of September 30, 2021	$ 1,227,991

The carrying amount of equity method investments as of September 30, 2021 is as follows:

	September 30, 2021
Hilli LLC	$ 363,543
CELSEPAR	864,448
Total	$ 1,227,991

As of September 30, 2021, the carrying value of the Company’s equity method investments exceeded its proportionate share of the underlying net assets of its investees by $930,071. In conjunction with the preliminary purchase accounting for the Mergers, the basis difference was allocated to tangible assets, identifiable intangible assets, liabilities and goodwill, and the basis difference attributable to amortizable net assets is amortized to (Loss) income from equity method investments over the remaining estimated useful lives of the underlying assets.

CELSEPAR

CELSEPAR is jointly owned and operated with Ebrasil Energia Ltda. (“Ebrasil”), an affiliate of Eletricidade do Brasil S.A., and the Company accounts for this 50% investment using the equity method. CELSEPAR owns 100% of the share capital of Centrais Elétricas de Sergipe S.A. (“CELSE”), the owner and operator of the Sergipe Power Plant.

Hilli LLC

The Company acquired an interest of 50% of the Hilli Common Units as part of the acquisition of GMLP. The ownership interests in Hilli LLC are represented by three classes of units, Hilli Common Units, Series A Special Units and Series B Special Units. The Company did not acquire any of the Series A Special Units or Series B Special Units. The Hilli Common Units provide the Company with significant influence over Hilli LLC. The *Hilli* is currently operating under an 8-year liquefaction tolling agreement (“LTA”) with Perenco Cameroon S.A. and Société Nationale des Hydrocarbures.

Within 60 days after the end of each quarter, GLNG, the managing member of Hilli LLC, shall determine the amount of Hilli LLC’s available cash and appropriate reserves, and Hilli LLC shall make a distribution to the unitholders of Hilli LLC (“Hilli Unitholders”) of the available cash, subject to such reserves. Hilli LLC shall make distributions to the Hilli Unitholders when, as and if declared by GLNG; provided, however, that no distributions may be made on the Hilli Common Units on any distribution date unless Series A Distributions and Series B Distributions for the most recently ended quarter and any accumulated Series A Distributions and Series B Distributions in arrears for any past quarter have been or contemporaneously are being paid or provided for.

Series A Distributions are calculated based on cash received by Hilli Corp for any tolling fees under the LTA relating to an increase in the Brent Crude price above $60 per barrel, adjusted by incremental taxes and costs that arise from underperformance of the *Hilli*. Series B Distributions are calculated as 95% of “Revenues Less Expenses”, which is based on the cash receipts as a direct result of the employment of more than the first 50% of LNG production capacity for the *Hilli*, adjusted for incremental operating expenses, capital costs, financing and tax costs associated with making more than 50% capacity available and costs that arise from underperformance. The Hilli Common Units may receive 5% of Revenues less Expenses received by Hilli Corp during such quarter.

The Company is required to reimburse other investors in Hilli LLC for 50% of the amount, if any, by which certain operating expenses and withholding taxes of Hilli LLC are below an annual threshold for up to $20,000 in the aggregate through 2026. Other investors are required to reimburse the Company for 50% of the amount, if any, by which certain operating expenses and withholding taxes are above an annual threshold for up to $20,000 in the aggregate through 2026. No operating expense reimbursements were included in distributions for the period after the GMLP Merger.

Hilli Corp is a party to a Memorandum of Agreement, dated September 9, 2015, with Fortune Lianjiang Shipping S.A., a subsidiary of China State Shipbuilding Corporation ("Fortune"), pursuant to which Hilli Corp has sold to and leased back from Fortune the Hilli under a 10-year bareboat charter agreement (the "Hilli Leaseback"). The Hilli Leaseback provided for postconstruction financing for the Hilli in the amount of $960 million. Under the Hilli Leaseback, Hilli Corp will pay to Fortune forty consecutive equal quarterly repayments of 1.375% of the construction cost, plus interest based on LIBOR plus a margin of 4.15%.

13. Construction in progress

The Company's construction in progress activity during the nine months ended September 30, 2021 is detailed below:

	September 30, 2021
Balance at beginning of period	$ 234,037
Acquisition of construction in progress from business combinations	128,625
Additions	608,043
Impact of change in FX rates	9,803
Transferred to property, plant and equipment, net or finance leases	(6,628)
Balance at end of period	$ 973,880

Interest expense of $18,924 and $22,441, inclusive of amortized debt issuance costs, was capitalized for the nine months ended September 30, 2021 and 2020, respectively.

14. Property, plant and equipment, net

As of September 30, 2021 and December 31, 2020, the Company's property, plant and equipment, net consisted of the following:

	September 30, 2021	December 31, 2020
Vessels	$ 1,441,211	$ -
Terminal and power plant equipment	189,472	188,855
CHP facilities	122,776	119,723
Gas terminals	120,810	120,810
ISO containers and other equipment	120,041	100,137
LNG liquefaction facilities	63,213	63,213
Gas pipelines	58,987	58,974
Land	16,714	16,246
Leasehold improvements	9,256	8,723
Accumulated depreciation	(116,792)	(62,475)
Total property, plant and equipment, net	$ 2,025,688	$ 614,206

Depreciation for the three months ended September 30, 2021 and 2020 totaled $23,929 and $9,370, respectively, of which $322 and $212, respectively, is included within Cost of sales in the condensed consolidated statements of operations and comprehensive loss. Depreciation for the nine months ended September 30, 2021 and 2020 totaled $55,070 and $22,120, respectively, of which $898 and $662 is respectively included within Cost of sales in the condensed consolidated statements of operations and comprehensive loss.

Capitalized drydocking costs of $6,573 are included in the vessel cost for September 30, 2021 which are depreciated from the completion of drydocking until the next expected dry docking.

15. Intangible assets

The following table summarizes the composition of intangible assets as of September 30, 2021 and December 31, 2020:

	September 30, 2021				
	Gross Carrying Amount	Accumulated Amortization	Currency Translation Adjustment	Net Carrying Amount	Weighted Average Life
Definite-lived intangible assets					
Favorable vessel charter contracts	$ 120,000	$ (18,974)	$ -	$ 101,026	3
Permits and development rights	49,285	(3,643)	145	45,787	40
Acquired power purchase agreements	16,585	-	1,028	17,613	17
Easements	1,559	(229)	-	1,330	30
Indefinite-lived intangible assets					
Easements	1,191	-	17	1,208	n/a
Total intangible assets	$ 188,620	$ (22,846)	$ 1,190	$ 166,964	

	December 31, 2020				
	Gross Carrying Amount	Accumulated Amortization	Currency Translation Adjustment	Net Carrying Amount	Weighted Average Life
Definite-lived intangible assets					
Permits	$ 42,441	$ (2,438)	$ 3,456	$ 43,459	40
Easements	1,559	(190)	-	1,369	30
Indefinite-lived intangible assets					
Easements	1,191	-	83	1,274	n/a
Total intangible assets	$ 45,191	$ (2,628)	$ 3,539	$ 46,102	

In conjunction with the Mergers, the Company acquired charter contracts with contractual rates that were favorable as compared to market rates and on the date of acquisition recognized intangible assets of $120,000. During the first quarter of 2021, the Company recognized additions to permits of $5,776 acquired in a transaction accounted for as asset acquisition related to licenses and rights to develop a gas-fired power plant and associated infrastructure in the Port of Suape in Brazil. The Company also acquired rights operated a power generation facility and sell power in Brazil of $16,585 (see Note 4. Acquisitions).

As of September 30, 2021 and December 31, 2020, the weighted-average remaining amortization periods for the intangible assets were 12.7 and 37.5 years, respectively. Amortization expense for the three months ended September 30, 2021 and 2020 totaled $7,334 and $309, respectively. Amortization expense was $13,550 and $861 for the nine months ended September 30, 2021 and 2020, respectively.

16. Other non-current assets

As of September 30, 2021 and December 31, 2020, Other non-current assets consisted of the following:

	September 30, 2021	December 31, 2020
Nonrefundable deposit	$ 30,335	$ 28,509
Contract asset, net (Note 6)	38,554	30,434
Cost to fulfill (Note 6)	10,528	10,688
Upfront payments to customers	9,934	6,330
Other	31,791	10,069
Total other non-current assets, net	$ 121,142	$ 86,030

Nonrefundable deposits are primarily related to deposits for planned land purchases in Pennsylvania and Ireland.

Upfront payments to customers consist of amounts the Company has paid in relation to two natural gas sales contracts with customers to construct fuel-delivery infrastructure that the customers will own.

Other includes investments in equity securities of $14,270 and $1,256 as of September 30, 2021 and December 31, 2020. The Company recognized unrealized gains of $7,176 and $7,264 for the three and nine months ended September 30, 2021 within Other (income), net in the condensed consolidated statements of operations and comprehensive loss. Other also includes upfront payments to our service providers and a long-term refundable deposit.

17. Accrued liabilities

As of September 30, 2021 and December 31, 2020, accrued liabilities consisted of the following:

	September 30, 2021	December 31, 2020
Accrued development costs	$ 52,646	$ 16,631
Accrued interest	15,235	27,938
Accrued consideration in asset acquisitions	18,660	-
Accrued bonuses	19,517	17,344
Accrued vessel operating and drydocking expenses	12,601	-
Other accrued expenses	40,645	28,439
Total accrued liabilities	$ 159,304	$ 90,352

18. Debt

As of September 30, 2021 and December 31, 2020, debt consisted of the following:

	September 30, 2021	December 31, 2020
Senior Secured Notes, due September 15, 2025	$ 1,240,677	$ 1,239,561
Senior Secured Notes, due September 30, 2026	1,477,638	-
Vessel Term Loan Facility, due September 18, 2024	423,839	-
Debenture loan due 2024	42,126	-
CHP Facility	96,364	-
Revolving Facility	-	-
Subtotal (excluding lessor VIE loans)	3,280,644	1,239,561
CMBL VIE loan:		
Golar Eskimo SPV facility, due 2025	152,004	-
CCBFL VIE loan:		
Golar Nanook SPV facility, due 2030	202,006	-
COSCO VIE loan:		
Golar Penguin SPV facility, due 2025	96,551	-
AVIC VIE loan:		
Golar Celsius SPV facility, due 2023/2027	116,206	-
Total debt	$ 3,847,411	$ 1,239,561
Current portion of long-term debt	$ 249,752	$ -
Long-term debt	3,597,659	1,239,561

Our outstanding debt as of September 30, 2021 is repayable as follows:

	September 30, 2021
Due remainder of 2021	$ 171,850
2022	88,261
2023	135,039
2024	323,689
2025	1,322,536
2026	1,509,874
Thereafter	339,219
Total debt	3,890,468
Add: fair value adjustments to assumed debt obligations	(1,574)
Less: deferred finance charges	(41,483)
Total debt, net deferred finance charges	$ 3,847,411

2025 Notes

On September 2, 2020, the Company issued $1,000,000 of 6.75% senior secured notes in a private offering pursuant to Rule 144A under the Securities Act (the "2025 Notes"). Interest is payable semi-annually in arrears on March 15 and September 15 of each year, commencing on March 15, 2021; no principal payments are due until maturity on September 15, 2025. The Company may redeem the 2025 Notes, in whole or in part, at any time prior to maturity, subject to certain make-whole premiums.

The 2025 Notes are guaranteed, jointly and severally, by certain of the Company's subsidiaries, in addition to other collateral. The 2025 Notes may limit the Company's ability to incur additional indebtedness or issue certain preferred shares, make certain payments, and sell or transfer certain assets subject to certain financial covenants and qualifications. The 2025 Notes also provide for customary events of default and prepayment provisions.

The Company used a portion of the net cash proceeds received from the 2025 Notes, together with cash on hand, to repay in full the outstanding principal and interest under previously existing credit agreements and secured and unsecured bonds, including related premiums, costs and expenses.

In connection with the issuance of the 2025 Notes, the Company incurred $17,937 in origination, structuring and other fees. Issuance costs of $13,909 were deferred as a reduction of the principal balance of the 2025 Notes on the condensed consolidated balance sheets; unamortized deferred financing costs related to lenders in the previous credit agreement that participated in the 2025 Notes were $6,501 and such unamortized costs were also included as a reduction of the principal balance of the 2025 Notes and will be amortized over the remaining term of the 2025 Notes. As a portion of the repayment of the previous credit agreement was a modification, in the third quarter of 2020, the Company recognized $4,028 of third-party fees as an expense in the condensed consolidated statements of operations and comprehensive loss.

On December 17, 2020, the Company issued $250,000 of additional notes on the same terms as the 2025 Notes in a private offering pursuant to Rule 144A under the Securities Act (subsequent to this issuance, these additional notes are included in the definition of 2025 Notes herein). Proceeds received included a premium of $13,125, which was offset by additional financing costs incurred of $4,566. As of September 30, 2021 and December 31, 2020, remaining unamortized deferred financing costs for the 2025 Notes was $9,323 and $10,439, respectively.

2026 Notes

On April 12, 2021, the Company issued $1,500,000 of 6.50% senior secured notes in a private offering pursuant to Rule 144A under the Securities Act (the "2026 Notes") at an issue price equal to 100% of principal. Interest is payable semi-annually in arrears on March 31 and September 30 of each year, commencing on September 30, 2021; no principal payments are due until maturity on September 30, 2026. The Company may redeem the 2026 Notes, in whole or in part, at any time prior to maturity, subject to certain make-whole premiums.

The 2026 Notes are guaranteed on a senior secured basis by each domestic subsidiary and foreign subsidiary that is a guarantor under the existing 2025 Notes, and the 2026 Notes are secured by substantially the same collateral as the Company's existing first lien obligations under the 2025 Notes.

The Company used the net proceeds from this offering to fund the cash consideration for the GMLP Merger and pay related fees and expenses.

In connection with the issuance of the 2026 Notes, the Company incurred $24,588 in origination, structuring and other fees, which was deferred as a reduction of the principal balance of the 2026 Notes on the condensed consolidated balance sheets. As of September 30, 2021, total remaining unamortized deferred financing costs for the 2026 Notes was $22,362.

Vessel Term Loan Facility

On September 18, 2021, Golar Partners Operating LLC, an indirect subsidiary of NFE, closed a senior secured amortizing term loan facility (the "Vessel Term Loan Facility"). Under this facility, the Company borrowed an initial amount of $430,000, which may be increased to $725,000, subject to satisfaction of certain conditions including the provision of security in relation to additional vessels.

Loans under the Vessel Term Loan Facility bear interest at a rate of LIBOR plus a margin of 3 percent. The Vessel Term Loan Facility shall be repaid in quarterly installments of $15,357, with the final repayment date in September 2024. Quarterly principal payments will be increased to reflect any upsize of the Vessel Term Loan Facility to reflect a straight-line amortization profile over the remaining term.

Obligations under the Vessel Term Loan Facility are guaranteed by GMLP and certain of GMLP's subsidiaries. Lenders have been granted a security interest covering three floating storage and regasification vessels and four liquified natural gas carriers, and the issued and outstanding shares of capital stock of certain GMLP subsidiaries have been pledged as security. As of September 30, 2021, the aggregate net book value of the three floating storage and regasification vessels and four liquified natural gas carriers pledged as security was approximately $666,674.

The Company may prepay outstanding indebtedness without penalty, and certain events, such as (i) total loss; (ii) minimum security value; (iii) the sale or transfer of certain vessels; or (iv) the termination of the charter over the Hilli, will require a mandatory prepayment.

The Vessel Term Loan Facility contains customary representations and warranties and customary affirmative and negative covenants, including financial covenants, chartering restrictions, restrictions on indebtedness, liens, investments, mergers, dispositions, prepayment of other indebtedness and dividends and other distributions. Financial covenants include requirements that GMLP and Golar Partners Operating LLC maintain a certain amount of Free Liquid Assets, that the EBITDA to Consolidated Debt Service and the Net Debt to EBITDA ratios are no less than 1.15:1 and no greater than 6.50:1, respectively, and that Consolidated Net Worth is greater than $250,000, each as defined in the Vessel Term Loan Facility. The Company was in compliance with these covenants as of September 30, 2021.

In connection with the closing the Vessel Term Loan Facility, the Company incurred $6,229 in origination, structuring and other fees, which was deferred as a reduction of the principal balance of the Vessel Term Loan Facility on the condensed consolidated balance sheets. As of September 30, 2021, total remaining unamortized deferred financing costs for the Vessel Term Loan Facility was $6,161.

Debenture Loan

As part of the Hygo Merger, the Company assumed non-convertible Brazilian debentures issued by NFE Brasil, an indirect subsidiary of Hygo, in the aggregate principal amount of BRL 255.6 million ($45.0 million) due September 2024, bearing interest at a rate equal to the one-day interbank deposit futures rate in Brazil plus 2.65% (the "Debenture Loan"). The Debenture Loan was recognized at fair value of $44,566 on the date of the Hygo Merger, and the discount recognized in purchase accounting will result in additional interest expense until maturity. Interest and principal is payable on the Debenture Loan semi-annually on September 13 and March 13.

The Debenture Loan is fully and unconditionally guaranteed by 100% of the shares issued by NFE Brasil owned by the Company's consolidated subsidiary, LNG Power Ltd.

CHP Facility

On August 3, 2021, NFE South Power Holdings Limited, a wholly owned subsidiary of NFE, entered into a financing agreement ("CHP Facility"), initially drawing $100,000. The CHP Facility is secured by the Company's combined heat and power plant in Clarendon, Jamaica. The Company incurred $3,651 in origination, structuring and other fees, which was deferred as a reduction of the principal balance of the CHP Facility on the condensed consolidated balance sheets. As of September 30, 2021, the remaining unamortized deferred financing costs for the CHP Facility was $3,636.

Revolving Facility

On April 15, 2021, the Company entered into a $200,000 senior secured revolving facility (the "Revolving Facility"). The proceeds of the Revolving Facility may be used for working capital and other general corporate purposes (including permitted acquisitions and other investments). Letters of credit issued under the $100,000 letter of credit sub-facility may be used for general corporate purposes. The Revolving Facility will mature in 2026, with the potential for the Company to extend the maturity date once in a one-year increment.

Borrowings under the Revolving Facility will bear interest at a per annum rate equal to LIBOR plus 2.50% if the usage under the Revolving Facility is equal to or less than 50% of the commitments under the Revolving Facility and LIBOR plus 2.75% if the usage under the Revolving Facility is in excess of 50% of the commitments under the Revolving Facility, subject in each case to a 0.00% LIBOR floor. Borrowings under the Revolving Facility may be prepaid, at the option of the Company, at any time without premium.

The obligations under the Revolving Facility are guaranteed by each domestic subsidiary and foreign subsidiary that is a guarantor under the existing 2025 Notes, and the Revolving Facility is secured by substantially the same collateral as the Company's existing first lien obligations under the 2025 Notes. The Revolving Facility contains usual and customary representations and warranties, and usual and customary affirmative and negative covenants. Financial covenants include requirements to maintain Debt to Capitalization Ratio of less than 0.7:1.0, and for quarters in which the Revolving Facility is greater than 50% drawn, the Debt to Annualized EBITDA Ratio must be less than 5.0:1.0 for fiscal quarters ending December 31, 2021 until September 30, 2023 and less than 4.0:1.0 for the fiscal quarter ended December 31, 2023 (each as defined in the Revolving Facility). The Company was in compliance with these covenants as of September 30, 2021.

The Company incurred $3,974 in origination, structuring and other fees, associated with entry into the Revolving Facility. These costs have been capitalized within Other non-current assets on the condensed consolidated balance sheets. As of September 30, 2021, total remaining unamortized deferred financing costs for the Revolving Facility was $3,658.

During the second and third quarters of 2021, the Company drew $152,500 and $47,500 on the Revolving Facility, respectively. During the third quarter of 2021, the Company repaid the amounts outstanding on the Revolving Facility, and as of September 30, 2021, there are no amounts outstanding.

Lessor VIE debt

The Company assumed the following loans in the Mergers related to lessor VIE entities, including CMBL, CCBFL, COSCO and AVIC, that are consolidated as VIEs. Although the Company has no control over the funding arrangements of these entities, the Company is the primary beneficiary of these VIEs and therefore these loan facilities are presented as part of the condensed consolidated financial statements.

CMBL – Eskimo SPV facility

The SPV, Sea 23 Leasing Co. Limited, the owner of the Eskimo, has a long-term loan facility that is denominated in USD, has a loan term of ten years and bears interest at a rate of LIBOR plus a margin of 2.66%. As of the acquisition date of GMLP, the outstanding principal balance was $160,520, and the Company recognized the fair value of this facility of $158,072 on the date of the Mergers. The discount recognized in purchase accounting will be recognized as additional interest expense until maturity.

CCBFL – Nanook SPV facility

The SPV, Compass Shipping 23 Corporation Limited, the owner of the Nanook, has a long-term loan facility that is denominated in USD, has a loan term of twelve years and bears interest at a fixed rate of 2.7%. As of the acquisition date of Hygo, the outstanding principal balance was $202,249, and the Company recognized the fair value of this facility of $201,484 on the date of the Mergers. The discount recognized in purchase accounting will be recognized as additional interest expense until maturity.

COSCO – Penguin SPV facility

The SPV, Oriental Fleet LNG 02 Limited, the owner of the Penguin, has a long-term loan facility that is denominated in USD, is repayable in quarterly installments over a term of approximately six years and bears interest at LIBOR plus a margin of 1.7%. The SPV also has amounts payable to its parent. As of the acquisition date of Hygo, the outstanding principal balance was $104,882, and the Company recognized the fair value of this facility and the amount due to the parent of $105,126 on the date of the Mergers. The premium recognized in purchase accounting will result in a reduction to interest expense until maturity.

AVIC – Celsius SPV facility

The SPV, Noble Celsius Shipping Limited, the owner of the Celsius, has two long-term loan facilities that are denominated in USD. The first facility is repayable in quarterly installments over a term of approximately seven years with a balloon payment of $37,179 at the end of the term and bears interest at LIBOR plus a margin of 1.8%; the outstanding principal balance as of the acquisition date of this facility was $76,179. The SPV has another facility with its parent for the remaining principal of $45,200 as of the acquisition date, which is due as a balloon payment upon maturity in March 2023 and bears interest at a fixed rate of 4.0%. As of the acquisition date of Hygo, the total outstanding principal balance was $121,379, and the Company recognized the fair value of this facility and the amount due to the parent of $121,308 on the date of the Mergers. The discount recognized in purchase accounting will be recognized as additional interest expense until maturity.

Debt and lease restrictions

The VIE loans and certain lease agreements with customers assumed in the Mergers contain certain operating and financing restrictions and covenants that require: (a) certain subsidiaries to maintain a minimum level of liquidity of $30,000 and consolidated net worth of $123,950, (b) certain subsidiaries to maintain a minimum debt service coverage ratio of 1.20:1, (c) certain subsidiaries to not exceed a maximum net debt to EBITDA ratio of 6.5:1, (d) certain subsidiaries to maintain a minimum percentage of the vessel values over the relevant outstanding loan facility balances of either 110% and 120%, (e) certain subsidiaries to maintain a ratio of liabilities to total assets of less than 0.70:1. As of September 30, 2021, the Company was in compliance with all covenants under debt and lease agreements.

The Company has also entered into an Uncommitted Letter of Credit and Reimbursement Agreement with a financial institution for the issuance of letters of credit. As of September 30, 2021, the Company had issued $75,000 of letters of credit under this agreement. The Company is required to comply with affirmative and negative covenants customary for such facilities, including financial covenants that are consistent with those under the Revolving Facility. The Company was in compliance with all covenants as of September 30, 2021.

Interest Expense

Interest and related amortization of debt issuance costs, premiums and discounts recognized during major development and construction projects are capitalized and included in the cost of the project. Interest expense, net of amounts capitalized, recognized for the three and nine months ended September 30, 2021 and 2020 consisted of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Interest per contractual rates	$ 53,140	$ 19,936	$ 120,445	$ 58,576
Amortization of fair value adjustments to assumed debt obligations	12,207	-	1,912	-
Amortization of debt issuance costs, premiums and discounts	1,710	4,416	4,122	14,766
Interest expense incurred on finance lease obligations	152	-	202	-
Total interest costs	$ 67,209	$ 24,352	$ 126,681	$ 73,342
Capitalized interest	9,614	4,539	18,924	22,441
Total interest expense	$ 57,595	$ 19,813	$ 107,757	$ 50,901

19. Income taxes

As a result of the Mergers, the Company recognized deferred tax liabilities to reflect the impact of fair value adjustments, primarily the increased value of equity method investments, which did not impact tax basis. The Company acquired tax attribute carryforwards including net operating losses in certain jurisdictions for which net deferred tax assets have not been recognized as a result of cumulative losses and the developmental status of the entities.

The effective tax rate for the three months ended September 30, 2021 was (24.75)%, compared to (5.27)% for the three months ended September 30, 2020. The total tax provision for the three months ended September 30, 2021 was $3,526, compared to $1,836 for the three months ended September 30, 2020. The effective tax rate for the nine months ended September 30, 2021 was (13.58)%, compared to (0.75)% for the nine months ended September 30, 2020. The total tax provision for the nine months ended September 30, 2021 was $7,058, compared to $1,949 for the nine months ended September 30, 2020. The calculation of the effective tax rate for the period after the Mergers includes income from equity method investments recognized for the three and nine months ended September 30, 2021.

The increases to the tax provision and effective tax rate for both the three and nine months ended September 30, 2021 was primarily driven by an increase in pretax income for certain profitable non-U.S. operations and the inclusion of GMLP and Hygo into expected pre-tax results of operations for the year ended December 31, 2021. Tax expense recognized includes the results of the acquired entities from the date of acquisition through September 30, 2021. For the nine months ended September 30, 2021, these increases in tax expense were partially offset by the release of a valuation allowance in a foreign jurisdiction resulting in a discrete benefit of $1,800.

The Company assumed a liability for tax contingencies in the Mergers of $19,382 primarily related to potential tax obligations for payments under certain charter agreements for acquired vessels; this liability is included in Other current liabilities on the condensed consolidated balance sheets. The Company has not recorded any other material liabilities for uncertain tax positions as of September 30, 2021. The Company remains subject to periodic audits and reviews by the taxing authorities, and NFE’s returns since its formation remain open for examination.

20. Commitments and contingencies

Legal proceedings and claims

The Company may be subject to certain legal proceedings, claims and disputes that arise in the ordinary course of business, and the Company has evaluated the contingencies that have been assumed in conjunction with the Mergers. The Company does not believe that these proceedings, individually or in the aggregate, will have a material adverse effect on the Company's financial position, results of operations or cash flows.

In conjunction with the Mergers, the Company has assumed contingencies for VAT in Indonesia. Indonesian tax authorities have issued letters to PTGI, a consolidated subsidiary, to revoke a previously granted VAT importation waiver for approximately $24,000 for the *NR Satu*. The Company does not believe it probable that a liability exists as no Tax Underpayment Assessment Notice has been received within the statute of limitations period, and the Company believes PTGI will be indemnified by PT Nusantara Regas, the charterer of the *NR Satu*, for any VAT liability as well as related interest and penalties under the time charter party agreement.

Prior to the Mergers, Indonesian tax authorities also issued tax assessments for land and buildings tax to PTGI for the years 2015 to 2019 in relation to the *NR Satu*, for approximately $3,400 (IDR 48,378.3 million). The Company intends to appeal against the assessments for the land and buildings tax as the tax authorities have not accepted the initial objection letter. The Company believes there are reasonable grounds for success on the basis of no precedent set from past case law and the new legislation effective prospectively from January 1, 2020, that now specifically lists FSRUs as being an object liable to land and buildings tax, when it previously did not. The assessed tax was paid in January 2020 to avoid further penalties and the payment is presented in Other non-current assets on the condensed consolidated balance sheets.

Prior to the Mergers, Jordanian tax authorities concluded their tax audit into GMLP's Jordan branch for the years 2015 and 2016 assessing additional tax of approximately $1,600 (JOD 1.10 million) and $3,100 (JOD 2.20 million), respectively. The Company has submitted an appeal to the tax notice, and a provision has not been recognized as the Company does not believes that the tax inspector has followed the correct tax audit process and the claim by the tax authorities to not allow tax depreciation is contrary to Jordan's tax legislation.

21. Earnings per share

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Numerator:				
Net loss	$ (17,769)	$ (36,670)	$ (59,012)	$ (263,480)
Less: net (income) loss attributable to non-controlling interests	7,963	312	5,259	81,163
Net loss attributable to Class A common stock	(9,806)	(36,358)	(53,753)	(182,317)
Denominator:				
Weighted-average shares-basic and diluted	207,497,013	170,074,532	195,626,564	85,009,385
Net loss per share - basic and diluted	$ (0.05)	$ (0.21)	$ (0.27)	$ (2.14)

The following table presents potentially dilutive securities excluded from the computation of diluted net loss per share for the periods presented because its effects would have been anti-dilutive.

	September 30, 2021	September 30, 2020
Unvested RSUs[(1)]	679,909	1,555,363
Shannon Equity Agreement shares[(2)]	684,962	478,654
Total	1,364,871	2,034,017

(1) Represents the number of instruments outstanding at the end of the period.
(2) Class A common stock that would be issued in relation to the Shannon LNG Equity Agreement.

The Company declared dividends of $17,598, $20,736 and $20,750 during the first, second and third quarters of 2021, respectively, representing $0.10 per Class A share. The Company paid $17,657, $20,670 and $20,686 of dividends during the first, second and third quarters of 2021, respectively, inclusive of dividends that were accrued in prior periods.

A portion of non-controlling interest includes $140,259 attributable to GMLP's 8.75% Series A Cumulative Redeemable Preferred Units ("Series A Preferred Units"). As these equity interests have been issued by the Company's consolidated subsidiary, the value of the Series A Preferred Units is recognized as non-controlling interest in the condensed consolidated financial statements. After the Mergers, the Company paid a dividend of $6,038 to holders of the Series A Preferred Units.

22. Share-based compensation

RSUs

The Company has granted RSUs to select officers, employees, non-employee members of the board of directors and select non-employees under the New Fortress Energy Inc. 2019 Omnibus Incentive Plan. The fair value of RSUs on the grant date is estimated based on the closing price of the underlying shares on the grant date and other fair value adjustments to account for a post-vesting holding period. These fair value adjustments were estimated based on the Finnerty model.

The following table summarizes the RSU activity for the nine months ended September 30, 2021:

	Restricted Stock Units	Weighted-average grant date fair value per share
Non-vested RSUs as of December 31, 2020	1,538,060	$ 13.49
Granted	-	-
Vested	(818,846)	13.45
Forfeited	(39,305)	13.73
Non-vested RSUs as of September 30, 2021	679,909	$ 13.49

The following table summarizes the share-based compensation expense for the Company's RSUs recorded for the three and nine months ended September 30, 2021 and 2020:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Operations and maintenance	$ 207	$ 142	$ 641	$ 632
Selling, general and administrative	1,355	1,929	4,304	5,869
Total share-based compensation expense	$ 1,562	$ 2,071	$ 4,945	$ 6,501

For the three months ended September 30, 2021 and 2020, cumulative compensation expense recognized for forfeited RSU awards of $116 and $278, respectively, was reversed. For the nine months ended September 30, 2021 and 2020, cumulative compensation expense recognized for forfeited RSU awards of $173 and $827, respectively, was reversed. The Company recognizes the income tax benefits resulting from vesting of RSUs in the period of vesting, to the extent the compensation expense has been recognized.

As of September 30, 2021, the Company had 679,909 non-vested RSUs subject to service conditions and had unrecognized compensation costs of approximately $2,710. The non-vested RSUs will vest over a period from ten months to three years following the grant date. The weighted-average remaining vesting period of non-vested RSUs totaled 0.46 years as of September 30, 2021.

Performance Share Units ("PSUs")

During the first quarter of 2020 and 2021, the Company granted PSUs to certain employees and non-employees that contain a performance condition. Vesting will be determined based on achievement of a performance metric for the year subsequent to the grant, and the number of shares that will vest can range from zero to a multiple of units granted. As of September 30, 2021, the Company determined that it was not probable that the performance condition required for any of the PSUs to vest would be achieved, and as such, no compensation expense has been recognized in the condensed consolidated statements of operations and comprehensive loss.

PSUs Granted	Units Granted	Range of Vesting	Unrecognized Compensation Cost[(1)]	Weighted Average Remaining Vesting Period
Q1 2020	1,109,777	0 to 2,219,554	$ 30,467	0.25 years
Q1 2021	400,507	0 to 801,014	31,932	1.25 years

(1) Unrecognized compensation cost is based upon the maximum amount of shares that could vest.

23. Related party transactions

Management services

The Company is majority owned by Messrs. Edens (our chief executive officer and chairman of our Board of Directors) and Nardone (one of our Directors) who are currently employed by Fortress Investment Group LLC ("Fortress"). In the ordinary course of business, Fortress, through affiliated entities, charges the Company for administrative and general expenses incurred pursuant to its Administrative Services Agreement ("Administrative Agreement"). The charges under the Administrative Agreement that are attributable to the Company totaled $1,352 and $1,749 for the three months ended September 30, 2021 and 2020, respectively, and $5,073 and $5,894 for the nine months ended September 30, 2021 and 2020, respectively. Costs associated with the Administrative Agreement are included within Selling, general and administrative in the condensed consolidated statements of operations and comprehensive loss. As of September 30, 2021 and December 31, 2020, $4,264 and $5,535 were due to Fortress, respectively.

In addition to administrative services, an affiliate of Fortress owns and leases an aircraft chartered by the Company for business purposes in the course of operations. The Company incurred, at aircraft operator market rates, charter costs of $436 and $242 for the three months ended September 30, 2021 and 2020, respectively, and $3,385 and $1,526 for the nine months ended September 30, 2021 and 2020. As of September 30, 2021 and December 31, 2020, $598 and $472 was due to this affiliate, respectively.

Land lease

The Company has leased land from Florida East Coast Industries, LLC ("FECI"), which is controlled by funds managed by an affiliate of Fortress. The Company recognized expense related to the land lease of $103 during the three months ended September 30, 2021 and 2020, and $332 and $309 during the nine months ended September 30, 2021 and 2020, respectively, which was included within Operations and maintenance in the condensed consolidated statements of operations and comprehensive loss. As of September 30, 2021 and December 31, 2020, $0 and $316 was due to FECI, respectively. As of September 30, 2021, the Company has recorded a lease liability of $3,305 within Non-current lease liabilities on the condensed consolidated balance sheet.

DevTech investment

In August 2018, the Company entered into a consulting arrangement with DevTech Environment Limited ("DevTech") to provide business development services to increase the customer base of the Company. DevTech also contributed cash consideration in exchange for a 10% interest in a consolidated subsidiary. The 10% interest is reflected as non-controlling interest in the Company's condensed consolidated financial statements. DevTech purchased 10% of a note payable due to an affiliate of the Company. During the third quarter of 2021, the Company settled all outstanding amounts due under notes payable; the consulting agreement was also restructured to settle all previous amounts owed to DevTech and to include a royalty payment based on certain volumes sold in Jamaica. The Company paid $988 to settle these outstanding amounts.

As of September 30, 2021 and December 31, 2020, $0 and $715 was owed to DevTech on the note payable; prior to settlement, the outstanding note payable due to DevTech was included in Other long-term liabilities on the condensed consolidated balance sheets. The interest expense on the note payable due to DevTech was $0 and $19 for the three months ended September 30, 2021 and 2020, respectively, and $29 and $57 for the nine months ended September 30, 2021 and 2020, respectively. As of September 30, 2021 and December 31, 2020, $0 and $343 was due from DevTech.

Fortress affiliated entities

Since 2017, the Company has provided certain administrative services to related parties including Fortress affiliated entities. As of September 30, 2021 and December 31, 2020, $352 and $1,334 were due from affiliates, respectively. There are no costs incurred by the Company as the Company is fully reimbursed for all costs incurred. Beginning in the fourth quarter of 2020, the Company began to sublease a portion of office space to an affiliate of an entity managed by Fortress, and for the three and nine months ended September 30, 2021, $201 and $595, respectively, of rent and office related expenses were incurred by this affiliate. As of September 30, 2021 and December 31, 2020, $595 and $204 were due from this affiliate, respectively.

Additionally, an entity formerly affiliated with Fortress and currently owned by Messrs. Edens and Nardone provides certain administrative services to the Company, as well as providing office space under a month-to-month non-exclusive license agreement. The Company incurred rent and administrative expenses of approximately $571 and $808 for the three months ended September 30, 2021 and 2020, respectively, and $2,048 and $1,657 for the nine months ended September 30, 2021 and 2020. As of September 30, 2021 and December 31, 2020, $2,048 and $2,657 were due to Fortress affiliated entities, respectively.

Agency agreement with PT Pesona Sentra Utama (or PT Pesona)

PT Pesona, an Indonesian company, owns 51% of the issued share capital in the Company's subsidiary, PTGI, the owner and operator of *NR Satu*, and provides agency and local representation services for the Company with respect to *NR Satu*. During the period after the Mergers, PT Pesona did not receive any agency fees. PT Pesona and certain of its subsidiaries charged vessel management fees to the Company for the provision of technical and commercial management of the vessels amounting to $61 and $187 for the three and nine months ended September 30, 2021, respectively.

Hilli guarantees

As part of the GMLP Merger, the Company agreed to assume a guarantee (the "Partnership Guarantee") of 50% of the outstanding principal and interest amounts payable by Hilli Corp under the Hilli Leaseback. The Company also assumed a guarantee of the letter of credit ("LOC Guarantee") issued by a financial institution in the event of Hilli Corp's underperformance or non-performance under the LTA. Under the LOC Guarantee, the Company is severally liable for any outstanding amounts that are payable, up to approximately $19,000.

Subsequent to the GMLP Merger, under the Partnership Guarantee and the LOC Guarantee NFE's subsidiary, GMLP, is required to comply with the following covenants and ratios:

- free liquid assets of at least $30 million throughout the Hilli Leaseback period;
- a maximum net debt to EBITDA ratio for the previous 12 months of 6.5:1; and
- a consolidated tangible net worth of $123.95 million.

As of September 30, 2021, the amount the Company has guaranteed under the Partnership Guarantee and the LOC Guarantee is $364,500, and the fair value of debt guarantee after amortization, presented under Other current liabilities and Other non-current liabilities on the condensed consolidated balance sheet, amounted to $5,286 and $3,549, respectively. As of September 30, 2021 the Company was in compliance with the covenants and ratios for both Hilli guarantees.

24. Segments

As of September 30, 2021, the Company operates in two reportable segments: Terminals and Infrastructure and Ships:

- Terminals and Infrastructure includes the Company's vertically integrated gas to power solutions, spanning the entire production and delivery chain from natural gas procurement and liquefaction to logistics, shipping, facilities and conversion or development of natural gas-fired power generation. Leased vessels as well as acquired vessels that are utilized in the Company's terminal or logistics operations are included in this segment.

- Ships includes FSRUs and LNG carriers that are leased to customers under long-term or spot arrangements. FSRUs are stationed offshore for customer's operations to regasify LNG; six of the FSRUs acquired in the Mergers are included in this segment, including the *Nanook*. LNG carriers are vessels that transport LNG and are compatible with many LNG loading and receiving terminals globally. Five of the LNG carriers acquired in the Mergers are included in this segment. The Company's investment in Hilli LLC is also included in the Ships segment.

The CODM uses Segment Operating Margin to evaluate the performance of the segments and allocate resources. Segment Operating Margin is defined as the segment's revenue less cost of sales less operations and maintenance less vessel operating expenses, excluding unrealized gains or losses to financial instruments recognized at fair value. Terminals and Infrastructure Segment Operating Margin includes our effective share of revenue, expenses and segment operating margin attributable to our 50% ownership of CELSEPAR. Ships Operating Margin includes our effective share of revenue, expenses and operating margin attributable to our ownership of 50% of the common units of Hilli LLC.

Management considers Segment Operating Margin to be the appropriate metric to evaluate and compare the ongoing operating performance of the Company's segments on a consistent basis across reporting periods as it eliminates the effect of items which management does not believe are indicative of each segment's operating performance.

The table below presents segment information for the three and nine months ended September 30, 2021 and 2020:

	Three Months Ended September 30, 2021				
(in thousands of $)	Terminals and Infrastructure[1]	Ships[2]	Total Segment	Consolidation and Other[3]	Consolidated
Statement of operations:					
Total revenues	$ 349,140	$ 116,050	$ 465,190	$ (160,534)	$ 304,656
Cost of sales	206,131	-	206,131	(70,699)	135,432
Vessel operating expenses	-	21,210	21,210	(5,909)	15,301
Operations and maintenance	27,371	-	27,371	(7,227)	20,144
Segment Operating Margin	**$ 115,638**	**$ 94,840**	**$ 210,478**	**$ (76,699)**	**$ 133,779**
Balance sheet:					
Total assets[5]	$ 4,146,251	$ 2,518,836	$ 6,665,087	$ -	$ 6,665,087
Other segmental financial information:					
Capital expenditures[5]	$ 292,982	$ 5,766	$ 298,748	$ -	$ 298,748

	Nine Months Ended September 30, 2021				
(in thousands of $)	Terminals and Infrastructure[1]	Ships[2]	Total Segment	Consolidation and Other[3]	Consolidated
Statement of operations:					
Total revenues	$ 676,372	$ 211,812	$ 888,184	$ (214,005)	$ 674,179
Cost of sales	406,253	-	406,253	(72,720)	333,533
Vessel operating expenses	-	41,385	41,385	(10,684)	30,701
Operations and maintenance	67,266	-	67,266	(12,306)	54,960
Segment Operating Margin	**$ 202,853**	**$ 170,427**	**$ 373,280**	**$ (118,295)**	**$ 254,985**
Balance sheet:					
Total assets[5]	$ 4,146,251	$ 2,518,836	$ 6,665,087	$ -	$ 6,665,087
Other segmental financial information:					
Capital expenditures[5]	$ 609,533	$ 6,799	$ 616,332	$ -	$ 616,332

	Three Months Ended September 30, 2020				
(in thousands of $)	Terminals and Infrastructure[1]	Ships[2]	Total Segment	Consolidation and Other[3]	Consolidated
Statement of operations:					
Total revenues	$ 136,858	$ -	$ 136,858	$ -	$ 136,858
Cost of sales	71,665	-	71,665	-	71,665
Vessel operating expenses	-	-	-	-	-
Operations and maintenance	13,802	-	13,802	-	13,802
Segment Operating Margin	**$ 51,391**	**$ -**	**$ 51,391**	**$ -**	**$ 51,391**
Balance sheet:					
Total assets[5]	$ 1,399,813	$ -	$ 1,399,813	$ -	$ 1,399,813
Other segmental financial information:					
Capital expenditures[5]	$ 9,128	$ -	$ 9,128	$ -	$ 9,128

	Nine Months Ended September 30, 2020				
(in thousands of $)	Terminals and Infrastructure[1]	Ships[2]	Total Segment	Consolidation and Other[3]	Consolidated
Statement of operations:					
Total revenues	$ 305,954	$ -	$ 305,954	$ -	$ 305,954
Cost of sales	209,780	-	209,780	-	209,780
Vessel operating expenses	-	-	-	-	-
Operations and maintenance	31,785	-	31,785	-	31,785
Segment Operating Margin	**$ 64,389**	**$ -**	**$ 64,389**	**$ -**	**$ 64,389**
Balance sheet:					
Total assets[4]	$ 1,399,813	$ -	$ 1,399,813	$ -	$ 1,399,813
Other segmental financial information:					
Capital expenditures[4][5]	$ 90,433	$ -	$ 90,433	$ -	$ 90,433

[1] Terminals and Infrastructure includes the Company's effective share of revenues, expenses and operating margin attributable to 50% ownership of CELSEPAR. The losses and earnings attributable to the investment of $27,792 and $655 for the three and nine months ended September 30, 2021, respectively are reported in income (loss) from equity method investments on the condensed consolidated statements of operations. Terminals and Infrastructure does not include the unrealized mark-to-market loss on derivative instruments of $2,316 for the three and nine months ended September 30, 2021 reported in Cost of sales.

[2] Ships includes the Company's effective share of revenues, expenses and operating margin attributable to 50% ownership of the Hilli Common Units. The earnings attributable to the investment of $11,809 and $22,303 for the three months and nine months ended September 30, 2021, respectively, are reported in income (loss) from equity method investments on the condensed consolidated statements of operations and comprehensive loss.

[3] Consolidation and Other adjusts for the inclusion of the effective share of revenues, expenses and operating margin attributable to 50% ownership of CELSEPAR and Hilli Common Units in our segment measure and exclusion of the unrealized mark-to-market gain or loss on derivative instruments.

[4] Total assets and capital expenditure by segment refers to assets held and capital expenditures related to the development of the Company's terminals and vessels. The Terminals and Infrastructure segment includes the net book value of vessels utilized within the Terminals and Infrastructure segment.

[5] Capital expenditures includes amounts capitalized to construction in progress and additions to property, plant and equipment during the period.

Consolidated Segment Operating Margin is defined as net loss, adjusted for selling, general and administrative expenses, transaction and integration costs, depreciation and amortization, interest expense, other (income) expense, income from equity method investments and tax expense.

The following table reconciles Net loss, the most comparable financial statement measure, to Consolidated Segment Operating Margin:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands of $)	2021	2020	2021	2020
Net loss	$ (17,769)	$ (36,670)	$ (59,012)	$ (263,480)
Add:				
Selling, general and administrative	46,802	26,821	124,954	87,273
Transaction and integration costs	1,848	4,028	42,564	4,028
Contract termination charges and loss on mitigation sales	-	-	-	124,114
Depreciation and amortization	31,194	9,489	68,080	22,363
Interest expense	57,595	19,813	107,757	50,901
Other (income) expense, net	(5,400)	2,569	(13,458)	4,179
Loss on extinguishment of debt, net	-	23,505	-	33,062
Tax provision	3,526	1,836	7,058	1,949
Loss (income) from equity method investments	15,983	-	(22,958)	-
Consolidated Segment Operating Margin	$ 133,779	$ 51,391	$ 254,985	$ 64,389

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Certain information contained in the following discussion and analysis, including information with respect to our plans, strategy, projections and expected timeline for our business and related financing, includes forward-looking statements. Forward-looking statements are estimates based upon current information and involve a number of risks and uncertainties. Actual events or results may differ materially from the results anticipated in these forward-looking statements as a result of a variety of factors.

You should read "Risk Factors" and "Cautionary Statement on Forward-Looking Statements" elsewhere in this Quarterly Report on Form 10-Q ("Quarterly Report") and under similar headings in the Annual Report on Form 10-K for the year ended December 31, 2020 (our "Annual Report") for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

The following information should be read in conjunction with our unaudited condensed consolidated financial statements and accompanying notes included elsewhere in this Quarterly Report. Our financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"). This information is intended to provide investors with an understanding of our past performance and our current financial condition and is not necessarily indicative of our future performance. Please refer to "—Factors Impacting Comparability of Our Financial Results" for further discussion. Unless otherwise indicated, dollar amounts are presented in thousands.

Unless the context otherwise requires, references to "Company," "NFE," "we," "our," "us" or similar terms refer to (i) prior to our conversion from a limited liability company to a corporation, New Fortress Energy LLC and its subsidiaries and (ii) following the conversion from a limited liability company to a corporation, New Fortress Energy Inc. and its subsidiaries.

Overview

We are a global integrated gas-to-power infrastructure company that seeks to use natural gas to satisfy the world's large and growing power needs. We deliver targeted energy solutions to customers around the world, thereby reducing their energy costs and diversifying their energy resources, while also reducing pollution and generating compelling margins. Our near-term mission is to provide modern infrastructure solutions to create cleaner, reliable energy while generating a positive economic impact worldwide. Our long-term mission is to become one of the world's leading carbon emission-free independent power providing companies. We discuss this important goal in more detail in the Annual Report, "Items 1 and 2: Business and Properties" under "Toward a Carbon-Free Future".

On April 15, 2021, we completed the acquisitions of Hygo Energy Transition Ltd. ("Hygo") and Golar LNG Partners LP ("GMLP"); referred to as the "Hygo Merger" and "GMLP Merger," respectively and, collectively, the "Mergers". NFE paid $580 million in cash and issued 31,372,549 shares of Class A common stock to Hygo's shareholders in connection with the Hygo Merger. NFE paid $3.55 per each common unit of GMLP outstanding and for each of the outstanding membership interest of GMLP's general partner, totaling $251 million. The Company also repaid certain outstanding debt facilities of GMLP in conjunction with closing the GMLP Merger.

As a result of the Mergers, we acquired one operating FSRU terminal in Sergipe, Brazil (the "Sergipe Facility"), a 50% interest in a 1.5GW power plant in Sergipe, Brazil (the "Sergipe Power Plant"), as well as two other FSRU terminals in development in Pará, Brazil (the "Barcarena Facility") and Santa Catarina, Brazil (the "Santa Catarina Facility").

We acquired the *Nanook*, a newbuild FSRU moored and in service at the Sergipe Facility. In addition to the *Nanook*, the we also acquired a fleet of six other FSRUs, six LNG carriers and an interest in a floating liquefaction vessel, the *Hilli Episeyo* (the "Hilli"), which receives, liquefies and stores LNG at sea and transfers it to LNG carriers that berth while offshore, each of which are expected to help support our existing facilities and international project pipeline. The majority of the FSRUs are operating in Brazil, Kuwait, Indonesia, Jamaica and Jordan under time charters, and uncontracted vessels are available for short term employment in the spot market.

Subsequent to the completion of the Mergers, our chief operating decision maker makes resource allocation decisions and assesses performance on the basis of two operating segments, Terminals and Infrastructure and Ships.

Our Terminals and Infrastructure segment includes the entire production and delivery chain from natural gas procurement and liquefaction to logistics, shipping, facilities and conversion or development of natural gas-fired power generation. We currently source LNG from long-term supply agreements with third party suppliers and from our own liquefaction facility in Miami, Florida. Leased vessels as well as the cost to operate our vessels that are utilized in our terminal or logistics operations are included in this segment. The Terminals and Infrastructure segment includes all terminal operations in Jamaica, Puerto Rico and Brazil, including our interest in the Sergipe Power Plant.

Our Ships segment includes all vessels acquired in the Mergers which are leased to customers under long-term or spot arrangements, including the 25 year charter of *Nanook* with CELSE. The Company's investment in Hilli LLC, owner and operator of the *Hilli*, is also included in the Ships segment. Over time, we expect to utilize these vessels in our own terminal operations as charter agreements for these vessels expire.

Our Current Operations – Terminals and Infrastructure

Our management team has successfully employed our strategy to secure long-term contracts with significant customers in Jamaica and Puerto Rico, including Jamaica Public Service Company Limited ("JPS"), the sole public utility in Jamaica, South Jamaica Power Company Limited ("SJPC"), an affiliate of JPS, Jamalco, a bauxite mining and alumina producer in Jamaica, and the Puerto Rico Electric Power Authority ("PREPA"), each of which is described in more detail below. Our assets built to service these significant customers have been designed with capacity to service other customers.

We currently procure our LNG either by purchasing from a supplier or by manufacturing it in our Miami Facility. Our long-term goal is to develop the infrastructure necessary to supply our existing and future customers with LNG produced primarily at our own facilities, including Fast LNG and our expanded delivery logistics chain in Northern Pennsylvania (the "Pennsylvania Facility").

Montego Bay Facility

The Montego Bay Facility serves as our supply hub for the north side of Jamaica, providing natural gas to JPS to fuel the 145MW Bogue Power Plant in Montego Bay, Jamaica. Our Montego Bay Facility commenced commercial operations in October 2016 and is capable of processing up to 740,000 gallons of LNG (61,000 MMBtu) per day and features approximately 7,000 cubic meters of onsite storage. The Montego Bay Facility also consists of an ISO loading facility that can transport LNG to numerous on-island industrial users.

Old Harbour Facility

The Old Harbour Facility is an offshore facility consisting of an FSRU that is capable of processing approximately six million gallons of LNG (500,000 MMBtus) per day. The Old Harbour Facility commenced commercial operations in June 2019 and supplies natural gas to the new 190MW Old Harbour power plant (the "Old Harbour Power Plant") operated by SJPC. The Old Harbour Facility is also supplying natural gas to our dual-fired combined heat and power facility in Clarendon, Jamaica (the "CHP Plant"). The CHP Plant supplies electricity to JPS under a long-term PPA. The CHP Plant also provides steam to Jamalco under a long-term take-or-pay SSA. In March 2020, the CHP Plant commenced commercial operation under both the PPA and the SSA and began supplying power and steam to JPS and Jamalco, respectively. In August 2020, we began to deliver gas to Jamalco to utilize in their gas-fired boilers.

San Juan Facility

In July 2020, we finalized the development of the San Juan Facility. The San Juan Facility is near the San Juan Power Plant and serves as our supply hub for the San Juan Power Plant and other industrial end-user customers in Puerto Rico. We have delivered natural gas used for the commissioning of PREPA's power plant under the Fuel Sale and Purchase Agreement with PREPA since April 2020. In the third quarter of 2021, commission for Units 5 & 6 of the San Juan Power Plant to operate on natural gas was substantially completed under the terms of our agreement with PREPA. See "—Other Matters" for additional information regarding our San Juan Facility.

Sergipe Power Plant and Sergipe Facility

As part of the Hygo Merger, we acquired a 50% interest in Centrais Elétricas de Sergipe Participações S.A. ("CELSEPAR"), which owns Centrais Elétricas de Sergipe S.A. ("CELSE"), the owner and operator of the Sergipe Power Plant. The Sergipe Power Plant, a 1.5 GW combined cycle power plant, receives natural gas from the Sergipe Facility through a dedicated 8-kilometer pipeline. The Sergipe Power Plant is the largest natural gas-fired thermal power station in South America and was built to provide electricity on demand, particularly during dry seasons when hydropower is unable to meet the growing demand for electricity in the region. CELSE has executed multiple PPAs pursuant to which the Sergipe Power Plant is delivering power to 26 committed offtakers for a period of 25 years. In any period in which power is not being produced pursuant to the PPAs, we are able to sell merchant power into the electricity grid at spot prices, subject to local regulatory approval.

We also acquired a 75% interest in Centrais Elétricas Barra dos Coqueiros S.A. ("CEBARRA"), which owns rights to expand the Sergipe Power Plant. These rights include 179 acres of land and regulatory permits for an incremental 1.7GW of power generation. CEBARRA has obtained all permits and other rights necessary to participate in future government power auctions.

The Sergipe Facility is capable of processing up to 790,000 MMBtu/d and storing up to 170,000 cubic meters of LNG. The Sergipe Facility is expected to utilize approximately 230,000 MMBtu/d (30% of the facility's maximum regasification capacity) to provide natural gas to the Sergipe Power Plant, at full dispatch.

Miami Facility

Our Miami Facility began operations in April 2016. This facility has liquefaction capacity of approximately 100,000 gallons of LNG (8,300 MMBtu) per day and enables us to produce LNG for sales directly to industrial end-users in southern Florida, including Florida East Coast Railway via our train loading facility, and other customers throughout the Caribbean using ISO containers.

Our Current Operations – Ships

Our Ships segment includes six FSRUs and five LNGCs which are leased to customers under long-term or spot arrangements, including a 25-year charter of *Nanook* with CELSE. As these charter arrangements expire, we expect to use these vessels in our terminal operations and reflect such vessels in our Terminals and Infrastructure segment. We began to use one acquired LNGC in our terminal operations in the third quarter of 2021, and the results of operations of this vessel are no longer included in the Ships segment.

The Company's investment in Hilli LLC, owner and operator of the *Hilli*, is also included in the Ships segment. Hilli Corp, a wholly owned subsidiary of Hilli LLC, has a Liquefication Tolling Agreement ("LTA") with Perenco Cameroon S.A. and Société Nationale des Hydrocarbures under which the *Hilli* provides liquefaction services through July 2026. Under the LTA, Hilli Corp receives a monthly tolling fee, consisting of a fixed element of hire and incremental tolling fees based on the price of Brent crude oil.

Our Development Projects

La Paz Facility

In July 2021 we began commercial operations at the Port of Pichilingue in Baja California Sur, Mexico (the "La Paz Facility"). Initially, we are supplying CFEnergia with natural gas to power plants located in Punta Prieta and Coromuel for an estimated 250,000 gallons of LNG (20,700 MMBtu) per day, and we are in commercial discussions with CFEnergia to increase the volumes and extend the tenor of agreements to further their transition to gas-fired power. Once fully operational, the La Paz Facility is expected to supply approximately an additional 270,000 gallons of LNG (22,300 MMBtu) per day under an intercompany GSA for approximately 100 MW of power supplied by gas-fired modular power units which we have developed, own and will operate once fully operational, which may be increased to approximately 350,000 gallons (29,000 MMBtu) of LNG per day for up to 135 MW of power.

Puerto Sandino Facility

Construction of our LNG regasification facility and power plant in Puerto Sandino, Nicaragua (the "Puerto Sandino Facility") is expected to be completed in the fourth quarter of 2021 with commissioning of the power plant expected to begin in the first quarter of 2022. We have entered into a 25-year PPA with Nicaragua's electricity distribution companies, and our 300 MW natural gas-fired power plant will consume approximately 700,000 gallons of LNG (57,500 MMBtus) per day.

Suape Facility

On January 12, 2021, we acquired CH4 Energia Ltda., an entity that owns key permits and authorizations to develop an LNG terminal and up to 1.37GW of gas-fired power at the Port of Suape in Brazil. On March 11, 2021, we acquired 100% of the outstanding shares of Pecém Energia S.A. ("Pecém") and Energetica Camacari Muricy II S.A. ("Muricy"). These companies collectively hold certain 15-year power purchase agreements totaling 288 MW for the development of the thermoelectric power plants in the State of Bahia, Brazil. We are seeking to obtain the necessary approvals from ANEEL and other relevant regulatory authorities in Brazil to transfer the site for the power purchase agreements to the Port of Suape and update the technical characteristics to develop and construct an initial 288MW gas-fired power plant and LNG import terminal at the Port of Suape to provide LNG and natural gas to major energy consumers within the port complex and across the greater Northeast region of Brazil (the "Suape Facility").

Barcarena Facility

The Barcarena Facility will consist of an FSRU and associated infrastructure, including mooring and offshore and onshore pipelines. The Barcarena Facility will be capable of processing up to 790,000 MMBtu/d and storing up to 170,000 cubic meters of LNG. The Barcarena Facility is expected to utilize approximately 92,000 MMBtu/d (12% of the facility's maximum regasification capacity) to service the Barcarena Power Plant upon commencement of operations.

As part of the Mergers, we acquired multiple 25-year PPAs to support the construction of a 605 MW combined cycle thermal power plant to be located in Pará, Brazil and to be supplied by the Barcarena Facility (the "Barcarena Power Plant"). The Barcarena Power Plant will utilize LNG sourced and processed at the Barcarena Facility for the generation of electricity which will be distributed to the national electricity grid. The power project is scheduled to deliver power to nine committed offtakers for 25 years beginning in 2025 in accordance with the PPA contracts awarded by the Brazilian government in October 2019.

Santa Catarina Facility

The Santa Catarina Facility will be located on the southern coast of Brazil and will consist of an FSRU with a processing capacity of approximately 790,000 MMBtu/d and LNG storage capacity of up to 170,000 cubic meters. We are also developing a 31-kilometer, 20-inch pipeline that will connect the Santa Catarina Facility to the existing inland Transportadora Brasileira Gasoduto Bolivia-Brasil S.A. ("TBG") pipeline via an interconnection point in Garuva. The Santa Catarina Facility and associated pipeline are expected to have a total addressable market of 15 million gallons per day.

Sri Lanka Facility

In September 2021, we signed an agreement to acquire a 40% ownership stake in West Coast Power Limited ("WCP"), the owner of the 310 MW Yugadanvi Power Plant in Colombo, Sri Lanka. We plan to develop an offshore LNG receiving, storage and regasification terminal to supply the Kerawalapitya Power Complex, where 310 MW of power is operational today and an additional 700 MW scheduled to be built, of which 350 MW is scheduled to be operational by 2023. We expect to initially provide the equivalent of an estimated 1.2 million gallons of LNG per day (35,000 MMBtu/d), with the expectation of significant growth as new power plants become operational. Our agreement with WCP is subject to certain conditions precedent, and we expect that these conditions will be finalized in the first half of 2022.

Fast LNG

We are currently developing a modular floating liquefaction facility to provide a low-cost supply of liquefied natural gas for our growing customer base. The "Fast LNG" design pairs advancements in modular, midsize liquefaction technology with jack up rigs or similar floating infrastructure to enable a much lower cost and faster deployment schedule than today's floating liquefaction vessels. A permanently moored FSU will serve as an LNG storage facility alongside the floating liquefaction infrastructure, which can be deployed anywhere there is abundant and stranded natural gas.

Recent Developments

Cargo Sales

Since August 2021, LNG prices have increased materially. We have supply commitments to secure LNG volumes equal to approximately 100% of our expected needs for our Montego Bay Facility, Old Harbour Facility, San Juan Facility, La Paz Facility and Puerto Sandino Facility for the next six years. Due to this significant increase in market pricing of LNG, we have used flexibility in our operations and supply portfolio to sell a portion of these cargos in the market, and these sales have positively impacted our results for the third quarter of 2021. We expect to deliver these cargos in Q4 2021, and these cargo sales are expected to increase our revenues and results of operations in the fourth quarter of 2021.

COVID-19 Pandemic

We are closely monitoring the impact of the novel coronavirus ("COVID-19") pandemic on all aspects of our operations and development projects, including our marine operations acquired in the Mergers. Customers in our Terminals and Infrastructure segment primarily operate under long-term contracts, many of which contain fixed minimum volumes that must be purchased on a "take-or-pay" basis. We continue to invoice our customers for fixed minimum volumes even in cases when our customer's consumption has decreased. We have not changed our payment terms with these customers, and there has not been deterioration in the timing or volume of collections.

Many of the vessels acquired in the Mergers operate under long-term contracts with fixed payments. We are required to have adequate crewing aboard our vessels to fulfill the obligations under our contracts, and we have implemented safety measures to ensure that we have healthy qualified officers and crew. We monitor local or international transport or quarantine restrictions limiting the ability to transfer crew members off vessels or bring a new crew on board, and restrictions in availability of supplies needed on board due to disruptions to third-party suppliers or transportation alternatives, and we have not experienced significant disruptions in our operations due to these measures or restrictions.

Based on the essential nature of the services we provide to support power generation facilities, our operations and development projects have not currently been significantly impacted by responses to the COVID-19 pandemic. We remain committed to prioritizing the health and well-being of our employees, customers, suppliers and other partners. We have implemented policies to screen employees, contractors, and vendors for COVID-19 symptoms upon entering our development projects, operations and office facilities. For the three months and nine months ended September 30, 2021, we have incurred approximately $0.2 million and $0.6 million, respectively, for safety measures introduced into our operations and other responses to the COVID-19 pandemic.

We are actively monitoring the spread of the pandemic and the actions that governments and regulatory agencies are taking to fight the spread. We have not experienced significant disruptions in development projects, charter or terminal operations from the COVID-19 pandemic; however, there are important uncertainties including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures. We do not currently expect these factors to have a significant impact on our results of operations, liquidity or financial position, or our development budgets or timelines.

Other Matters

On June 18, 2020, we received an order from FERC, which asked us to explain why our San Juan Facility is not subject to FERC's jurisdiction under section 3 of the NGA. Because we do not believe that the San Juan Facility is jurisdictional, we provided our reply to FERC on July 20, 2020 and requested that FERC act expeditiously. On March 19, 2021 FERC issued an order that the San Juan Facility does fall under FERC jurisdiction. FERC directed us to file an application for authorization to operate the San Juan Facility within 180 days of the order, which is September 15, 2021, but also found that allowing operation of the San Juan Facility to continue during the pendency of an application is in the public interest. FERC also concluded that no enforcement action against us is warranted, presuming we comply with the requirements of the order. Parties to the proceeding, including the Company, sought rehearing of the March 19, 2021 FERC order, and FERC denied all requests for rehearing in an order issued on July 15, 2021. We have filed petitions for review of FERC's March 19 and July 15 orders with the United States Court of the Appeals for the District of Columbia Circuit. To date, no other party has sought review of FERC's orders. While our petitions for review are pending, and in order to comply with the FERC's directive, on September 15, 2021 we filed an application for authorization to operate the San Juan Facility.

Results of Operations – Three and Nine Months Ended September 30, 2021 compared to Three and Nine Months Ended September 30, 2020

Segment performance is evaluated based on segment operating margin and the tables below presents our segment information for the three and nine months ended September 30, 2021 and 2020:

	Three Months Ended September 30, 2021				
(in thousands of $)	Terminals and Infrastructure[1]	Ships[2]	Total Segment	Consolidation and Other[3]	Consolidated
Total revenues	$ 349,140	$ 116,050	$ 465,190	$ (160,534)	$ 304,656
Cost of sales	206,131	-	206,131	(70,699)	135,432
Vessel operating expenses	-	21,210	21,210	(5,909)	15,301
Operations and maintenance	27,371	-	27,371	(7,227)	20,144
Segment Operating Margin	**$ 115,638**	**$ 94,840**	**$ 210,478**	**$ (76,699)**	**$ 133,779**

	Nine Months Ended September 30, 2021				
(in thousands of $)	Terminals and Infrastructure[1]	Ships[2]	Total Segment	Consolidation and Other[3]	Consolidated
Total revenues	$ 676,372	$ 211,812	$ 888,184	$ (214,005)	$ 674,179
Cost of sales	406,253	-	406,253	(72,720)	333,533
Vessel operating expenses	-	41,385	41,385	(10,684)	30,701
Operations and maintenance	67,266	-	67,266	(12,306)	54,960
Segment Operating Margin	**$ 202,853**	**$ 170,427**	**$ 373,280**	**$ (118,295)**	**$ 254,985**

[1] Terminals and Infrastructure includes the Company's effective share of revenues, expenses and operating margin attributable to 50% ownership of CELSEPAR. The losses and earnings attributable to the investment of $27,792 and $655 for the three and nine months ended September 30, 2021, respectively are reported in income (loss) from equity method investments on the condensed consolidated statements of operations. Terminals and Infrastructure does not include the unrealized mark-to-market loss on derivative instruments of $2,316 for the three and nine months ended September 30, 2021 reported in Cost of sales.

[2] Ships includes the Company's effective share of revenues, expenses and operating margin attributable to 50% ownership of the Hilli Common Units. The earnings attributable to the investment of $11,809 and $22,303 for the three months and nine months ended September 30, 2021, respectively are reported in income (loss) from equity method investments on the condensed consolidated statements of operations and comprehensive loss.

[3] Consolidation and Other adjust for the inclusion of the effective share of revenues, expenses and operating margin attributable to 50% ownership of CELSEPAR and Hilli Common Units in our segment measure and exclusion of the unrealized mark-to-market gain or loss on derivative instruments.

	Terminals and Infrastructure	
(in thousands of $)	Three months ended September 30, 2020	Nine months ended September 30, 2020
Total revenues	$ 136,858	$ 305,954
Cost of sales	71,665	209,780
Vessel operating expenses	-	-
Operations and maintenance	13,802	31,785
Segment Operating Margin	**$ 51,391**	**$ 64,389**

Terminals and Infrastructure Segment

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in thousands of $)	2021	2020	Change	2021	2020	Change
Total revenues	$ 349,140	$ 136,858	$ 212,282	$ 676,372	$ 305,954	$ 370,418
Cost of sales	206,131	71,665	134,466	406,253	209,780	196,473
Vessel operating expenses	-	-	-	-	-	-
Operations and maintenance	27,371	13,802	13,569	67,266	31,785	35,481
Segment Operating Margin	**$ 115,638**	**$ 51,391**	**$ 64,247**	**$ 202,853**	**$ 64,389**	**$ 138,464**

Total revenue

Total revenue for the Terminals and Infrastructure Segment increased $212,282 and $370,418 for the three and nine months ended September 30, 2021 as compared to the three months and nine months ended September 30, 2020, respectively. The increase was primarily driven by increases in revenue from the sale of cargos of LNG to third parties outside of our terminal operations and the inclusion of incremental revenue in our segment measure from CELSEPAR after the completion of the Mergers. Our contracts with customers in this segment are primarily priced based on the Henry Hub index, and there have been significant increases in this price index in 2021, positively impacting our revenue. The average Henry Hub index pricing used to invoice our customers increased by 103% and 69% for the three and nine months ended September 2021 as compared to the three and nine months ended September 30, 2020, respectively. Additionally, we recognized additional revenue from more volumes sold to the San Juan Power Plant in Puerto Rico.

Revenue from cargo sales outside of our terminal operations was $32,605 for the three and nine months ended September 30, 2021; there were no comparable transactions in the three and nine months ended September 30, 2020.

The Old Harbour Facility sold additional volumes in the three and nine months ended September 30, 2021 as compared to the three and nine months ended September 30, 2020, including volumes utilized in the CHP Plant which commenced commercial operations during March 2020. Increases in revenue were further impacted by substantial increases to natural gas pricing.

- For the three months ended September 30, 2021, we recognized $62,488 of revenue from volumes sold at the Old Harbour Facility, as compared to $50,064 for the three months ended September 30, 2020, driven primarily by an increase in the Henry Hub index used to invoice our customers when compared to the third quarter of 2020. Volumes consumed at the Old Harbour Power Plant increased by 6.2 million gallons (0.6 TBtu), partially offset by a decrease of 1.5 million gallons (0.2 TBtu) in consumption by Jamalco's boilers. The Jamalco refinery experienced a fire in August 2021, and no gas volumes have been consumed by their boilers since this event. Volumes delivered to the Old Harbour Power Plant increased to 33.1 million gallons (2.8 TBtu) in the three months ended September 30, 2021 from 26.9 million gallons (2.2 TBtu) in the three months ended September 30, 2020. Volumes delivered to the CHP Plant and Jamalco's boilers decreased to 27.1 million gallons (2.2 TBtu) in the three months ended September 30, 2021 from 28.6 million gallons (2.4 TBtu) in the three months ended September 30, 2020.

- For the nine months ended September 30, 2021, we recognized $170,402 of revenue from volumes sold at the Old Harbour Facility, as compared to $129,313 for the nine months ended September 30, 2020, primarily driven by an increase in the Henry Hub index used to invoice our customers and additional volumes consumed at the Old Harbour Power Plant, CHP Plant and Jamalco's boilers, which began consuming gas in August 2020. Volumes delivered to the Old Harbour Power Plant increased by 13.5 million gallons (1.2 TBtu) to 91.9 million gallons (7.7 TBtu) in the nine months ended September 30, 2021 from 78.4 million gallons (6.5 TBtu) in the nine months ended September 30, 2020. Volumes delivered to the CHP Plant and Jamalco's boilers increased by 18.9 million gallons (1.5 TBtu) to 81.3 million gallons (6.7 TBtu) in the nine months ended September 30, 2021 from 62.4 million gallons (5.2 TBtu) in the nine months ended September 30, 2020.

- Revenue from the delivery of power and steam, which began during March 2020, under our contracts with JPS and Jamalco was $7,237 and $21,567 for the three and nine months ended September 30, 2021, respectively, as compared to $7,280 and $15,957 in revenue for the three and nine months ended September 30, 2020, respectively. After the fire at the Jamalco refinery, we did not deliver any steam to Jamalco. However, steam revenue was consistent in the third quarter of 2021 with previous periods as our contract with Jamalco has take-or-pay provisions that allow us to invoice for minimum volumes.

Revenue was also impacted by operations at our Montego Bay Facility.

- Sales at the Montego Bay Facility increased by $4,298 from $23,515 for the three months ended September 30, 2020 to $27,813 for the three months ended September 30, 2021. The increase in sales at the Montego Bay Facility was due to an increase in the Henry Hub index used to invoice our customers compared to the third quarter of 2020. Volumes delivered at the Montego Bay Facility remained relatively consistent for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020, decreasing by 0.1 million gallons (0.0 TBtu) from 23.9 million gallons (2.0 TBtu) during the three months ended September 30, 2020 to 23.8 million gallons (2.0 TBtu) during the three months ended September 30, 2021.

- Sales at the Montego Bay Facility increased by $10,103 from $69,072 for the nine months ended September 30, 2020 to $79,175 for the nine months ended September 30, 2021. The increase in sales at the Montego Bay Facility was primarily due to an increase in the Henry Hub index used to invoice our customers compared to the first nine months of 2020. Volumes delivered at the Montego Bay Facility increased by 1.9 million gallons (0.2 TBtu) from 70.5 million gallons (5.9 TBtu) during the nine months ended September 30, 2020 to 72.4 million gallons (6.1 TBtu) during the nine months ended September 30, 2021.

We also recognize revenue from development services for the construction, installation and commissioning of equipment to transform customers' facilities to operate utilizing natural gas or to allow customers to receive power or other outputs from our power generation facilities. Such services are provided under certain long-term contracts to supply these customers with natural gas or outputs from our natural gas-fired facilities. Natural gas delivered to the San Juan Power Plant was recognized as revenue from development services, until commissioning of Units 5 & 6 of the San Juan Power Plant to operate on natural gas was substantially completed in the third quarter of 2021. After this point, all natural gas delivered to the San Juan Power Plant was recognized as operating revenue.

- Sales at the San Juan Power Plant increased by $24,087 from $51,974 for the three months ended September 30, 2020 to $76,061 for the three months ended September 30, 2021. The increase was driven by additional volumes consumed at the San Juan Power Plant. Volumes delivered to the San Juan Power Plant increased by 13.0 million gallons (1.0 TBtu) to 71.6 million gallons (5.8 TBtu) in the three months ended September 30, 2021 from 58.6 million gallons (4.8 TBtu) in the three months ended September 30, 2020.

- Sales at the San Juan Power Plant increased by $108,263 from $68,458 for the nine months ended September 30, 2020 to $176,721 for the nine months ended September 30, 2021. The increase was driven by additional volumes consumed at the San Juan Power Plant, as our San Juan Facility was not completed until July 2020. Volumes delivered to the San Juan Power Plant increased by 88.0 million gallons (7.1 TBtu) to 165.9 million gallons (13.5 TBtu) in the nine months ended September 30, 2021 from 77.9 million gallons (6.4 TBtu) in the nine months ended September 30, 2020.

Subsequent to the acquisition of our interest in the Sergipe Facility as part of the Mergers, our share of revenue from our investment in CELSEPAR was $134,523 and $166,292 for the three and nine months ended September 30, 2021, respectively, which was primarily comprised of fixed capacity payments received under our PPAs. Revenue recognized from the operation of the Sergipe Power Plant was significantly increased in the third quarter of 2021 by emergency dispatch due to poor hydrological conditions in Brazil during the third quarter. Our proportionate share of revenue from the Sergipe Facility is included in this discussion as such revenue is included in our segment measure; in our consolidated statement of operations and comprehensive loss, we report the results from our investment in CELSEPAR as Income (loss) from equity method investments.

Cost of sales

Cost of sales includes the procurement of feedgas or LNG, as well as shipping and logistics costs to deliver LNG or natural gas to our facilities, power generation facilities or to our customers. Our LNG and natural gas supply are purchased from third parties or converted in our Miami Facility. Costs to convert natural gas to LNG, including labor, depreciation and other direct costs to operate our Miami Facility are also included in Cost of sales.

Cost of sales increased $134,466 and $196,473 for the three and nine months ended September 30, 2021, respectively, as compared to the three and nine months ended September 30, 2020, respectively.

- Cost of LNG purchased from third parties for sale to our customers or delivered for commissioning of our customer's assets in Puerto Rico increased $44,581 for the three months ended September 30, 2021, respectively as compared to the three months ended September 30, 2020. The increase was primarily attributable to a 15% increase in volumes delivered compared to the three months ended September 30, 2020 and an increase in LNG cost. The weighted-average cost of LNG purchased from third parties increased from $0.37 per gallon ($4.44 per MMBtu) for the three months ended September 30, 2020 to $0.58 per gallon ($6.98 per MMBtu) for the three months ended September 30, 2021.

- Cost of LNG purchased from third parties for sale to our customers or delivered for commissioning of our customer's assets in Puerto Rico increased $87,852 for the nine months ended September 30, 2021, respectively as compared to the nine months ended September 30, 2020. The increase was primarily attributable to a 42% increase in volumes delivered compared to the nine months ended September 30, 2020 and an increase in LNG cost. The weighted-average cost of LNG purchased from third parties increased from $0.51 per gallon ($6.13 per MMBtu) for the nine months ended September 30, 2020 to $0.54 per gallon ($6.58 per MMBtu) for the nine months ended September 30, 2021.

- Cost of LNG from the sale of cargos in the market were $18,191 for the three and nine months ended September 30, 2021 as compared to $0 for the three and nine months ended September 30, 2020. Since August 2021, due to the significant increase in market pricing of LNG, we have used flexibility in our operations and supply portfolio to sell a portion of our committed cargos in the market. The weighted-average cost of LNG from the sale of a portion of our cargos was $0.69 per gallon ($8.33 per MMBTU) for the three and nine months ended September 30, 2021.

- Subsequent to the acquisition of an interest in the Sergipe Facility as part of the Mergers, our share of Cost of sales from our investment in CELSEPAR was $73,015 and $75,042 for the three and nine months ended September 30, 2021, respectively, which was comprised of LNG costs to fuel the power plant and costs of power to fulfill requirements under the PPAs.

The weighted-average cost of our LNG inventory balance to be used in our Jamaican and Puerto Rican operations as of September 30, 2021 and December 31, 2020 was $0.64 per gallon ($7.71 per MMBtu) and $0.40 per gallon ($4.81 per MMBtu), respectively.

Charter costs decreased Cost of sales by $2,901 for the three months ended September 30, 2021. As a result of the Mergers, we have effectively settled our charter agreement for the *Freeze*, one of the acquired vessels, and as such, the decrease in charter costs was attributable to the lower costs associated with the *Freeze*.

Charter costs increased Cost of sales by $3,441 for the nine months ended September 30, 2021, respectively. The increase was attributable to an additional vessel in our fleet associated with our San Juan Facility after our assets were placed in service in the third quarter of 2020, as well as an additional vessel lease that we assumed as part of the Mergers. These increases were partially offset by lower costs associated with the *Freeze*.

Operations and maintenance

Operations and maintenance includes costs of operating our Facilities, exclusive of costs to convert that are reflected in Cost of sales. Operations and maintenance increased $13,569 and $35,481 for the three and nine months ended September 30, 2021, respectively, as compared to the three and nine months ended September 30, 2020.

- Subsequent to acquisition of an interest in the Sergipe Facility as part of the Mergers, our share of Operations and maintenance from our investment in CELSEPAR was $7,227 and $12,306 for the three and nine months ended September 30, 2021, respectively, which was primarily comprised of costs related to the operation and services agreement for the *Nanook*, insurance costs and costs for connecting to the transmission system.

- The increase for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020 was primarily the result of costs of operating the San Juan Facility and CHP Plant and higher payroll costs, maintenance costs, insurance costs and port fees; these additional costs were $8,878.

- The increase for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020 was primarily the result of San Juan Facility and the CHP Facility that were still in development during a portion of the nine months ended September 30, 2020. Operations and maintenance increased by the costs of operating the San Juan Facility and CHP Plant of $10,732. We also incurred $13,092 of payroll costs, maintenance costs, insurance costs and port fees.

Ships Segment

(in thousands of $)	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2021
Total revenues	$ 116,050	$ 211,812
Vessel operating expenses	21,210	41,385
Segment Operating Margin	**$ 94,840**	**$ 170,427**

Prior to the completion of the Mergers, we reported our results of operations in a single segment; all the assets and operations that comprise the Ships segment were acquired in the Mergers, and as such, there are no results of operations prior to the completion of the Mergers during the second quarter of 2021, and the results of operations for the Ships segment for the nine months ended September 30, 2021 represents five and a half months of operations.

Revenue in the Ships segment is comprised of operating lease revenue under time charters, fees for repositioning vessels as well as the reimbursement of certain vessel operating costs. We have also recognized revenue related to the interest portion of lease payments and the operating and service agreements in connection with the sales-type lease of the *Nanook*.

Subsequent to the completion of the Mergers, five of the FSRUs and one LNGCs were on hire under long-term charter agreements for the full period. Two LNGCs were operating in the spot market for a portion of the period subsequent to the completion of the Mergers through June 30, 2021. In the third quarter, one of these LNGCs, the *Grand*, began to be utilized in our terminal and logistics operations, and as such, the results of operations of the *Grand* are included in the Terminals and Infrastructure segment in the third quarter of 2021. The *Spirit* and the *Mazo* continue to be in cold lay-up, and no vessel charter revenue was generated from these vessels.

Two of the vessels acquired in the Mergers, the *Celsius* and the *Penguin*, have participated in a pooling arrangement, which we refer to as the Cool Pool. Under this arrangement, the pool manager markets participating vessels in the LNG shipping spot market, and the vessel owner continues to be fully responsible for the manning and technical management of their respective vessels. Revenue for charters of our vessels in the Cool Pool is presented on a gross basis in revenue, and our allocation of our share of the net revenues earned from the other pool participants' vessels, which may be either income or expense depending on the results of all pool participants, is reflected on a net basis within Vessel operating expenses. The *Penguin* exited the Cool Pool in the third quarter of 2021, and we have chartered this vessel to a third party outside of the Cool Pool.

For the three and nine months ended September 30, 2021, revenue recognized in the Ships segment included $11,607 and $21,288 of interest income for the *Nanook* sales-type lease and $1,491 and $2,656 of revenue for operating services, respectively, provided to CELSE. As all operations of the Ships segment were acquired in the Mergers, the results of operations for the *Nanook* for the nine months ended September 30, 2021 represents five and a half months of operations.

Our segment measure includes our proportionate share of the results of operations of the *Hilli*. Our share of revenue from our investment in Hilli LLC was $26,011 and $47,758 for the three and nine months ended September 30, 2021, respectively, which was primarily comprised of fees received under the long-term tolling arrangement. The *Hilli* maintained 100% commercial uptime during the period subsequent to the Mergers.

Vessel operating expenses

Vessel operating expenses include direct costs associated with operating a vessel, such as crewing, repairs and maintenance, insurance, stores, lube oils, communication expenses and management fees. We also recognize voyage expenses within Vessel operating expenses, which principally consist of fuel consumed before or after the term of time charter or when the vessel is off hire. Under time charters, the majority of voyage expenses are paid by customers. To the extent that these costs are a fixed amount specified in the charter, which is not dependent upon redelivery location, the estimated voyage expenses are recognized over the term of the time charter.

For the three and nine months ended September 30, 2021, we recognized $21,210 and $41,385, respectively, in Vessel operating expenses. As all operations of the Ships segment were acquired in the Mergers, Vessel operating expenses for the nine months ended September 30, 2021 represents five and a half months of operations of each of the acquired vessels.

Other operating results

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in thousands of $)	**2021**	**2020**	**Change**	**2021**	**2020**	**Change**
Selling, general and administrative	$ 46,802	$ 26,821	$ 19,981	$ 124,954	$ 87,273	$ 37,681
Transaction and integration costs	1,848	4,028	(2,180)	42,564	4,028	38,536
Contract termination charges and loss on mitigation sales	-	-	-	-	124,114	(124,114)
Depreciation and amortization	31,194	9,489	21,705	68,080	22,363	45,717
Total operating expenses	250,721	125,805	124,916	654,792	479,343	175,449
Operating income (loss)	53,935	11,053	42,882	19,387	(173,389)	192,776
Interest expense	57,595	19,813	37,782	107,757	50,901	56,856
Other (income) expense, net	(5,400)	2,569	(7,969)	(13,458)	4,179	(17,637)
Loss on extinguishment of debt, net	-	23,505	(23,505)	-	33,062	(33,062)
Net income (loss) before income from equity method investments and income taxes	1,740	(34,834)	36,574	(74,912)	(261,531)	186,619
(Loss) income from equity method investments	(15,983)	-	(15,983)	22,958	-	22,958
Tax provision	3,526	1,836	1,690	7,058	1,949	5,109
Net loss	$ (17,769)	$ (36,670)	$ 18,901	$ (59,012)	$ (263,480)	$ 204,468

Selling, general and administrative

Selling, general and administrative includes compensation expenses for our corporate employees, employee travel costs, insurance, professional fees for our advisors and screening costs associated with development activities for projects that are in initial stages and development is not yet probable.

Selling, general and administrative increased $19,981 for the three months ended September 30, 2021, as compared to the three months ended September 30, 2020. The increase was primarily attributable to $10,558 of higher payroll costs associated with increased headcount for the three months ended September 30, 2021. Contributing to the increase was higher lease expense, insurance and IT, screening expenses, management fees, professional services, and other costs attributable to our expanded operations of $6,076.

Selling, general and administrative increased $37,681 for the nine months ended September 30, 2021, as compared to the nine months ended September 30, 2020. The increase was primarily attributable to $21,451 of higher payroll costs associated with increased headcount for the nine months ended September 30, 2021. Contributing to the increase was higher lease expense, insurance and IT, screening expenses, management fees, professional services, and other costs attributable to our expanded operations of $14,875.

Transaction and integration costs

Transaction and integration costs decreased $2,180 and increased $38,536 for the three and nine months ended September 30, 2021, as compared to the three and nine months ended September 30, 2020, respectively. For the three months ended September 30, 2021, we incurred $1,848 in connection with the Mergers, which consisted primarily of financial advisory, legal, accounting and consulting costs.

For the nine months ended September 30, 2021, we incurred $42,564 for transaction and integration costs. As part of arranging financing for the Mergers, we incurred $15,000 in bridge financing commitment fees. We issued the 2026 Notes to pay for a portion of the consideration for the Mergers and did not utilize the commitments under the bridge financing, and as such, the fees were expensed with the termination of the bridge financing commitment letter in the second quarter of 2021. We also incurred $3,978 of costs related to the settlement of a contractual indemnification obligation under a pre-existing lease arrangement prior to the GMLP Merger. The remaining transaction and integration costs were incurred in connection with the Mergers, which consisted primarily of financial advisory, legal, accounting and consulting costs.

For the three and nine months ended September 30, 2020, we incurred $4,028 of third-party fees associated with a new credit agreement that was accounted for as a modification.

Contract termination charges and loss on mitigation sales

Loss on mitigation sales for the three and nine months ended September 30, 2020 was $0 and $124,114, respectively. In June 2020, we executed an agreement to terminate our obligation to purchase LNG from our supplier for the remainder of 2020 in exchange for a payment of $105,000, and we recognized this cancellation charge during the three months ended June 30, 2020. We terminated our obligation in the second quarter of 2020 to both take advantage of the low pricing in the open market and to align future deliveries of LNG with our expected needs. Additionally, in the second quarter of 2020, we experienced lower than expected consumption by some of our customers, primarily as a result of unplanned maintenance at one of our customer's facilities in Jamaica. As a result, we were unable to utilize a firm cargo purchased under our LNG supply agreement, incurring a loss of $18,906 on the sale of this cargo that was recognized during the second quarter of 2020. We did not have such transactions during the three and nine months ended September 30, 2021.

Depreciation and amortization

Depreciation and amortization increased $21,705 and $45,717 for the three and nine months ended September 30, 2021, respectively, as compared to the three and nine months ended September 30, 2020. The increase was primarily due to the following:

- Subsequent to the completion of the Mergers, our results of operations include depreciation expense primarily for the vessels acquired. We recognized $13,691 and $25,100 of incremental depreciation expense for the acquired vessels during the three and nine months ended September 30, 2021 as compared to the same periods in the prior year;
- Amortization of the value recorded for favorable and unfavorable contracts acquired in the Mergers of $6,779 and $12,128 for the three and nine months ended September 30, 2021, respectively;
- Increase in depreciation of $427 and $5,229 for the San Juan Facility that went into service in July 2020 for the three and nine months ended September 30, 2021, respectively; and
- Increase in depreciation of $2,297 for the CHP Plant that went into service in March 2020 for the nine months ended September 30, 2021.

Interest expense

Interest expense increased by $37,782 and $56,856 for the three and nine months ended September 30, 2021, respectively, as compared to the three and nine months ended September 30, 2020. The increase was primarily due to an increase in total principal outstanding due to the issuance of the 2025 Notes in September 2020, the 2026 Notes in April 2021, draws on the Revolving Facility in the second and third quarters of 2021, borrowings under the Vessel Term Loan Facility and the CHP Facility (all defined below); principal outstanding on outstanding facilities was $3,888,894 as of September 30, 2021 as compared to total outstanding debt of $1,000,000 as of September 30, 2020.

In conjunction with the Mergers, we assumed outstanding debentures issued by a subsidiary of Hygo and the outstanding debt of variable interest entities ("VIEs") that are now consolidated in our financial statements, totaling $630,563 as of the acquisition date. Although we have no control over the funding arrangements of these entities, we are the primary beneficiary of these VIEs and therefore these loan facilities are presented as part of the condensed consolidated financial statements.

Upon assumption of the debt held by VIEs, we recognized the liabilities assumed at fair value and amortization of the discount from carrying value has been recorded as additional interest expense. For the three months and nine months ended September 30, 2021, we recognized additional interest expense attributable to assumed debt of $15,263 and $8,628, respectively.

Other (income) expense, net

Other (income) expense, net increased by $7,969 and $17,637 for the three and nine months ended September 30, 2021, respectively, as compared to the three and nine months ended September 30, 2020. The increase was primarily due to the following::

- Gains in investments in equity securities compared to losses in the same periods in 2020, contributing $7,335 and $9,640 for the three and nine months ended September 30, 2021, respectively;
- Increase from the reduction in losses resulting from the fair value of derivative liabilities and equity agreement associated with payments due to sellers in asset acquisitions of $2,737 and $3,156, for the three and nine months ended September 30, 2021, respectively; and

- Changes in the fair value of the cross-currency interest rate swap and the interest rate swaps acquired in connection with the Mergers, resulting in expense of $4,278 and additional income of $2,081, for the three and nine months ended September 30, 2021, respectively.

Loss on extinguishment of debt, net

Loss on extinguishment of debt for the three and nine months ended September 30, 2020 was $23,505 and $33,062, respectively, as a result of the extinguishment of previous credit facilities in January 2020 and September 2020. We did not have such transactions during the three and nine months ended September 30, 2021.

Tax provision

We recognized a tax provision for the three and nine months ended September 30, 2021 of $3,526 and $7,058, respectively, compared to tax provision of $1,836 and $1,949 for the three and nine months ended September 30, 2020, respectively. The increases to the tax provision and effective tax rate for both the three and nine months ended September 30, 2021 was primarily driven by an increase in pre-tax income in certain profitable non-U.S. operations and the inclusion of operations of certain jurisdictions of acquired business. For the nine months ended September 30, 2021, these increases in tax expense were partially offset by the release of a valuation allowance in a foreign jurisdiction resulting in a discrete benefit of $1,800.

Income from equity method investments

During the period after the completion of the Mergers, we recognized losses and income from our investments in Hilli and CELSEPAR of $(15,983) and $22,958 for the three and nine months ended September 30, 2021, respectively. Our proportionate share of the losses and earnings of $(7,101) and $37,614, respectively, were offset by amortization of basis differences through our equity earnings of $8,882 and $14,656 for the three and nine months ended September 30, 2021, respectively. During the period after the Mergers, our share of earnings from CELSEPAR was significantly impacted by a foreign currency remeasurement loss of $17,709 for the three months ended September 30, 2021 and a gain of $8,067 for the nine months ended September 30, 2021, primarily as a result of the remeasurement of the *Nanook* finance lease obligation.

Factors Impacting Comparability of Our Financial Results

Our historical results of operations and cash flows are not indicative of results of operations and cash flows to be expected in the future, principally for the following reasons:

- ***Our historical financial results include the results of operations of Hygo and GMLP only since the completion of the Mergers in April 2021 and do not include all integration and transaction costs expected to be incurred associated with these acquisitions.*** Upon completion of the Mergers, we acquired a fleet of seven FSRUs, six LNG carriers and an interest in a floating liquefaction vessel. We also acquired the Sergipe Facility, a 50% interest in the Sergipe Power Plant, as well as the Barcarena Facility and the Santa Catarina Facility that are currently in development. The results of operations of Hygo and GMLP began to be included in our financial statements upon the closing of the acquisitions on April 15, 2021. Our results of operations in 2021 will also include transaction costs associated with these acquisitions as well as costs incurred to integrate the operations of Hygo and GMLP into our business, which may be significant.
- ***Our historical financial results do not include significant projects that have recently been completed or are near completion.*** Our results of operations for the three and nine months ended September 30, 2021 include our Montego Bay Facility, Old Harbour Facility, San Juan Facility, certain industrial end-users and our Miami Facility. We are finalizing development of our La Paz Facility and Puerto Sandino Facility, and our current results do not include revenue and operating results from these projects. Our current results also exclude other developments, including the Suape Facility, the Barcarena Facility, the Santa Catarina Facility and the Ireland Facility.

- ***Our historical financial results do not reflect new LNG supply agreements that will lower the cost of our LNG supply through 2030.*** We currently purchase the majority of our supply of LNG from third parties, sourcing approximately 97% of our LNG volumes from third parties for the three and nine months ended September 30, 2021, respectively, a significant portion of which is under an LNG supply agreement signed in 2018. During 2020 and 2021, we also entered into LNG supply agreements for the purchase of approximately 601 TBtu of LNG at a price indexed to Henry Hub from 2021 and 2030, resulting in expected pricing below the pricing in our previous long-term supply agreement. We have now secured supply for LNG volumes equal to approximately 100% of our expected needs for our Montego Bay Facility, Old Harbour Facility, San Juan Facility, La Paz Facility and Puerto Sandino Facility for the next six years.

  We also anticipate that the deployment of Fast LNG floating liquefaction facilities will significantly lower the cost of our LNG supply and reduce our dependence on third party suppliers.

  Since August 2021, LNG prices have increased materially. Due to this significant increase in market pricing of LNG, we have used flexibility in our operations and supply portfolio to sell a portion of our committed cargos in the market with delivery in Q4 2021, and these cargo sales are expected to increase our revenues and results of operations in the fourth quarter of 2021.

Liquidity and Capital Resources

We believe we will have sufficient liquidity from proceeds from recent borrowings, access to additional capital sources and cash flow from operations to fund our capital expenditures and working capital needs for the next 12 months. We expect to fund our current operations and continued development of additional facilities through cash on hand, borrowings under our debt facilities and cash generated from operations. We may also elect to generate additional liquidity through future debt or equity issuances to fund developments and transactions. We have historically funded our developments through proceeds from our IPO and debt and equity financing, most recently as follows:

- In January 2020, we borrowed $800,000 under a credit agreement, and repaid our prior term loan facility in full.
- In September 2020, we issued $1,000,000 of 2025 Notes and repaid all other outstanding debt. No principal payments are due on the 2025 Notes until maturity in 2025.
- In December 2020, we received proceeds of $263,125 from the issuance of $250,000 of additional notes on the same terms as the 2025 Notes (subsequent to this issuance, these additional notes are included in the definition of 2025 Notes herein).
- In December 2020, we issued 5,882,352 shares of Class A common stock and received proceeds of $290,771, net of $1,221 in issuance costs.
- In April 2021, we issued $1,500,000 of 2026 Notes; we also entered into the $200,000 Revolving Facility that has a term of approximately five years.
- In August 2021, we entered into the CHP Facility (defined below) and initially drew $100,000, which may be increased to $285,000.
- In September 2021, Golar Partners Operating LLC, our indirect subsidiary, closed on the Vessel Term Loan Facility (defined below). Under this facility, we borrowed an initial amount of $430,000, which may be increased to $725,000, subject to satisfaction of certain conditions including the provision of security in relation to additional vessels.

We have assumed total committed expenditures for all completed and existing projects to be approximately $1,663 million, with approximately $1,154 million having already been spent through September 30, 2021. This estimate represents the committed expenditures necessary to complete the La Paz Facility, Puerto Sandino Facility, the Suape Facility, the Barcarena Facility and the Santa Catarina Facility, as well committed expenditures to serve new industrial end-users. We expect to be able to fund all such committed projects with a combination of cash on hand, cash flows from operations, proceeds from the financing of the CHP Plant and borrowings under our Revolving Facility. We may also enter into other financing arrangements to generate proceeds to fund our developments. Through September 30, 2021, we have spent approximately $128 million to develop the Pennsylvania Facility. Approximately $22 million of construction and development costs have been expensed as we have not issued a final notice to proceed to our engineering, procurement and construction contractors. Cost for land, as well as engineering and equipment that could be deployed to other facilities and associated financing costs of approximately $106 million, has been capitalized, and to date, we have repurposed approximately $17 million of engineering and equipment to our Fast LNG project.

Cash Flows

The following table summarizes the changes to our cash flows for the nine months ended September 30, 2021 and 2020, respectively:

	Nine Months Ended September 30,		
(in thousands)	**2021**	**2020**	**Change**
Cash flows from:			
Operating activities	$ (139,687)	$ (115,710)	$ (23,977)
Investing activities	(2,031,158)	(115,704)	(1,915,454)
Financing activities	1,874,149	291,816	1,582,333
Net (decrease) increase in cash, cash equivalents, and restricted cash	$ (296,696)	$ 60,402	$ (357,098)

Cash used in operating activities

Our cash flow used in operating activities was $139,687 for the nine months ended September 30, 2021, which increased by $23,977 from $115,710 for the nine months ended September 30, 2020. Our net loss for the nine months ended September 30, 2021, when adjusted for non-cash items, decreased by $111,484 from the nine months ended September 30, 2020. The reduction to the net loss was offset by changes in working capital accounts, primarily significant increases in receivables, inventory and accrued liabilities, including costs attributable to the Mergers.

Cash used in investing activities

Our cash flow used in investing activities was $2,031,158 for the nine months ended September 30, 2021, which increased by $1,915,454 from $115,704 for the nine months ended September 30, 2020. Cash used for the Mergers, net of cash acquired was $1,586,042. Cash outflows for investing activities during the nine months ended September 30, 2021 were also used for continued development of the Puerto Sandino Facility, Suape Facility, Barcarena Facility, Santa Catarina Facility, as well as our Fast LNG solution.

During the nine months ended September 30, 2020, we completed the CHP Plant and were in the final stages of development of the San Juan Facility, and as such, we incurred lower cash outflows for investing activities for the nine months ended September 30, 2020.

Cash provided by financing activities

Our cash flow provided by financing activities was $1,874,149 for the nine months ended September 30, 2021, which increased by $1,582,333 from cash provided by financing activities of $291,816 for the nine months ended September 30, 2020. Cash provided by financing activities during the nine months ended September 30, 2021 was due to proceeds received from the borrowings under the 2026 Notes of $1,500,000, the draw of $200,000 on the Revolving Facility, and the draw of $430,000 million on the Vessel Term Loan Facility. The proceeds received were further offset by financing fees paid in connection with the borrowings, tax payments for equity compensation made on behalf of employees and dividends paid for the nine months ended September 30, 2021.

Cash flow provided by financing activities during the nine months ended September 30, 2020 were primarily consisted of proceeds received from the borrowings under the 2025 Notes of $1,000,000 and the borrowings under our previous credit agreement of $800,000, partially offset by an original issue discount of $20,000 and financing fees. Additionally, the remaining proceeds from secured bonds issued in Jamaica of $52,144 were received during the first quarter of 2020. A portion of these proceeds was used to fund the repayment of our previous credit agreement of $800,000, the senior secured and unsecured bonds that had been issued in Jamaica of $183,600, and our previous term loan facility of $506,402.

Long-Term Debt and Preferred Stock

2025 Notes

On September 2, 2020, we issued $1,000,000 of 6.75% senior secured notes in a private offering pursuant to Rule 144A under the Securities Act (the “2025 Notes”). Interest is payable semi-annually in arrears on March 15 and September 15 of each year, commencing on March 15, 2021; no principal payments are due until maturity on September 15, 2025. We may redeem the 2025 Notes, in whole or in part, at any time prior to maturity, subject to certain make-whole premiums.

The 2025 Notes are guaranteed, jointly and severally, by certain of our subsidiaries, in addition to other collateral. The 2025 Notes may limit our ability to incur additional indebtedness or issue certain preferred shares, make certain payments, and sell or transfer certain assets subject to certain financial covenants and qualifications. The 2025 Notes also provide for customary events of default and prepayment provisions.

We used a portion of the net cash proceeds received from the 2025 Notes, together with cash on hand, to repay in full the outstanding principal and interest under previously existing credit agreements and secured and unsecured bonds, including related premiums, costs and expenses.

In connection with the issuance of the 2025 Notes, we incurred $17,937 in origination, structuring and other fees. Issuance costs of $13,909 were deferred as a reduction of the principal balance of the 2025 Notes on the condensed consolidated balance sheets; unamortized deferred financing costs related to lenders in the previously credit agreement that participated in the 2025 Notes were $6,501 and such unamortized costs were also included as a reduction of the principal balance of the 2025 Notes and will be amortized over the remaining term of the 2025 Notes. As a portion of the repayment of the previous credit agreement was a modification, in the third quarter of 2020, the Company recorded $4,028 of third-party fees as an expense in the condensed consolidated statements of operations and comprehensive loss.

On December 17, 2020, we issued $250,000 of additional notes on the same terms as the 2025 Notes in a private offering pursuant to Rule 144A under the Securities Act (subsequent to this issuance, these additional notes are included in the definition of 2025 Notes herein). Proceeds received included a premium of $13,125, which was offset by additional financing costs incurred of $4,566. As of September 30, 2021 and December 31, 2020, remaining unamortized deferred financing costs for the 2025 Notes was $9,323 and $10,439, respectively.

2026 Notes

On April 12, 2021, we issued $1,500,000 of 6.50% senior secured notes in a private offering pursuant to Rule 144A under the Securities Act (the "2026 Notes") at an issue price equal to 100% of principal. Interest is payable semi-annually in arrears on March 31 and September 30 of each year, commencing on September 30, 2021; no principal payments are due until maturity on September 30, 2026. We may redeem the 2026 Notes, in whole or in part, at any time prior to maturity, subject to certain make-whole premiums.

The 2026 Notes are guaranteed on a senior secured basis by each domestic subsidiary and foreign subsidiary that is a guarantor under the existing 2025 Notes, and the 2026 Notes are secured by substantially the same collateral as our existing first lien obligations under the 2025 Notes.

We used the net proceeds from this offering to fund the cash consideration for the GMLP Merger and pay related fees and expenses. In connection with the issuance of the 2026 Notes, we incurred $24,588 in origination, structuring and other fees, which was deferred as a reduction of the principal balance of the 2026 Notes on the condensed consolidated balance sheets. As of September 30, 2021, total remaining unamortized deferred financing costs for the 2026 Notes was $22,362.

Vessel Term Loan Facility

On September 18, 2021, Golar Partners Operating LLC, an indirect subsidiary of NFE, closed a senior secured amortizing term loan facility (the "Vessel Term Loan Facility"). Under this facility, the Company borrowed an initial amount of $430,000, which may be increased to $725,000, subject to satisfaction of certain conditions including the provision of security in relation to additional vessels.

Loans under the Vessel Term Loan Facility bear interest at a rate of LIBOR plus a margin of 3 percent. The Vessel Term Loan Facility shall be repaid in quarterly installments of $15,357, with the final repayment date in September 2024. Quarterly principal payments will be increased to reflect any upsize of the Vessel Term Loan Facility to reflect a straight-line amortization profile over the remaining term.

Obligations under the Vessel Term Loan Facility are guaranteed by GMLP and certain of GMLP's subsidiaries. Lenders have been granted a security interest covering three floating storage and regasification vessels and four liquified natural gas carriers, and the issued and outstanding shares of capital stock of certain GMLP subsidiaries have been pledged as security.

The Company may prepay outstanding indebtedness without penalty, and certain events, such as (i) total loss; (ii) minimum security value; (iii) the sale or transfer of certain vessels; or (iv) the termination of the charter over the Hilli, will require a mandatory prepayment.

The Vessel Term Loan Facility contains customary representations and warranties and customary affirmative and negative covenants, including financial covenants, chartering restrictions, restrictions on indebtedness, liens, investments, mergers, dispositions, prepayment of other indebtedness and dividends and other distributions. Financial covenants include requirements that GMLP and Golar Partners Operating LLC maintain a certain amount of Free Liquid Assets, that the EBITDA to Consolidated Debt Service and the Net Debt to EBITDA ratios are no less than 1.15:1 and no greater than 6.50:1, respectively, and that Consolidated Net Worth is greater than $250,000, each as defined in the Vessel Term Loan Facility. The Company was in compliance with these covenants as of September 30, 2021.

In connection with the closing the Vessel Term Loan Facility, we incurred $6,229 in origination, structuring and other fees, which were deferred as a reduction of the principal balance of the Vessel Term Loan Facility on the condensed consolidated balance sheets. As of September 30, 2021, total remaining unamortized deferred financing costs for the Vessel Term Loan Facility was $6,161.

Debenture Loan

As part of the Mergers, we assumed non-convertible Brazilian debentures issued by NFE Brasil, our indirect subsidiary, in the aggregate principal amount of BRL 255.6 million ($45 million) due September 2024, bearing interest at a rate equal to the one-day interbank deposit futures rate in Brazil plus 2.65% (the "Debenture Loan"). The Debenture Loan was recognized at fair value of $44,566 on the date of the Mergers, and the discount recognized in purchase accounting will result in additional interest expense until maturity. Interest and principal is payable on the Debenture Loan semi-annually on September 13 and March 13.

The Debenture Loan is fully and unconditionally guaranteed by 100% of the shares issued by NFE Brasil owned by our consolidated subsidiary, LNG Power Ltd.

CHP Facility

On August 3, 2021, NFE South Power Holdings Limited, a wholly owned subsidiary of NFE, entered into a financing agreement ("CHP Facility"). We initially drew $100,000 under the CHP Facility, and the CHP Facility is secured by our combined heat and power plant in Clarendon, Jamaica. We incurred $3,651 in origination, structuring and other fees associated with entry into the CHP Facility, which was deferred as a reduction of the principal balance of the CHP Facility on the condensed consolidated balance sheets. As of September 30, 2021, the remaining unamortized deferred financing costs for the CHP Facility was $3,636.

Revolving Facility

On April 15, 2021, we entered into a $200,000 senior secured revolving facility (the "Revolving Facility"). The proceeds of the Revolving Facility may be used for working capital and other general corporate purposes (including permitted acquisitions and other investments). Letters of credit issued under the $100,000 letter of credit sub-facility may be used for general corporate purposes. The Revolving Facility will mature in 2026, with the potential for us to extend the maturity date once in a one-year increment.

Borrowings under the Revolving Facility bear interest at a per annum rate equal to LIBOR plus 2.50% if the usage under the Revolving Facility is equal to or less than 50% of the commitments under the Revolving Facility and LIBOR plus 2.75% if the usage under the Revolving Facility is in excess of 50% of the commitments under the Revolving Facility, subject in each case to a 0.00% LIBOR floor. Borrowings under the Revolving Facility may be prepaid, at our option, at any time without premium.

The obligations under the Revolving Facility are guaranteed by each domestic subsidiary and foreign subsidiary that is a guarantor under the existing 2025 Notes, and the Revolving Facility is secured by substantially the same collateral as our existing first lien obligations under the 2025 Notes. The Revolving Facility contains usual and customary representations and warranties, and usual and customary affirmative and negative covenants. Financial covenants include requirements to maintain Debt to Capitalization Ratio of less than 0.7:1.0, and for quarters in which the Revolving Facility is greater than 50% drawn, the Debt to Annualized EBITDA Ratio must be less than 5.0:1.0 for fiscal quarters ending December 31, 2021 until September 30, 2023 and less than 4.0:1.0 for the fiscal quarter ended December 31, 2023 (each as defined in the Revolving Facility). The Company was in compliance with these covenants as of September 30, 2021.

We incurred $3,974 in origination, structuring and other fees, associated with entry into the Revolving Facility. These costs have been capitalized within Other non-current assets on the condensed consolidated balance sheets. As of September 30, 2021, total remaining unamortized deferred financing costs for the Revolving Facility was $3,658.

During the second and third quarters of 2021, the Company drew $152,500 and $47,500 on the Revolving Facility, respectively. During the third quarter of 2021, the Company repaid the amounts outstanding on the Revolving Facility, and as of September 30, 2021, no amounts remain outstanding.

SPV Leasebacks and Loans

We assumed sale leaseback arrangements for four vessels as part of the Mergers. The counterparty to each of the sale leaseback arrangements is a special purpose vehicle ("SPV") wholly owned by financial institutions. The sale leasebacks with SPVs were funded by loan facilities obtained by the SPV. Although we have no control over the funding arrangements of these entities, we are the primary beneficiary of the SPVs and consolidate the SPVs. Therefore, the effects of the sale leaseback arrangements are eliminated upon consolidation of the SPVs and only the outstanding loan facilities are presented as part of our condensed consolidated financial statements. The SPVs service the loan facilities through payments made by us under the sale leaseback arrangements.

The SPV loans and the sale leaseback arrangements assumed in the Mergers contain certain operating and financing restrictions and covenants that require: (a) certain subsidiaries to maintain a minimum level of liquidity of $30,000 and consolidated net worth of $123,950, (b) certain subsidiaries to maintain a minimum debt service coverage ratio of 1.20:1, (c) certain subsidiaries to not exceed a maximum net debt to EBITDA ratio of 6.5:1, (d) certain subsidiaries to maintain a minimum percentage of the vessel values over the relevant outstanding loan facility balances of either 110% and 120%, (e) certain subsidiaries to maintain a ratio of liabilities to total assets of less than 0.70:1. As of September 30, 2021, the Company was in compliance with all covenants under debt and lease agreements.

Eskimo Leaseback and Credit Facility

As part of the Mergers, we have assumed obligations under a sale and leaseback of the *Eskimo* with Sea 23 Leasing Co. Limited of China Merchants Bank Leasing (the "Eskimo Leaseback"). Payments are due monthly in 120 installments of $1,069 along with amounts owed for interest of LIBOR plus 3.85%, with a balloon payment of $128,250 due upon maturity.

Sea 23 Leasing Co. Limited, the owner of the *Eskimo*, has a long-term loan facility that is denominated in USD, has a loan term of ten years and bears interest at a rate of LIBOR plus a margin of 2.66% (the "Eskimo SPV Facility"). As of the acquisition date of GMLP, the outstanding principal balance was $160,520, and we recognized the fair value of this facility of $158,072 on the date of the Mergers. The discount recognized in purchase accounting will result in additional interest expense until maturity.

Nanook Leaseback and Credit Facility

As part of the Mergers, we have assumed obligations under a sale and leaseback of the *Nanook* with Compass Shipping 23 Corporation Limited (the "Nanook Leaseback"). Payments are due quarterly in 48 installments of $2,943 along with amounts owed for interest due based on LIBOR plus 3.5%, with a balloon payment of approximately $94,000 upon maturity.

Compass Shipping 23 Corporation Limited, the owner of the *Nanook*, has a long-term loan facility that is denominated in USD, has a loan term of twelve years, bears interest at a fixed rate of 2.7% (the "Nanook SPV Facility") and is repayable in a balloon payment on maturity. As of the acquisition date, the outstanding principal balance was $202,249, and we recognized the fair value of this facility of $201,484 on the date of the Mergers. The discount recognized in purchase accounting will result in additional interest expense until maturity.

Penguin Leaseback and Credit Facility

As part of the Mergers, we have assumed obligations under a sale and leaseback of the *Penguin* with Oriental LNG 02 Limited (the "Penguin Leaseback"). Payments are due quarterly in 24 installments of $1,890 along with amounts owed for interest due based on LIBOR plus 3.6%, with a balloon payment of approximately $63,000 upon maturity.

Oriental Fleet LNG 02 Limited, the owner of the *Penguin*, has a long-term loan facility that is denominated in USD, is repayable in quarterly installments over a term of approximately six years and bears interest at LIBOR plus a margin of 1.7%. The SPV also has amounts payable to its parent. As of the acquisition date, the outstanding principal balance was $104,882, and we recognized the fair value of this facility and the amount due to the parent of $105,126 on the date of the Mergers. The premium recognized in purchase accounting will result in a reduction to interest expense until maturity.

Celsius Leaseback and Credit Facility

As part of the Mergers, we have assumed obligations under a sale and leaseback of the *Celsius* with Noble Celsius Shipping Limited (the "Celsius Leaseback"). Payments are due quarterly in 28 installments of $2,679 in addition to amounts owed for interest based on LIBOR plus 3.9%, with a balloon payment of approximately $45,000 upon maturity.

Noble Celsius Shipping Limited, the owner of the *Celsius*, has a long-term loan facility that is denominated in USD, $76,179 of which is repayable in quarterly installments over a term of approximately seven years with a balloon payment of $37,179 at maturity and bears interest at LIBOR plus a margin of 1.8%. The SPV has another facility with its parent for the remaining principal of $45,200, which is due as a balloon payment upon maturity in March 2023 and bears interest at a fixed rate of 4.0%. As of the acquisition date, the total outstanding principal balance was $121,379, and we recognized the fair value of these facilities of $121,308 on the date of the Mergers. The discount recognized in purchase accounting will result in additional interest expense until maturity.

Series A Preferred Units

The 8.75% Series A Cumulative Redeemable Preferred Units issued by GMLP (the "Series A Preferred Units") remained outstanding following the GMLP Merger and were recognized as non-controlling interest on the condensed consolidated balance sheets. Distributions on the Series A Preferred Units are payable out of amounts legally available therefor at a rate equal to 8.75% per annum of the stated liquidation preference. In the event of a liquidation, dissolution or winding up, whether voluntary or involuntary, holders of Series A Preferred Units will have the right to receive a liquidation preference of $25.00 per unit plus an amount equal to all accumulated and unpaid distributions thereon to the date of payment, whether declared or not. At any time on or after October 31, 2022, the Series A Preferred Units may be redeemed, in whole or in part, at a redemption price of $25.00 per unit plus an amount equal to all accumulated and unpaid distributions thereon on the date of redemption, whether declared or not.

Debt obligations of equity method investees

We account for the investments in CELSEPAR and Hilli LLC acquired in the Mergers under the equity method of accounting. The debt obligations of these entities are not reported separately in our consolidated financial statements, and the following discussion summarizes the key terms of each entity's obligations.

Sergipe Debt Financing

To finance construction of the Sergipe Facility and the Sergipe Power Plant, CELSE signed financing agreements with amounts made available by banks and multilateral organizations throughout 2018 (the "CELSE Facility"). As of September 30, 2021, amounts outstanding and the effective interest rates under the CELSE Facility were as set forth below. Principal and interest payments are due each October and April. The CELSE Facility matures in April 2032.

Credit facility (*Real and USD in millions)*	**Amount Outstanding**	**Effective interest rate**
IFC	R$ 927.7($171.4)	10.2%
Inter-American Development Bank	R$ 766.9($141.7)	10.0%
IDB Invest[(1)]	$ 37.4	5.6%
IDB China Fund	$ 49.2	5.6%

CELSE also issued debentures in the aggregate principal amount of R$3,370.0 million (net proceeds of $897.2 million as of the issuance date), due April 2032, bearing interest at a fixed rate of 9.85% (the "CELSE Debentures"). As of September 30, 2021, the balance of the CELSE Debentures was R$3,324.02 million ($614.0 million as of September 30, 2021). Interest is payable on the CELSE Debentures semi-annually on each April 15 and October 15, beginning on October 15, 2018. The CELSE Debentures are amortized and repaid in 24 consecutive semi-annual installments on each of April 15 and October 15, that commenced on October 15, 2020.

The indenture governing the CELSE Debentures contains covenants that: (i) requires CELSE to maintain a historical debt service coverage ratio for a twelve month period on or after March 31, 2021 of no less than 1.10 to 1.00; (ii) prohibit certain restricted payments; (iii) limit the ability of CELSE from creating any liens or incurring additional indebtedness; (iv) prohibit certain fundamental changes; (v) limit the ability of CELSE to transfer or purchase assets; (vi) prohibit certain affiliate transactions; (vii) limit the ability of CELSE to make change orders or give other directions under the documents related to the construction and operation of the project in certain circumstances; (viii) limit the ability of CELSE to enter into additional contracts; (ix) limit CELSE's operating expenses and capital expenditures; and (x) prohibit CELSE from transferring, purchasing or otherwise acquiring any portion of the CELSE Debentures, other than pursuant to the exercise of the put option.

On July 2, 2021, CELSE successfully completed a consent solicitation to amend certain provisions of the financing documents to permit CELSE to incur certain debt related to the working capital facility described below and to release certain existing security over the variable revenues to be received by CELSE under its power purchase agreements.

CELSEPAR has entered into a Standby Guarantee and Credit Facility Agreement with GE Capital EFS Financing, Inc. ("GE Capital"), as lender, and Ebrasil Energia Ltda. ("Ebrasil") and NFE Power Brasil Participações S.A ("NFE Brazil"), each as sponsor (the "GE Credit Facility"). Pursuant to the GE Credit Facility, GE Capital agreed to provide $120,000 in credit support in respect of CELSEPAR's obligation to make certain contingent equity contributions to CELSE. Amounts disbursed under the GE Credit Facility accrue interest at a fixed rate of LIBOR plus a margin of 11.4% and are payable on May 30 and November 30 each year, beginning on May 30, 2020. All interest due to date has been capitalized into the principal balance, and there have been no principal payments paid to date. The GE Credit Facility matures on November 30, 2024. The GE Credit Facility includes covenants and events of default that are customary for similar transactions.

On July 9, 2021, CELSE and CELSEPAR entered into a working capital facility for the posting of certain letters of credit in favor of the supplier of LNG and the financing of LNG costs to satisfy dispatch requirements prior to receiving related variable revenues. The working capital facility is in an aggregate amount of up to $200.0 million (or its equivalent in Reais). The facility has a term of 12 months, renewable for equal periods by mutual agreement of the parties. Amounts disbursed under the working capital facility accrue interest at a rate of (i) DI Rate + 3.50% per year in respect of a bank credit bill, (ii) 2.50% per year for standby letters of credit, (iii) DI Rate + 3.50% per year in respect of any import financing (FINIMP) modality, and (iv) DI Rate + 3.50% per year for any bank loan. The DI Rate is made by reference to Libor+, according to the pricing at the time of request. On July 9, 2021, a standby letter of credit was issued under this facility for the benefit of CELSE pursuant to the working capital facility in an amount of $31.1 million with an expiration date of September 15, 2021. The standby letter of credit is guaranteed, jointly but not severally, by CELSE's shareholders, NFE and Electricidade do Brasil S.A.—Ebrasil.

Golar Hilli Leaseback

As part of the Mergers, we acquired an investment in Hilli LLC; Golar Hilli Corporation ("Hilli Corp"), is a direct subsidiary of Hilli LLC. and is a party to a Memorandum of Agreement with Fortune Lianjiang Shipping S.A., a subsidiary of China State Shipbuilding Corporation ("Fortune"), pursuant to which Hilli Corp has sold to and leased back from Fortune the *Hilli* under a 10-year bareboat charter agreement (the "Hilli Leaseback"). Under the Hilli Facility, Hilli Corp pays Fortune equal quarterly principal payments plus interest based on LIBOR plus a margin of 4.15%. Our 50% share of Hilli Corp's indebtedness of $729,000 amounted to $364,500 as of September 30, 2021.

As part of the Mergers, we have assumed a guarantee of 50% of the outstanding principal and interest amounts payable by Hilli Corp under the Hilli Leaseback. We also assumed a guarantee of the letter of credit ("LOC Guarantee") issued by a financial institution in the event of Hilli Corp's underperformance or non-performance under its tolling agreement. Certain of our subsidiaries are required to comply with the following covenants and ratios: (i) free liquid assets of at least $30 million throughout the Hilli Leaseback period; (ii) a maximum net debt to EBITDA ratio for the previous 12 months of 6.5:1; and (iii) a consolidated tangible net worth of $123,950.

Letter of Credit Facility

On July 16, 2021, the Company entered into an uncommitted letter of credit and reimbursement agreement with a bank for the issuance of letters of credit for an aggregate amount of up to $75,000. Outstanding letters of credit are subject to a fee of 1.75% to be paid quarterly, and interest is payable on the principal amounts of unreimbursed letter of credit draws under the facility at a rate of the higher of the bank's prime rate or the Federal Funds Effective Rate plus 0.50% and a margin of 1.75%. We are using this uncommitted letter of credit and reimbursement agreement to reduce the cash collateral required under existing letters of credit releasing restricted cash. A portion of our restricted cash balance supports existing letters of credit, and this uncommitted letter of credit and reimbursement agreement has replaced these letters of credit and released restricted cash, enhancing our ability to manage the working capital needs of the business.

Off Balance Sheet Arrangements

As of September 30, 2021 and December 31, 2020, we had no off-balance sheet arrangements that may have a current or future material effect on our consolidated financial position or operating results.

Contractual Obligations

We are committed to make cash payments in the future pursuant to certain contracts. The following table summarizes certain contractual obligations in place as of December 31, 2020:

(in thousands)	Total	Less than 1 year	Years 2 to 3	Year 4 to 5	More than 5 years
Long-term debt obligations	$ 1,675,203	$ 87,703	$ 168,750	$ 1,418,750	$ -
Purchase obligations	2,490,347	376,096	724,588	724,090	665,573
Lease obligations	191,991	47,135	56,066	36,006	52,784
Total	$ 4,357,541	$ 510,934	$ 949,404	$ 2,178,846	$ 718,357

Long-term debt obligations

For information on our long-term debt obligations, see "—Liquidity and Capital Resources—Long-Term Debt." The amounts included in the table above are based on the total debt balance, scheduled maturities, and interest rates in effect as of December 31, 2020.

Purchase obligations

The Company is party to contractual purchase commitments for the purchase, production and transportation of LNG and natural gas, as well as engineering, procurement and construction agreements to develop our terminals and related infrastructure. Our commitments to purchase LNG and natural gas are principally take-or-pay contracts, which require the purchase of minimum quantities of LNG and natural gas, and these commitments are designed to assure sources of supply and are not expected to be in excess of normal requirements. For purchase commitments priced based upon an index such as Henry Hub, the amounts shown in the table above are based on the spot price of that index as of December 31, 2020.

In 2020, we entered into four LNG supply agreements for the purchase of 415 TBtu of LNG at a price indexed to Henry Hub from 2021 and 2030. Between 2022 and 2025, the total annual commitment under these agreements is approximately 68 TBtu per year, reducing to approximately 28 TBtu per year from 2026 to 2029. In 2021, we amended one of these supply agreements to increase our total commitment through 2030 to 601 TBtus at a price indexed to Henry Hub. The amounts disclosed above also include the commitment to purchase 12 firm cargoes in 2021 under a supply contract executed in December 2018.

Lease obligations

Future minimum lease payments under non-cancellable lease agreements, inclusive of fixed lease payments for renewal periods we are reasonably certain will be exercised, are included in the above table. Fixed lease payments for short-term leases are also included in the table above. Our lease obligations are primarily related to LNG vessel time charters, marine port leases, ISO tank leases, office space and a land lease.

The Company currently has seven vessels under time charter leases with non-cancellable terms ranging from three months to four years. The lease commitments in the table above include only the lease component of these arrangements due over the non-cancellable term and does not include any operating services.

We have leases for port space and a land site for the development of our facilities. Terms for leases of port space range from 20 to 25 years. The land site lease is held with an affiliate of the Company and has a remaining term of approximately five years with an automatic renewal term of five years for up to an additional 20 years.

During 2020, we executed multiple lease agreements for the use of ISO tanks, and we began to receive these ISO tanks and the lease terms commenced during the second quarter of 2021. The lease term for each of these leases is five years, and expected payments under these lease agreements have been included in the above table.

Office space includes a space shared with affiliated companies in New York with lease terms up to 38 months and an office space in downtown Miami with a lease term of 84 months.

Summary of Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the amounts reported in the consolidated financial statements and the accompanying notes. Changes in facts and circumstances or additional information may result in revised estimates, and actual results may differ from these estimates. Management evaluates its estimates and related assumptions regularly and will continue to do so as we further grow our business. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates.

Revenue recognition

Terminals and infrastructure

Within the Terminals and Infrastructure segment, our contracts with customers may contain one or several performance obligations usually consisting of the sale of LNG, natural gas, power and steam, which are outputs from our natural gas-fueled infrastructure. The transaction price for each of these contracts is structured using similar inputs and factors regardless of the output delivered to the customer. The customers consume the benefit of the natural gas, power and steam when they are delivered to the customer's power generation facilities or interconnection facility. Natural gas, power and steam qualify as a series with revenue being recognized over time using an output method, based on the quantity of natural gas, power or steam that the customer has consumed. LNG is typically delivered in containers transported by truck to customer sites. Revenue from sales of LNG delivered by truck is recognized at the point in time at which physical possession and the risks and rewards of ownership transfer to the customer, either when the containers are shipped or delivered to the customers' storage facilities, depending on the terms of the contract. Because the nature, timing and uncertainty of revenue and cash flows are substantially the same for LNG, natural gas, power and steam, we have presented Operating revenue on an aggregated basis.

We have concluded that variable consideration included in its agreements meets the exception for allocating variable consideration. As such, the variable consideration for these contracts is allocated to each distinct unit of LNG, natural gas, power or steam delivered and recognized when that distinct unit is delivered to the customer.

Our contracts with customers to supply natural gas or LNG may contain a lease of equipment, which may be accounted for as a finance or operating lease. For operating leases, we have concluded that the predominant component of the transaction is the sale of natural gas or LNG and has elected not to separate the lease component. The lease component of such operating leases is recognized as Operating revenue in the condensed consolidated statements of operations and comprehensive loss. We allocate consideration in agreements containing finance leases between lease and non-lease components based on the relative fair value of each component. The fair value of the lease component is estimated based on the estimated standalone selling price of the same or similar equipment leased to the customer. We estimate the fair value of the non-lease component by forecasting volumes and pricing of gas to be delivered to the customer over the lease term.

The current and non-current portion of finance leases are recorded within Prepaid expenses and other current assets and Finance leases, net on the condensed consolidated balance sheets, respectively. For finance leases accounted for as sales-type leases, the profit from the sale of equipment is recognized upon lease commencement in Other revenue in the condensed consolidated statements of operations and comprehensive loss. The lease payments for finance leases are segregated into principal and interest components similar to a loan. Interest income is recognized on an effective interest method over the lease term and included in Other revenue in the condensed consolidated statements of operations and comprehensive loss. The principal component of the lease payment is reflected as a reduction to the net investment in the lease.

In addition to the revenue recognized from the finance lease components of agreements with customers, Other revenue includes revenue recognized from the construction, installation and commissioning of equipment, inclusive of natural gas delivered for the commissioning process, to transform customers' facilities to operate utilizing natural gas or to allow customers to receive power or other outputs from our natural gas-fueled power generation facilities. Revenue from these development services is recognized over time as we transfer control of the asset to the customer or based on the quantity of natural gas consumed as part of commissioning the customer's facilities until such time that the customer has declared such conversion services have been completed. If the customer is not able to obtain control over the asset under construction until such services are completed, revenue is recognized when the services are completed and the customer has control of the infrastructure. Such agreements may also include a significant financing component, and we recognize revenue for the interest income component over the term of the financing as Other revenue.

The timing of revenue recognition, billings and cash collections results in receivables, contract assets and contract liabilities. Receivables represent unconditional rights to consideration; unbilled amounts typically result from sales under long-term contracts when revenue recognized exceeds the amount billed to the customer. Contract assets are comprised of the transaction price allocated to completed performance obligations that will be billed to customers in subsequent periods. Both unbilled receivables and contract assets are recognized within Prepaid expenses and other current assets, net and Other non-current assets, net on the condensed consolidated balance sheets. Contract liabilities consist of deferred revenue and are recognized within Other current liabilities on the condensed consolidated balance sheets.

Shipping and handling costs are not considered to be separate performance obligations. All such shipping and handling activities are performed prior to the customer obtaining control of the LNG or natural gas.

We collect sales taxes from our customers based on sales of taxable products and remits such collections to the appropriate taxing authority. We have elected to present sales tax collections in the condensed consolidated statements of operations and comprehensive loss on a net basis and, accordingly, such taxes are excluded from reported revenues.

We elected the practical expedient under which we do not adjust consideration for the effects of a significant financing component for those contracts where we expect at contract inception that the period between transferring goods to the customer and receiving payment from the customer will be one year or less.

Ships

Charter contracts for the use of the FSRUs and LNG carriers acquired as part of the Mergers are leases as the contracts convey the right to obtain substantially all of the economic benefits from the use of the asset and allow the customer to direct the use of that asset.

At inception, we make an assessment on whether the charter contract is an operating lease or a finance lease. In making the classification assessment, we estimate the residual value of the underlying asset at the end of the lease term with reference to broker valuations. None of the vessel lease contracts contain residual value guarantees. Renewal periods and termination options are included in the lease term if we believe such options are reasonably certain to be exercised by the lessee. Generally, lease accounting commences when the asset is made available to the customer, however, where the contract contains specific customer acceptance testing conditions, the lease will not commence until the asset has successfully passed the acceptance test. We assess leases for modifications when there is a change to the terms and conditions of the contract that results in a change in the scope or the consideration of the lease.

For charter contracts that are determined to be finance leases accounted for as sales-type leases, the profit from the sale of the vessel is recognized upon lease commencement in Other revenue in the condensed consolidated statements of operations and comprehensive loss. The lease payments for finance leases are segregated into principal and interest components similar to a loan. Interest income is recognized on an effective interest method over the lease term and included in Other revenue in the condensed consolidated statements of operations and comprehensive loss. The principal component of the lease payment is reflected as a reduction to the net investment in the lease. Revenue related to operating and service agreements in connection with charter contracts accounted for as sales-type leases are recognized over the term of the charter as the service is provided within Vessel charter revenue in the condensed consolidated statements of operations and comprehensive loss.

Revenues include fixed minimum lease payments under charters accounted for as operating leases and fees for repositioning vessels. Revenues generated from charters contracts are recorded over the term of the charter on a straight-line basis as service is provided and is included in Vessel charter revenue in the condensed consolidated statements of operations and comprehensive loss. Fixed revenue includes fixed payments (including in-substance fixed payments that are unavoidable) and variable payments based on a rate or index. For operating leases, we have elected the practical expedient to combine service revenue and operating lease income as the timing and pattern of transfer of the components are the same. Variable lease payments are recognized in the period in which the circumstances on which the variable lease payments are based occur.

Repositioning fees are included in Vessel charter revenues and are recognized at the end of the charter when the fee becomes fixed and determinable. However, where there is a fixed amount specified in the charter, which is not dependent upon redelivery location, the fee will be recognized evenly over the term of the charter.

Costs directly associated with the execution of the lease or costs incurred after lease inception but prior to the commencement of the lease that directly relate to preparing the asset for the contract are capitalized and amortized in Vessel operating expenses in the condensed consolidated statements of operations and comprehensive loss over the lease term.

The Company’s LNG carriers may participate in a LNG carrier pool collaborative arrangement with Golar LNG Limited, referred to as the Cool Pool. The Cool Pool allows the pool participants to optimize the operation of the pool vessels through improved scheduling ability, cost efficiencies and common marketing. Under the Pool Agreement, the Pool Manager is responsible, as agent, for the marketing and chartering of the participating vessels and paying certain voyage costs such as port call expenses and brokers’ commissions in relation to employment contracts, with each of the Pool Participants continuing to be fully responsible for fulfilling the performance obligations in the contract.

The Company is primarily responsible for fulfilling the performance obligations in the time charters of vessels owned by the Company, and the Company is the principal in such time charters. Revenue and expenses for charters of our vessels that participate in the Cool Pool are presented on a gross basis within Vessel charter revenues and Vessel operating expenses, respectively, in the condensed consolidated statements of operations and comprehensive loss. Our allocation of our share of the net revenues earned from the other pool participants’ vessels, which may be either income or expense depending on the results of all pool participants, is reflected on a net basis within Vessel operating expenses in the condensed consolidated statements of operations and comprehensive loss.

Impairment of long-lived assets

We perform a recoverability assessment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Indicators may include, but are not limited to, adverse changes in the regulatory environment in a jurisdiction where we operate, unfavorable events impacting the supply chain for LNG to our operations, a decision to discontinue the development of a long-lived asset, early termination of a significant customer contract, or the introduction of newer technology. We exercise judgment in determining if any of these events represent an impairment indicator requiring a recoverability assessment.

Our business model requires investments in infrastructure often concurrently with our customer's investments in power generation or other assets to utilize LNG. Our costs to transport and store LNG are based upon our customer's contractual commitments once their assets are fully operational. We expect revenue under these contracts to exceed construction and operational costs, based on the expected term and revenue of these contracts. Additionally, our infrastructure assets are strategically located to provide critical inputs to our committed customer's operations and our locations allow us to expand to additional opportunities within existing markets. These projects are subject to risks related to successful completion, including those related to government approvals, site identification, financing, construction permitting and contract compliance.

Our long-term, take-or pay contracts to deliver natural gas or LNG to our customers also limit our exposure to fluctuations in natural gas and LNG as our pricing is largely based on the Henry Hub index plus a contractual spread. Based on the long-term nature of our contracts and the market value of the underlying assets, changes in the price of LNG do not indicate that a recoverability assessment of our assets is necessary. Further, we plan to utilize our own liquefaction facilities to manufacture our own LNG at attractive prices, secure LNG to supply our expanding operations and reduce our exposure to future LNG price variations in the long term, including Fast LNG and our expanded delivery logistics chain in the Pennsylvania Facility.

We have also considered the impacts of the ongoing COVID-19 pandemic, including the restrictions that governments may put in place and the resulting direct and indirect economic impacts on our current operations and expected development budgets and timelines. We primarily operate under long-term contracts with customers, including long-term charter contracts acquired in the Mergers and many of which contain fixed minimum volumes that must be purchased on a "take-or-pay" basis, even in cases when our customer's consumption has decreased. We have not changed our payment terms with customers, and there has not been any deterioration in the timing or volume of collections.

Based on the essential nature of the services we provide to support power generation facilities, our operations and development projects have not been significantly impacted by responses to the COVID-19 pandemic to date. We will continue to monitor this uncertain situation and local responses in jurisdictions where we do business to determine if there are any indicators that a recoverability assessment for our assets should be performed.

The COVID-19 pandemic has also significantly impacted energy markets, and the price of oil traded at historic low prices in 2020. Future expansion of our business is dependent upon LNG being a competitive source of energy and available at a lower cost than the cost to deliver other alternative energy sources, such as diesel or other distillate fuels. Although LNG is currently trading at historical high prices, we believe that over the long-term LNG and natural gas will remain a competitive fuel source for customers.

We have considered that the market price of LNG can vary widely, including decreases throughout 2019 and 2020 and dramatic increases in the third quarter of 2021. Our extensive and growing portfolio of downstream terminals and infrastructure, together with our locked-in gas supply, provides powerful flexibility to serve customer needs and participate in the opportunities created by market disruptions. During periods of declining LNG prices in 2019 and 2020, we executed four long-term LNG supply agreements in 2020 at prices that are expected to be significantly lower our supply contract executed in 2018. Further, we took advantage of the lower market pricing of LNG to supply our operations for the second half of 2020. We also executed an additional addendum to one of our supply agreements in 2021 to continue to secure 100% of our LNG supply needs for our Montego Bay Facility, Old Harbour Facility, San Juan Facility, La Paz Facility and Puerto Sandino Facility through 2030. During dramatic increases of LNG prices in recent months, we have been able to take advantage of flexibility in our operations and supply portfolio to sell a portion of our committed cargos in the market with delivery in Q4 2021, and these cargo sales are expected to increase our revenues and results of operations in the fourth quarter of 2021.

When performing a recoverability assessment, the Company measures whether the estimated future undiscounted net cash flows expected to be generated by the asset exceeds its carrying value. In the event that an asset does not meet the recoverability test, the carrying value of the asset will be adjusted to fair value resulting in an impairment charge. Management develops the assumptions used in the recoverability assessment based on active contracts, current and future expectations of the global demand for LNG and natural gas, as well as information received from third party industry sources.

Share-based compensation

We estimate the fair value of RSUs and performance stock units ("PSUs") granted to employees and non-employees on the grant date based on the closing price of the underlying shares on the grant date and other fair value adjustments to account for a post-vesting holding period. These fair value adjustments were estimated based on the Finnerty model.

As of September 30, 2021, management determined that it was not probable that the performance condition for our outstanding PSUs would be met. For these awards, compensation cost and the number of PSUs ultimately earned remains variable and compensation cost for these awards is recorded once achievement of the performance conditions becomes probable through the requisite service period. A cumulative adjustment to share-based compensation expense is recorded in the period that achievement of performance conditions becomes probable.

Business combinations and goodwill

We evaluate each purchase transaction to determine whether the acquired assets meet the definition of a business. If substantially all of the fair value of gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, then the set of transferred assets and activities is not a business. If not, for an acquisition to be considered a business, it would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. A substantive process is not ancillary or minor, cannot be replaced without significant costs, effort or delay or is otherwise considered unique or scarce. To qualify as a business without outputs, the acquired assets would require an organized workforce with the necessary skills, knowledge and experience that performs a substantive process.

For acquisitions that are not deemed to be businesses, the assets acquired are recognized based on their cost to us as the acquirer, and no gain or loss is recognized. The cost of assets acquired in a group is allocated to individual assets within the group based on their relative fair values and no goodwill is recognized. Transaction costs related to acquisition of assets are included in the cost basis of the assets acquired.

We account for acquisitions that qualify as business combinations by applying the acquisition method. Transaction costs related to the acquisition of a business are expensed as incurred and excluded from the fair value of consideration transferred. Under the acquisition method of accounting, the identifiable assets acquired, liabilities assumed and noncontrolling interests in an acquired entity are recognized and measured at their estimated fair values. The excess of the fair value of consideration transferred over the fair values of identifiable assets acquired, liabilities assumed and noncontrolling interests in an acquired entity, net of fair value of any previously held interest in the acquired entity, is recorded as goodwill.

The Company performs valuations of assets acquired, liabilities assumed and noncontrolling interests in an acquired entity and allocates the purchase price to its respective assets, liabilities and noncontrolling interests. Determining the fair value of assets acquired, liabilities assumed and noncontrolling interests in an acquired entity requires management to use significant judgment and estimates, including the selection of appropriate valuation methodologies, estimates of projected revenues, costs and cash flows, and discount rates. The Company estimated the fair value of the vessels acquired in the Mergers using a combination of the income approach and the cost approach, which determines the replacement costs for the assets, adjusting for age and condition. Management’s estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable. As a result, actual results may differ from these estimates. During the measurement period, the Company may record adjustments to acquired assets, liabilities assumed and noncontrolling interests, with corresponding offsets to goodwill. Upon the conclusion of a measurement period, any subsequent adjustments are recorded to earnings.

We use estimates, assumptions and judgments when assessing the recoverability of goodwill. We test for impairment on an annual basis, or more frequently if a significant event of circumstance indicates the carrying amounts may not be recoverable. The assessment of goodwill for impairment may initially be performed based on qualitative factors to determine if it is more likely than not that the fair value of the reporting unit to which the goodwill is assigned is less than the carrying value. If so, a quantitative assessment is performed to determine if an impairment has occurred and to measure the impairment loss.

Recent Accounting Standards

For descriptions of recently issued accounting standards, see “Note 3. Adoption of new and revised standards” to our notes to condensed consolidated financial statements included elsewhere in this Quarterly Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risks.

In the normal course of business, the Company encounters several significant types of market risks including commodity and interest rate risks.

Commodity Price Risk

Commodity price risk is the risk of loss arising from adverse changes in market rates and prices. We are able to limit our exposure to fluctuations in natural gas prices as our pricing in contracts with customers is largely based on the Henry Hub index price plus a contractual spread. Our exposure to market risk associated with LNG price changes may adversely impact our business. We do not currently have any derivative arrangements to protect against fluctuations in commodity prices, but to mitigate the effect of fluctuations in LNG prices on our operations, we may enter into various derivative instruments. However, we have secured 100% of our LNG supply needs for our Montego Bay Facility, Old Harbour Facility, San Juan Facility, La Paz Facility and Puerto Sandido Facility through 2030.

Interest Rate Risk

The 2025 Notes and 2026 Notes were issued with a fixed rate of interest, and as such, a change in interest rates would impact the fair value of the 2025 Notes and 2026 Notes but such a change would have no impact on our results of operations or cash flows. A 100-basis point increase or decrease in the market interest rate would decrease or increase the fair value of our fixed rate debt by approximately $60 million. The sensitivity analysis presented is based on certain simplifying assumptions, including instantaneous change in interest rate and parallel shifts in the yield curve.

Interest under the Vessel Term Loan Facility has a component based on LIBOR or other market indices should LIBOR become unavailable. A 100-basis point increase or decrease in the market interest rate would decrease or increase our interest expense by approximately $4.3 million.

As a result of the Mergers, we assumed the Debenture Loan and a cross-currency interest rate swap to protect against adverse movements in interest rates of the Debenture Loan. We also acquired an interest rate swap to manage the exposure to adverse movements in interest rates of debt held by our equity method investee, Hilli LLC, but we do not currently have any derivative arrangements to protect against fluctuations in interest rates applicable to our other outstanding indebtedness.

Foreign Currency Exchange Risk

After the completion of the Hygo Merger, we began to have more significant transactions, assets and liabilities denominated in Brazilian reais; our Brazilian subsidiaries and investments receive income and pays expenses in Brazilian reais. A portion of our exposure to exchange rates is economically hedged by a cross-currency interest rate swap. Based on our Brazilian reais revenues and expenses for the period since the completion of the Hygo Merger, a 10% depreciation of the U.S. dollar against the Brazilian reais would not significantly decrease our revenue or expenses. As our operations expand in Brazil, our results of operations will be exposed to changes in fluctuations in the Brazilian real, which may materially impact our results of operations.

Outside of Brazil, our operations are primarily conducted in U.S. dollars, and as such, our results of operations and cash flows have not materially been impacted by fluctuations due to changes in foreign currency exchange rates. We currently incur a limited amount of costs in foreign jurisdictions other than Brazil that are paid in local currencies, but we expect our international operations to continue to grow in the near term.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

In accordance with Rules 13a-15(b) of the Exchange Act, we have evaluated, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of September 30, 2021. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based upon that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of September 30, 2021 at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

On April 15, 2021, we completed the acquisitions of Hygo Energy Transition Ltd. (“Hygo”) and Golar LNG Partners LP (“GMLP”). As part of the ongoing integration of the acquired businesses, we are in the process of incorporating the controls and related procedures of Hygo and GMLP and expect that this effort will be completed in 2021. Pursuant to the SEC’s guidance that an assessment of a recently acquired business may be omitted from the scope of an assessment in the year of acquisition, the scope of our assessment of the effectiveness of our internal controls over financial reporting at December 31, 2021 will not include Hygo or GMLP.

Other than the foregoing, there has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act) that occurred during the quarter ended September 30, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings.

We are not currently a party to any material legal proceedings. In the ordinary course of business, various legal and regulatory claims and proceedings may be pending or threatened against us. If we become a party to proceedings in the future, we may be unable to predict with certainty the ultimate outcome of such claims and proceedings.

Item 1A. Risk Factors.

An investment in our Class A common stock involves a high degree of risk. You should carefully consider the risks described below. If any of the following risks were to occur, the value of our Class A common stock could be materially adversely affected or our business, financial condition and results of operations could be materially adversely affected and thus indirectly cause the value of our Class A common stock to decline. Additional risks not presently known to us or that we currently deem immaterial could also materially affect our business and the value of our Class A common stock. As a result of any of these risks, known or unknown, you may lose all or part of your investment in our Class A common stock. The risks discussed below also include forward-looking statements, and actual results may differ substantially from those discussed in these forward-looking statements. See "Cautionary Statement on Forward-Looking Statements".

References to "NFE," the "Company," "we," "us," "our" and similar terms in this section refer to NFE Inc. and its subsidiaries, including Hygo and its subsidiaries, and including GMLP and its subsidiaries. References to "Hygo" and "GMLP", respectively, in this section, refer to Hygo and GMLP and their respective subsidiaries, along with the Company and its subsidiaries.

Summary Risk Factors

Some of the factors that could materially and adversely affect our business, financial condition, results of operations or prospects include the following:

Risks Related to the Mergers

- We may be unable to successfully integrate the businesses and realize the anticipated benefits of the Mergers;
- We may not have discovered undisclosed liabilities of either Hygo or GMLP during our due diligence process, and we may not have adequate legal protection from potential liabilities of, or in respect of our acquisitions of, Hygo and GMLP;
- We have incurred a significant amount of additional debt to fund a portion of the purchase price for the GMLP Merger and as a result of the consummation of the Mergers;

Risks Related to Our Business

- We have not yet completed contracting, construction and commissioning for all of our Facilities and Liquefaction Facilities and there can be no assurance that our Facilities or Liquefaction Facilities will operate as expected or at all;
- We may experience time delays, unforeseen expenses and other complications while developing our projects;
- We may not be profitable for an indeterminate period of time;
- Because we are currently dependent upon a limited number of customers, the loss of a significant customer could adversely affect our operating results;
- Our current ability to generate cash is substantially dependent upon the entry into and performance by customers under long term contracts that we have entered into or will enter into in the near future;
- Operation of our LNG infrastructure and other facilities that we may construct involves significant risks;
- The operation of the CHP Plant and any other power plants involves particular, significant risks;
- Information technology failures and cyberattacks could affect us significantly;
- Our insurance may be insufficient to cover losses that may occur to our property or result from our operations;
- We are unable to predict the extent to which the global COVID-19 pandemic will negatively adversely affect our operations financial performance, or ability to achieve our strategic objectives, or our customers and suppliers;
- We perform development or construction services from time to time which are subject to a variety of risks unique to these activities;
- We may not be able to purchase or receive physical delivery of natural gas in sufficient quantities and/or at economically attractive prices to satisfy our delivery obligations to customers;

- Failure of LNG to be a competitive source of energy in the markets in which we operate could adversely affect our expansion strategy;
- Our current lack of asset and geographic diversification;
- Our business could be affected adversely by labor disputes, strikes or work stoppages in Brazil;
- Failure to obtain and maintain permits, approvals and authorizations from governmental and regulatory agencies on favorable terms with respect to the design, construction and operation of our facilities could impede operations and construction;

Risks Related to the Jurisdictions in Which We Operate

- We are currently highly dependent upon economic, political and other conditions and developments in the Caribbean, particularly Jamaica, Puerto Rico as well as Brazil and the other jurisdictions in which we operate;

Risks Related to Hygo Business Activities

- Hygo's Sergipe Facility is not currently operating at full capacity while equipment is being repaired, and we do not know the precise date when the facility will resume operations at full capacity. Once operations fully resume, the facility will be subject to customary operational risk for facilities of this type. Hygo's other planned facilities are in various stages of contracting, construction, permitting and commissioning, each of which may present challenges to completion;
- Hygo's cash flow will be dependent upon the ability of its operating subsidiaries and joint ventures to make cash distributions to Hygo, the amount of which will depend on various contingencies;
- Hygo may not be able to fully utilize the capacity of its facilities;
- Hygo is currently highly dependent upon economic, political, regulatory and other conditions and developments in Brazil;
- Hygo's sale and leaseback agreements contain restrictive covenants that may limit its liquidity and corporate activities;

Risks Related to GMLP Business Activities

- GMLP currently derives all of its revenue from a limited number of customers and will face substantial competition in the future;
- GMLP's equity investment in Golar Hilli LLC may not result in anticipated profitability or generate cash flow sufficient to justify its investment. In addition, this investment exposes GMLP to risks that may harm its business;
- GMLP may experience operational problems with its vessels that reduce revenue and increase costs;
- GMLP may be unable to obtain, maintain, and/or renew permits necessary for its operations or experience delays in obtaining such permits;

Risks Related to Ownership of Our Class A Common Stock

- A small number of our original investors have the ability to direct the voting of a majority of our stock, and their interests may conflict with those of our other stockholders; and
- The declaration and payment of dividends to holders of our Class A common stock is at the discretion of our board of directors and there can be no assurance that we will continue to pay dividends in amounts or on a basis consistent with prior distributions to our investors, if at all.

Risks Related to the Mergers

We may be unable to successfully integrate the businesses and realize the anticipated benefits of the Mergers.

The success of the Mergers will depend, in part, on our ability to successfully combine each of Hygo and GMLP, which recently operated as independent companies, with our business and realize the anticipated benefits, including synergies, cost savings, innovation and operational efficiencies, from each combination. If we are unable to achieve these objectives within the anticipated time frame, or at all, the anticipated benefits may not be realized fully, or at all, or may take longer to realize than expected and the value of our common stock may be harmed. Additionally, as a result of the Mergers, rating agencies may take negative actions against our credit ratings, which may increase our financing costs, including in connection with the financing of the Mergers.

The Mergers involve the integration of Hygo and GMLP with our existing business, which is a complex, costly and time-consuming process. The integration of each of Hygo and GMLP into our business may result in material challenges, including, without limitation:

- managing a larger company;
- attracting, motivating and retaining management personnel and other key employees;
- the possibility of faulty assumptions underlying expectations regarding the integration process;
- retaining existing business and operational relationships and attracting new business and operational relationships;
- consolidating corporate and administrative infrastructures and eliminating duplicative operations;
- coordinating geographically separate organizations;
- unanticipated issues in integrating information technology, communications and other systems; and
- unanticipated changes in federal or state laws or regulations.

Repairs and maintenance costs for existing vessels are difficult to predict and may be substantially higher than for vessels we have operated since they were built.

We may not have discovered undisclosed liabilities or other issues of either Hygo or GMLP during our due diligence process, and we may not have adequate legal protection from potential liabilities of, or in respect of our acquisition of, Hygo and GMLP.

In the course of the due diligence review of each of Hygo and GMLP that we conducted prior to the consummation of each of the Mergers, we may not have discovered, or may have been unable to quantify, undisclosed liabilities or other issues of Hygo or GMLP and their respective subsidiaries. Moreover, we may not have adequate legal protection from potential liabilities of, or in respect of our acquisition of, Hygo or GMLP, irrespective of whether such potential liabilities were discovered or not. Examples of such undisclosed or potential liabilities or other issues may include, but are not limited to, pending or threatened litigation, regulatory matters, tax liabilities, indemnification of obligations, undisclosed counterparty termination rights, or undisclosed letter of credit or guarantee requirements. Any such undisclosed or potential liabilities or other issues could have an adverse effect on our business, results of operations, financial condition and cash flows.

We have incurred a significant amount of additional debt to fund a portion of the purchase price for the GMLP Merger and as a result of the consummation of the Mergers.

As of December 31, 2020, we had approximately $1,250 million aggregate principal amount of indebtedness outstanding. As of September 30, 2021, we had approximately $3,890 million aggregate principal amount of indebtedness. On an ongoing basis, we engage with lenders and other financial institutions in an effort to improve our liquidity and capital resources. We may incur additional debt to fund our business and strategic initiatives. If we incur additional debt and other obligations, the risks associated with our substantial leverage and the ability to service such debt would increase.

In addition, in connection with both the Hygo Merger and the GMLP Merger, we assumed a significant amount of indebtedness, including guarantees and preferred shares. As such, we are now subject to additional restrictive debt covenants that may limit our ability to finance future operations and capital needs and to pursue business opportunities and activities. In addition, if we fail to comply with any of these restrictions, it could have a material adverse effect on us.

Risks Related to Our Business

We have not yet completed contracting, construction and commissioning of all of our Facilities and Liquefaction Facilities. There can be no assurance that our Facilities and Liquefaction Facilities will operate as expected, or at all.

We have not yet entered into binding construction contracts, issued “final notice to proceed” or obtained all necessary environmental, regulatory, construction and zoning permissions for all of our Facilities (as defined herein) and Liquefaction Facilities. There can be no assurance that we will be able to enter into the contracts required for the development of our Facilities and Liquefaction Facilities on commercially favorable terms, if at all, or that we will be able to obtain all of the environmental, regulatory, construction and zoning permissions we need. For example, we will require agreements with ports proximate to our Liquefaction Facilities capable of handling the transload of LNG directly from our transportation assets to our occupying vessel. If we are unable to enter into favorable contracts or to obtain the necessary regulatory and land use approvals on favorable terms, we may not be able to construct and operate these assets as expected, or at all. Additionally, the construction of these kinds of facilities is inherently subject to the risks of cost overruns and delays. There can be no assurance that we will not need to make adjustments to our Facilities and Liquefaction Facilities as a result of the required testing or commissioning of each development, which could cause delays and be costly. Furthermore, if we do enter into the necessary contracts and obtain regulatory approvals for the construction and operation of the Liquefaction Facilities, there can be no assurance that such operations will allow us to successfully export LNG to our Facilities, or that we will succeed in our goal of reducing the risk to our operations of future LNG price variations. If we are unable to construct, commission and operate all of our Facilities and Liquefaction Facilities as expected, or, when and if constructed, they do not accomplish our goals, or if we experience delays or cost overruns in construction, our business, operating results, cash flows and liquidity could be materially and adversely affected. Expenses related to our pursuit of contracts and regulatory approvals related to our Facilities and Liquefaction Facilities still under development may be significant and will be incurred by us regardless of whether these assets are ultimately constructed and operational.

We may not be able to convert our anticipated LNG pipeline into binding contracts, and if we fail to convert potential sales into actual sales, we will not generate the revenues and profits we anticipate.

We are actively pursuing a significant number of new LNG contracts with multiple counterparties in multiple jurisdictions. Potential sales contracts may differ meaningfully depending on various factors, including, but not limited to: whether the potential customer is a government entity or a private party; whether the contract process is done pursuant to a public bidding process or a bilateral negotiation; the infrastructure and permits needed for a particular project; customer timing requirements and applicable laws. Moreover, counterparties commemorate their commitment to purchase LNG in various degrees of formality ranging from traditional contracts to less formal arrangements.

Given the variety of sales processes and counterparty acknowledgements of the LNG volumes they will purchase, we sometimes identify potential sales volumes as being either "Committed" or "In Discussion." "Committed" volumes generally refer to the volumes that management expects to be sold under binding contracts, non-binding letters of intent or memorandums of understanding. "In Discussion" volumes generally refer to volumes that management is actively bidding on, responding to a request for proposals for or is actively negotiating.

Management's estimations of "Committed" and "In Discussion" volumes may prove to be incorrect. We may never sign a binding agreement to sell LNG to the counterparty, or we may sell much less LNG than we estimate. Accordingly, we cannot assure you that Committed or In Discussion volumes will result in actual sales, and such volumes should not be used to predict the company's future results.

We may experience time delays, unforeseen expenses and other complications while developing our projects. These complications can delay the commencement of revenue-generating activities, reduce the amount of revenue we earn and increase our development costs.

Development projects, including our Facilities, Liquefaction Facilities, power plants, and related infrastructure are often developed in multiple stages involving commercial and governmental negotiations, site planning, due diligence, permit requests, environmental impact studies, permit applications and review, marine logistics planning and transportation and end-user delivery logistics. Projects of this type are subject to a number of risks that may lead to delay, increased costs and decreased economic attractiveness. These risks are often increased in foreign jurisdictions, where legal processes, language differences, cultural expectations, currency exchange requirements, political relations with the U.S. government, changes in the political views and structure, government representatives, new regulations, regulatory reviews, employment laws and diligence requirements can make it more difficult, time-consuming and expensive to develop a project.

A primary focus of our business is the development of projects in foreign jurisdictions, including in locations where we have no prior development experience, and we expect to continue expanding into new jurisdictions in the future, including with our expansion by way of the Mergers.

We may experience delays, unforeseen expenses or other obstacles as we develop projects in new jurisdictions that could cause the projects we are developing to take longer and be more expensive than our initial estimates.

While we plan our projects carefully and attempt to complete them according to timelines and budgets that we believe are feasible, we have experienced time delays and cost overruns in some projects that we have developed previously and may experience similar issues with future projects given the inherent complexity and unpredictability of developing infrastructure projects. For example, we previously expected to commence operations of our San Juan Facility and the converted Units 5 and 6 of the San Juan Power Plant (as defined herein) in San Juan, Puerto Rico in the third quarter of 2019. However, due in part to the earthquakes that occurred near Puerto Rico in January 2020 and third-party delays, we began supplying natural gas to Units 5 and 6 in the second quarter of 2020. Delays in the development beyond our estimated timelines, or amendments or change orders to the construction contracts we have entered into and will enter into in the future, could increase the cost of completion beyond the amounts that we estimate. Increased costs could require us to obtain additional sources of financing to continue development on our estimated development timeline or to fund our operations during such development. Any delay in completion of a Facility could cause a delay in the receipt of revenues estimated therefrom or cause a loss of one or more customers in the event of significant delays. As a result of any one of these factors, any significant development delay, whatever the cause, could have a material adverse effect on our business, operating results, cash flows and liquidity.

Our ability to implement our business strategy may be materially and adversely affected by many known and unknown factors.

Our business strategy relies upon our future ability to successfully market natural gas to end-users, develop and maintain cost-effective logistics in our supply chain and construct, develop and operate energy-related infrastructure in the U.S., Jamaica, Mexico, Puerto Rico, Ireland, Nicaragua, Brazil and other countries where we do not currently operate. Our strategy assumes that we will be able to expand our operations into other countries, including countries in the Caribbean and Africa, enter into long-term GSAs and/or PPAs with end-users, acquire and transport LNG at attractive prices, develop infrastructure, including the Pennsylvania Facility (as defined herein), as well as other future projects, into efficient and profitable operations in a timely and cost-effective way, obtain approvals from all relevant federal, state and local authorities, as needed, for the construction and operation of these projects and other relevant approvals and obtain long-term capital appreciation and liquidity with respect to such investments.

We cannot assure you if or when we will enter into contracts for the sale of LNG and/or natural gas, the price at which we will be able to sell such LNG and/or natural gas or our costs for such LNG and/or natural gas. Thus, there can be no assurance that we will achieve our target pricing, costs or margins. Our strategy may also be affected by future governmental laws and regulations. Our strategy also assumes that we will be able to enter into strategic relationships with energy end-users, power utilities, LNG providers, shipping companies, infrastructure developers, financing counterparties and other partners. These assumptions are subject to significant economic, competitive, regulatory and operational uncertainties, contingencies and risks, many of which are beyond our control. Additionally, in furtherance of our business strategy, we may acquire operating businesses or other assets in the future. Any such acquisitions would be subject to significant risks and contingencies, including the risk of integration, and we may not be able to realize the benefits of any such acquisitions.

Additionally, our strategy may evolve over time. Our future ability to execute our business strategy is uncertain, and it can be expected that one or more of our assumptions will prove to be incorrect and that we will face unanticipated events and circumstances that may adversely affect our business. Any one or more of the following factors may have a material adverse effect on our ability to implement our strategy and achieve our targets:

- inability to achieve our target costs for the purchase, liquefaction and export of natural gas and/or LNG and our target pricing for long-term contracts;
- failure to develop cost-effective logistics solutions;
- failure to manage expanding operations in the projected time frame;
- inability to structure innovative and profitable energy-related transactions as part of our sales and trading operations and to optimally price and manage position, performance and counterparty risks;
- inability, or failure, of any customer or contract counterparty to perform their contractual obligations to us (for further discussion of counterparty risk, see "– Our current ability to generate cash is substantially dependent upon the entry into and performance by customers under long-term contracts that we have entered into or will enter into in the near future, and we could be materially and adversely affected if any customer fails to perform its contractual obligations for any reason, including nonpayment and nonperformance, or if we fail to enter into such contracts at all.");
- inability to develop infrastructure, including our Facilities and Liquefaction Facilities, as well as other future projects, in a timely and cost-effective manner;
- inability to attract and retain personnel in a timely and cost-effective manner;
- failure of investments in technology and machinery, such as liquefaction technology or LNG tank truck technology, to perform as expected;
- increases in competition which could increase our costs and undermine our profits;
- inability to source LNG and/or natural gas in sufficient quantities and/or at economically attractive prices;
- failure to anticipate and adapt to new trends in the energy sector in the U.S., Jamaica, the Caribbean, Mexico, Ireland, Nicaragua, Brazil and elsewhere;
- increases in operating costs, including the need for capital improvements, insurance premiums, general taxes, real estate taxes and utilities, affecting our profit margins;
- inability to raise significant additional debt and equity capital in the future to implement our strategy as well as to operate and expand our business;
- general economic, political and business conditions in the U.S., Jamaica, the Caribbean, Mexico, Ireland, Nicaragua, Brazil and in the other geographic areas in which we intend to operate;
- the severity and duration of world health events, including the recent COVID-19 pandemic and related economic and political impacts on our or our customers' or suppliers' operations and financial status;
- inflation, depreciation of the currencies of the countries in which we operate and fluctuations in interest rates;
- failure to win new bids or contracts on the terms, size and within the time frame we need to execute our business strategy;
- failure to obtain approvals from governmental regulators and relevant local authorities for the construction and operation of potential future projects and other relevant approvals;
- uncertainty regarding the timing, pace and extent of an economic recovery in the United States, the other jurisdictions in which we operate and elsewhere, which in turn will likely affect demand for crude oil and natural gas; or
- existing and future governmental laws and regulations.

If we experience any of these failures, such failure may adversely affect our financial condition, results of operations and ability to execute our business strategy.

Our Fast LNG strategy is innovative and thus not yet proven. We may not be able to realize the time and cost savings we expect to achieve with our Fast LNG strategy.

We have developed our Fast LNG strategy to procure and deliver LNG to our customers more quickly and cost-effectively than traditional LNG procurement and delivery strategies used by other market participants. We are in the process of designing and constructing our first Fast LNG solution. The Fast LNG technology may take more time and money to construct than we currently estimate. We may not be able to successful construct our Fast LNG solution, and even if we succeed in constructing the technology, we may ultimately not be able to realize the time and cost savings we currently expect to achieve from this strategy. Any such failure could negatively affect both the timing and costs of some future projects, impair our ability to reduce our future LNG costs and negatively affect our financial results.

When we invest significant capital to develop a project, we are subject to the risk that the project is not successfully developed and that our customers do not fulfill their payment obligations to us following our capital investment in a project.

A key part of our business strategy is to attract new customers by agreeing to finance and develop new facilities, power plants, liquefaction facilities and related infrastructure in order to win new customer contracts for the supply of natural gas, LNG or power. This strategy requires us to invest capital and time to develop a project in exchange for the ability to sell natural gas, LNG or power and generate fees from customers in the future. When we develop large projects such as facilities, power plants and large liquefaction facilities, our required capital expenditure may be significant, and we typically do not generate meaningful fees from customers until the project has commenced commercial operations, which may take a year or more to achieve. If the project is not successfully developed for any reason, we face the risk of not recovering some or all of our invested capital, which may be significant. If the project is successfully developed, we face the risks that our customers may not fulfill their payment obligations or may not fulfill other performance obligations that impact our ability to collect payment. Our customer contracts and development agreements do not fully protect us against this risk and, in some instances, may not provide any meaningful protection from this risk. This risk is heightened in foreign jurisdictions, particularly if our counterparty is a government or government-related entity because any attempt to enforce our contractual or other rights may involve long and costly litigation where the ultimate outcome is uncertain.

If we invest capital in a project where we do not receive the payments we expect, we will have less capital to invest in other projects, our liquidity, results of operations and financial condition could be materially and adversely affected, and we could face the inability to comply with the terms of our existing debt or other agreements, which would exacerbate these adverse effects.

We have a limited operating history, which may not be sufficient to evaluate our business and prospects.

We have a limited operating history and track record. As a result, our prior operating history and historical financial statements may not be a reliable basis for evaluating our business prospects or the value of our Class A common stock. We commenced operations on February 25, 2014, and we had net losses of approximately $78.2 million in 2018, $204.3 million in 2019 and $264.0 million in 2020. Our strategy may not be successful, and if unsuccessful, we may be unable to modify it in a timely and successful manner. We cannot give you any assurance that we will be able to implement our strategy on a timely basis, if at all, or achieve our internal model or that our assumptions will be accurate. Our limited operating history also means that we continue to develop and implement various policies and procedures, including those related to project development planning, operational supply chain planning, data privacy and other matters. We will need to continue to build our team to develop and implement our strategies.

We will continue to incur significant capital and operating expenditures while we develop infrastructure for our supply chain, including for the completion of our Facilities and Liquefaction Facilities under construction, as well as other future projects. We will need to invest significant amounts of additional capital to implement our strategy. We have not yet completed constructing all of our Facilities and Liquefaction Facilities and our strategy includes the construction of additional facilities. Any delays beyond the expected development period for these assets would prolong, and could increase the level of, operating losses and negative operating cash flows. Our future liquidity may also be affected by the timing of construction financing availability in relation to the incurrence of construction costs and other outflows and by the timing of receipt of cash flows under our customer contracts in relation to the incurrence of project and operating expenses. Our ability to generate any positive operating cash flow and achieve profitability in the future is dependent on, among other things, our ability to develop an efficient supply chain (which may be impacted by the COVID-19 pandemic) and successfully and timely complete necessary infrastructure, including our Facilities and Liquefaction Facilities under construction, and fulfill our gas delivery obligations under our customer contracts.

Our business is dependent upon obtaining substantial additional funding from various sources, which may not be available or may only be available on unfavorable terms.

We believe we will have sufficient liquidity, cash flow from operations and access to additional capital sources to fund our capital expenditures and working capital needs for the next 12 months. In the future, we expect to incur additional indebtedness to assist us in developing our operations and we are considering alternative financing options, including in specific markets, or the opportunistic sale of one of our non-core assets. See "Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Quarterly Report for more information on our outstanding indebtedness. If we are unable to obtain additional funding, approvals or amendments to our financings outstanding from time to time, or if additional funding is only available on terms that we determine are not acceptable to us, we may be unable to fully execute our business plan and our business, financial condition or results of operations may be materially adversely affected. Additionally, we may need to adjust the timing of our planned capital expenditures and facilities development depending on the requirements of our existing financing and availability of such additional funding. Our ability to raise additional capital will depend on financial, economic and market conditions, which have increased in volatility and at times have been negatively impacted due to the COVID-19 pandemic, our progress in executing our business strategy and other factors, many of which are beyond our control. We cannot assure you that such additional funding will be available on acceptable terms, or at all. Additional debt financing, if available, may subject us to restrictive covenants that could limit our flexibility in conducting future business activities and could result in us expending significant resources to service our obligations. If we are unable to comply with our existing covenants or any additional covenants and service our debt, we may lose control of our business and be forced to reduce or delay planned investments or capital expenditures, sell assets, restructure our operations or submit to foreclosure proceedings, all of which could result in a material adverse effect upon our business.

A variety of factors beyond our control could impact the availability or cost of capital, including domestic or international economic conditions, increases in key benchmark interest rates and/or credit spreads, the adoption of new or amended banking or capital market laws or regulations, the re-pricing of market risks and volatility in capital and financial markets, risks relating to the credit risk of our customers and the jurisdictions in which we operate, as well as general risks applicable to the energy sector. Our financing costs could increase or future borrowings or equity offerings may be unavailable to us or unsuccessful, which could cause us to be unable to pay or refinance our indebtedness or to fund our other liquidity needs. We also historically have relied, and in the future will likely rely, on borrowings under term loans and other debt instruments to fund our capital expenditures. If any of the lenders in the syndicates backing these debt instruments were unable to perform on its commitments, we may need to seek replacement financing, which may not be available as needed, or may be available in more limited amounts or on more expensive or otherwise unfavorable terms.

We may not be profitable for an indeterminate period of time.

We have a limited operating history and did not commence revenue-generating activities until 2016, and we have not achieved profitability for any annual period or for the six months ended June 30, 2021. We have made and will continue to make significant initial investments to complete construction and begin operations of each of our Facilities, power plants and Liquefaction Facilities, and we will need to make significant additional investments to develop, improve and operate them, as well as all related infrastructure. We also expect to make significant expenditures and investments in identifying, acquiring and/or developing other future projects, including in connection with the Mergers. We also expect to incur significant expenses in connection with the launch and growth of our business, including costs for LNG purchases, rail and truck transportation, shipping and logistics and personnel. We will need to raise significant additional debt capital to achieve our goals.

We may not be able to achieve profitability, and if we do, we cannot assure you that we would be able to sustain such profitability in the future. Our failure to achieve or sustain profitability would have a material adverse effect on our business.

Our business is heavily dependent upon our international operations, particularly in Jamaica, Puerto Rico and Brazil, and any disruption to those operations would adversely affect us.

Our operations in Jamaica began in October 2016, when our Montego Bay Facility commenced commercial operations, and continue to grow, and our San Juan Facility became fully operational in the third quarter of 2020. Jamaica, Puerto Rico and Brazil are subject to acts of terrorism or sabotage and natural disasters, in particular hurricanes, extreme weather conditions, crime and similar other risks which may negatively impact our operations in the region. We may also be affected by trade restrictions, such as tariffs or other trade controls. Additionally, tourism is a significant driver of economic activity in the Caribbean and Brazil. As a result, tourism directly and indirectly affects local demand for our LNG and therefore our results of operations. Trends in tourism in the Caribbean and Brazil are primarily driven by the economic condition of the tourists' home country or territory, the condition of their destination, and the availability, affordability and desirability of air travel and cruises. Additionally, unexpected factors could reduce tourism at any time, including local or global economic recessions, terrorism, travel restrictions, pandemics, severe weather or natural disasters. If we are unable to continue to leverage on the skills and experience of our international workforce and members of management with experience in the jurisdictions in which we operate to manage such risks, we may be unable to provide LNG at an attractive price and our business could be materially affected.

Because we are currently dependent upon a limited number of customers, the loss of a significant customer could adversely affect our operating results.

A limited number of customers currently represent a substantial majority of our income. Our operating results are currently contingent on our ability to maintain LNG, natural gas, steam and power sales to these customers. At least in the short term, we expect that a substantial majority of our sales will continue to arise from a concentrated number of customers, such as power utilities, railroad companies and industrial end-users. We expect the substantial majority of our revenue for the near future to be from customers in the Caribbean, the Sergipe Facility and the Sergipe Power Plant and as a result, are subject to any risks specific to those customers and the jurisdictions and markets in which they operate. We may be unable to accomplish our business plan to diversify and expand our customer base by attracting a broad array of customers, which could negatively affect our business, results of operations and financial condition.

If we lose any of our charterers and are unable to re-deploy the related vessel for an extended period of time, we will not receive any revenues from that vessel, but we will be required to pay expenses necessary to maintain the vessel in seaworthy operating condition and to service any associated debt. In addition, under the sale and leaseback arrangement in respect of the Golar Eskimo, if the time charter pursuant to which the Golar Eskimo is operating is terminated, the owner of the Golar Eskimo (which is a wholly-owned subsidiary of China Merchants Bank Leasing) will have the right to require us to purchase the vessel from it unless we are able to place such vessel under a suitable replacement charter within 24 months of the termination. We may not have, or be able to obtain, sufficient funds to make these accelerated payments or prepayments or be able to purchase the Golar Eskimo. In such a situation, the loss of a charterer could have a material adverse effect on our business, results of operations and financial condition.

Our current ability to generate cash is substantially dependent upon the entry into and performance by customers under long-term contracts that we have entered into or will enter into in the near future, and we could be materially and adversely affected if any customer fails to perform its contractual obligations for any reason, including nonpayment and nonperformance, or if we fail to enter into such contracts at all.

Our current results of operations and liquidity are, and will continue to be in the near future, substantially dependent upon performance by JPS (as defined herein), SJPC (as defined herein) and PREPA (as defined herein), which have each entered into long-term GSAs and, in the case of JPS, a PPA in relation to the power produced at the CHP Plant (as defined herein), with us, and Jamalco (as defined herein), which has entered into a long-term SSA with us. While certain of our long-term contracts contain minimum volume commitments, our expected sales to customers under existing contracts are substantially in excess of such minimum volume commitments. Our near-term ability to generate cash is dependent on these customers' continued willingness and ability to continue purchasing our products and services and to perform their obligations under their respective contracts. Their obligations may include certain nomination or operational responsibilities, construction or maintenance of their own facilities which are necessary to enable us to deliver and sell natural gas or LNG, and compliance with certain contractual representations and warranties.

Our credit procedures and policies may be inadequate to sufficiently eliminate risks of nonpayment and nonperformance. In assessing customer credit risk, we use various procedures including background checks which we perform on our potential customers before we enter into a long-term contract with them. As part of the background check, we assess a potential customer's credit profile and financial position, which can include their operating results, liquidity and outstanding debt, and certain macroeconomic factors regarding the region(s) in which they operate. These procedures help us to appropriately assess customer credit risk on a case-by-case basis, but these procedures may not be effective in assessing credit risk in all instances. As part of our business strategy, we intend to target customers who have not been traditional purchasers of natural gas, including customers in developing countries, and these customers may have greater credit risk than typical natural gas purchasers. Therefore, we may be exposed to greater customer credit risk than other companies in the industry. Additionally, we may face difficulties in enforcing our contractual rights against contractual counterparties that have not submitted to the jurisdiction of U.S. courts. Further, adverse economic conditions in our industry increase the risk of nonpayment and nonperformance by customers, particularly customers that have sub-investment grade credit ratings. The COVID-19 pandemic could adversely impact our customers through decreased demand for power due to decreased economic activity and tourism, or through the adverse economic impact of the pandemic on their power customers. The impact of the COVID-19 pandemic, including governmental and other third -party responses thereto, on our customers could enhance the risk of nonpayment by such customers under our contracts, which would negatively affect our business, results of operations and financial condition.

In particular, JPS and SJPC, which are public utility companies in Jamaica, could be subject to austerity measures imposed on Jamaica by the International Monetary Fund (the "IMF") and other international lending organizations. Jamaica is currently subject to certain public spending limitations imposed by agreements with the IMF, and any changes under these agreements could limit JPS's and SJPC's ability to make payments under their long-term GSAs and, in the case of JPS, its ability to make payments under its PPA, with us. In addition, our ability to operate the CHP Plant is dependent on our ability to enforce the related lease. General Alumina Jamaica Limited ("GAJ"), one of the lessors, is a subsidiary of Noble Group, which completed a financial restructuring in 2018. If GAJ is involved in a bankruptcy or similar proceeding, such proceeding could negatively impact our ability to enforce the lease. If we are unable to enforce the lease due to the bankruptcy of GAJ or for any other reason, we could be unable to operate the CHP Plant or to execute on our contracts related thereto, which could negatively affect our business, results of operations and financial condition. In addition, PREPA is currently subject to bankruptcy proceedings pending in the U.S. District Court for the District of Puerto Rico. As a result, PREPA's ability to meet its payment obligations under its contracts will be largely dependent upon funding from the Federal Emergency Management Agency or other sources. PREPA's contracting practices in connection with restoration and repair of PREPA's electrical grid in Puerto Rico, and the terms of certain of those contracts, have been subject to comment and are the subject of review and hearings by U.S. federal and Puerto Rican governmental entities. In the event that PREPA does not have or does not obtain the funds necessary to satisfy obligations to us under our agreement with PREPA or terminates our agreement prior to the end of the agreed term, our financial condition, results of operations and cash flows could be materially and adversely affected.

If any of these customers fails to perform its obligations under its contract for the reasons listed above or for any other reason, our ability to provide products or services and our ability to collect payment could be negatively impacted, which could materially adversely affect our operating results, cash flow and liquidity, even if we were ultimately successful in seeking damages from such customer for a breach of contract.

Our contracts with our customers are subject to termination under certain circumstances.

Our contracts with our customers contain various termination rights. For example, each of our long-term customer contracts, including the contracts with JPS, SJPC, Jamalco and PREPA, contain various termination rights allowing our customers to terminate the contract, including, without limitation:

- upon the occurrence of certain events of force majeure;
- if we fail to make available specified scheduled cargo quantities;
- the occurrence of certain uncured payment defaults;
- the occurrence of an insolvency event;
- the occurrence of certain uncured, material breaches; and
- if we fail to commence commercial operations or achieve financial close within the agreed timeframes.

We may not be able to replace these contracts on desirable terms, or at all, if they are terminated. Contracts that we enter into in the future may contain similar provisions. If any of our current or future contracts are terminated, such termination could have a material adverse effect on our business, contracts, financial condition, operating results, cash flows, liquidity and prospects.

Cyclical or other changes in the demand for and price of LNG and natural gas may adversely affect our business and the performance of our customers and could have a material adverse effect on our business, contracts, financial condition, operating results, cash flows, liquidity and prospects.

Our business and the development of energy-related infrastructure and projects generally is based on assumptions about the future availability and price of natural gas and LNG and the prospects for international natural gas and LNG markets. Natural gas and LNG prices have at various times been and may become volatile due to one or more of the following factors:

- additions to competitive regasification capacity in North America, Brazil, Europe, Asia and other markets, which could divert LNG or natural gas from our business;
- imposition of tariffs by China or any other jurisdiction on imports of LNG from the United States;
- insufficient or oversupply of natural gas liquefaction or export capacity worldwide;
- insufficient LNG tanker capacity;
- weather conditions and natural disasters;
- reduced demand and lower prices for natural gas;
- increased natural gas production deliverable by pipelines, which could suppress demand for LNG;
- decreased oil and natural gas exploration activities, including shut-ins and possible proration, which have begun and may continue to decrease the production of natural gas;
- cost improvements that allow competitors to offer LNG regasification services at reduced prices;
- changes in supplies of, and prices for, alternative energy sources, such as coal, oil, nuclear, hydroelectric, wind and solar energy, which may reduce the demand for natural gas;
- changes in regulatory, tax or other governmental policies regarding imported or exported LNG, natural gas or alternative energy sources, which may reduce the demand for imported or exported LNG and/or natural gas;

- political conditions in natural gas producing regions;
- adverse relative demand for LNG compared to other markets, which may decrease LNG imports into or exports from North America; and
- cyclical trends in general business and economic conditions that cause changes in the demand for natural gas.

Adverse trends or developments affecting any of these factors, including the timing of the impact of these factors in relation to our purchases and sales of natural gas and LNG could result in increases in the prices we have to pay for natural gas or LNG, which could materially and adversely affect the performance of our customers, and could have a material adverse effect on our business, contracts, financial condition, operating results, cash flows, liquidity and prospects. The COVID-19 pandemic and certain actions by the Organization of the Petroleum Exporting Countries ("OPEC") related to the supply of oil in the market have caused volatility and disruption in the price of oil which may negatively impact our potential customers' willingness or ability to enter into new contracts for the purchase of natural gas. Additionally, in situations where our supply chain has capacity constraints and as a result we are unable to receive all volumes under our long -term LNG supply agreements, our supplier may sell volumes of LNG in a mitigation sale to third parties. In these cases, the factors above may impact the price and amount we receive under mitigation sales and we may incur losses that would have an adverse impact on our financial condition, results of operations and cash flows. For example, among other reasons and because spot market LNG prices in the second quarter of 2020 were significantly lower than the price at which we had previously contracted to purchase LNG, we terminated our contractual obligation to purchase LNG for the remainder of 2020 in order to purchase LNG at lower prices on the spot market during that period in exchange for a one-time payment of $105 million. There can be no assurance we will achieve our target cost or pricing goals. In particular, because we have not currently procured fixed-price, long-term LNG supply to meet all future customer demand, increases in LNG prices and/or shortages of LNG supply could adversely affect our profitability. Additionally, we intend to rely on long-term, largely fixed-price contracts for the feedgas that we need in order to manufacture and sell our LNG. Our actual costs and any profit realized on the sale of our LNG may vary from the estimated amounts on which our contracts for feedgas were originally based. There is inherent risk in the estimation process, including significant changes in the demand for and price of LNG as a result of the factors listed above, many of which are outside of our control.

Failure to maintain sufficient working capital could limit our growth and harm our business, financial condition and results of operations.

We have significant working capital requirements, primarily driven by the delay between the purchase of and payment for natural gas and the extended payment terms that we offer our customers. Differences between the date when we pay our suppliers and the date when we receive payments from our customers may adversely affect our liquidity and our cash flows. We expect our working capital needs to increase as our total business increases. If we do not have sufficient working capital, we may not be able to pursue our growth strategy, respond to competitive pressures or fund key strategic initiatives, such as the development of our facilities, which may harm our business, financial condition and results of operations.

Operation of our LNG infrastructure and other facilities that we may construct involves significant risks.

As more fully discussed in our Annual Report and elsewhere in this Quarterly Report, our existing Facilities and Liquefaction Facilities and expected future facilities face operational risks, including, but not limited to, the following: performing below expected levels of efficiency, breakdowns or failures of equipment, operational errors by trucks, including trucking accidents while transporting natural gas, tankers or tug operators, operational errors by us or any contracted facility operator, labor disputes and weather-related or natural disaster interruptions of operations.

Any of these risks could disrupt our operations and increase our costs, which would adversely affect our business, operating results, cash flows and liquidity.

The operation of the CHP Plant and other power plants will involve particular, significant risks.

The operation of the CHP Plant and other power plants that we operate in the future will involve particular, significant risks, including, among others: failure to maintain the required power generation license(s) or other permits required to operate the power plants; pollution or environmental contamination affecting operation of the power plants; the inability, or failure, of any counterparty to any plant-related agreements to perform their contractual obligations to us including, but not limited to, the lessor's obligations to us under the CHP Plant lease; decreased demand for power produced, including as a result of the COVID-19 pandemic; and planned and unplanned power outages due to maintenance, expansion and refurbishment. We cannot assure you that future occurrences of any of the events listed above or any other events of a similar or dissimilar nature would not significantly decrease or eliminate the revenues from, or significantly increase the costs of operating, the CHP Plant or other power plants. If the CHP Plant or other power plants are unable to generate or deliver power or steam, as applicable, to our customers, such customers may not be required to make payments under their respective agreements so long as the event continues. Certain customers may have the right to terminate those agreements for certain failures to generate or deliver power or steam, as applicable, and we may not be able to enter into a replacement agreement on terms as favorable as the terminated agreement. In addition, such termination may give rise to termination or other rights under related agreements including related leases. As a consequence, there may be reduced or no revenues from one or more of our power plants, which could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

Global climate change may in the future increase the frequency and severity of weather events and the losses resulting therefrom, which could have a material adverse effect on the economies in the markets in which we operate or plan to operate in the future and therefore on our business.

Over the past several years, changing weather patterns and climatic conditions, such as global warming, have added to the unpredictability and frequency of natural disasters in certain parts of the world, including the markets in which we operate and intend to operate, and have created additional uncertainty as to future trends. There is a growing consensus today that climate change increases the frequency and severity of extreme weather events and, in recent years, the frequency of major weather events appears to have increased. We cannot predict whether or to what extent damage that may be caused by natural events, such as severe tropical storms and hurricanes, will affect our operations or the economies in our current or future market areas, but the increased frequency and severity of such weather events could increase the negative impacts to economic conditions in these regions and result in a decline in the value or the destruction of our liquefiers and downstream facilities or affect our ability to transmit LNG. In particular, if one of the regions in which our Facilities are operating or under development is impacted by such a natural catastrophe in the future, it could have a material adverse effect on our business. Further, the economies of such impacted areas may require significant time to recover and there is no assurance that a full recovery will occur. Even the threat of a severe weather event could impact our business, financial condition or the price of our Class A common stock.

Hurricanes or other natural or manmade disasters could result in an interruption of our operations, a delay in the completion of our infrastructure projects, higher construction costs or the deferral of the dates on which payments are due under our customer contracts, all of which could adversely affect us.

Storms and related storm activity and collateral effects, or other disasters such as explosions, fires, seismic events, floods or accidents, could result in damage to, or interruption of operations in our supply chain, including at our Facilities, Liquefaction Facilities, or related infrastructure, as well as delays or cost increases in the construction and the development of our proposed facilities or other infrastructure. Changes in the global climate may have significant physical effects, such as increased frequency and severity of storms, floods and rising sea levels; if any such effects were to occur, they could have an adverse effect on our marine and coastal operations. Due to the concentration of our current and anticipated operations in Southern Florida and the Caribbean, we are particularly exposed to the risks posed by hurricanes, tropical storms and their collateral effects. For example, the 2017 Atlantic hurricane season caused extensive and costly damage across Florida and the Caribbean, including Puerto Rico. In addition, earthquakes which occurred near Puerto Rico in January 2020 resulted in a temporary delay of development of our Puerto Rico projects. We are unable to predict with certainty the impact of future storms on our customers, our infrastructure or our operations.

If one or more tankers, pipelines, Facilities, Liquefaction Facilities, equipment or electronic systems that we own, lease or operate or that deliver products to us or that supply our Facilities, Liquefaction Facilities, and customers' facilities are damaged by severe weather or any other disaster, accident, catastrophe, terrorist or cyber-attack or event, our operations and construction projects could be delayed and our operations could be significantly interrupted. These delays and interruptions could involve significant damage to people, property or the environment, and repairs could take a week or less for a minor incident to six months or more for a major interruption. Any event that interrupts the revenues generated by our operations or that causes us to make significant expenditures not covered by insurance could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

We do not, nor do we intend to, maintain insurance against all of these risks and losses. We may not be able to maintain desired or required insurance in the future at rates that we consider reasonable. The occurrence of a significant event not fully insured or indemnified against could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

Information technology failures and cyberattacks could affect us significantly.

We rely on electronic systems and networks to communicate, control and manage our operations and prepare our financial management and reporting information. If we record inaccurate data or experience infrastructure outages, our ability to communicate and control and manage our business could be adversely affected.

We face various security threats, including cybersecurity threats from third parties and unauthorized users to gain unauthorized access to sensitive information or to render data or systems unusable, threats to the security of our Facilities, Liquefaction Facilities, and infrastructure or third-party facilities and infrastructure, such as processing plants and pipelines, and threats from terrorist acts. Our implementation of various procedures and controls to monitor and mitigate security threats and to increase security for our information, Facilities, Liquefaction Facilities, and infrastructure may result in increased capital and operating costs. Moreover, there can be no assurance that such procedures and controls will be sufficient to prevent security breaches from occurring. If security breaches were to occur, they could lead to losses of sensitive information, critical infrastructure or capabilities essential to our operations. If we were to experience an attack and our security measures failed, the potential consequences to our business and the communities in which we operate could be significant and could harm our reputation and lead to financial losses from remedial actions, loss of business or potential liability.

Our insurance may be insufficient to cover losses that may occur to our property or result from our operations.

Our current operations and future projects are subject to the inherent risks associated with LNG, natural gas and power operations, including explosions, pollution, release of toxic substances, fires, seismic events, hurricanes and other adverse weather conditions, and other hazards, each of which could result in significant delays in commencement or interruptions of operations and/or result in damage to or destruction of the Facilities, Liquefaction Facilities and assets or damage to persons and property. In addition, such operations and the vessels of third parties on which our current operations and future projects may be dependent face possible risks associated with acts of aggression or terrorism. Some of the regions in which we operate are affected by hurricanes or tropical storms. We do not, nor do we intend to, maintain insurance against all of these risks and losses. In particular, we do not carry business interruption insurance for hurricanes and other natural disasters. Therefore, the occurrence of one or more significant events not fully insured or indemnified against could create significant liabilities and losses which could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

We may be unable to procure adequate insurance coverage at commercially reasonable rates in the future. For example, environmental regulations have led in the past to increased costs for, and in the future may result in the lack of availability of, insurance against risks of environmental damage or pollution. A catastrophic release of natural gas, marine disaster or natural disasters could result in losses that exceed our insurance coverage, which could harm our business, financial condition and operating results. Any uninsured or underinsured loss could harm our business and financial condition. In addition, our insurance may be voidable by the insurers as a result of certain of our actions.

We intend to operate in jurisdictions that have experienced and may in the future experience significant political volatility. Our projects and developments could be negatively impacted by political disruption including risks of delays to our development timelines and delays related to regime change in the jurisdictions in which we intend to operate. We do not carry political risk insurance today. If we choose to carry political risk insurance in the future, it may not be adequate to protect us from loss, which may include losses as a result of project delays or losses as a result of business interruption related to a political disruption. Any attempt to recover from loss from political disruption may be time-consuming and expensive, and the outcome may be uncertain.

Changes in the insurance markets attributable to terrorist attacks or political change may also make certain types of insurance more difficult for us to obtain. In addition, the insurance that may be available may be significantly more expensive than our existing coverage.

We are unable to predict the extent to which the global COVID-19 pandemic will negatively affect our operations, financial performance, nor our ability to achieve our strategic objectives. We are also unable to predict how this global pandemic may affect our customers and suppliers.

The COVID-19 pandemic has caused, and is expected to continue to cause, economic disruptions in various regions, disruptions in global supply chains, significant volatility and disruption of financial markets and in the price of oil. In addition, the pandemic has made travel and commercial activity significantly more cumbersome and less efficient compared to pre-pandemic conditions.

Because the severity, magnitude and duration of the COVID-19 pandemic and its economic consequences are uncertain, rapidly changing and difficult to predict, the pandemic's impact on our operations and financial performance, as well as its impact on our ability to successfully execute our business strategies and initiatives, remains uncertain and difficult to predict. Further, the ultimate impact of the COVID-19 pandemic on our operations and financial performance depends on many factors that are not within our control, including, but not limited, to: governmental, business and individuals' actions that have been and continue to be taken in response to the pandemic (including restrictions on travel and transport and workforce pressures); the impact of the pandemic and actions taken in response on global and regional economies, travel, and economic activity; the availability of federal, state, local or non-U.S. funding programs; general economic uncertainty in key global markets and financial market volatility; global economic conditions and levels of economic growth; and the pace of recovery when the COVID-19 pandemic subsides.

The COVID-19 pandemic has subjected our operations, financial performance and financial condition to a number of operational financial risks. The COVID-19 pandemic has also affected Hygo and GMLP. Although the services we provide are generally deemed essential, we may face negative impacts from increased operational challenges based on the need to protect employee health and safety, workplace disruptions and restrictions on the movement of people including our employees and subcontractors, and disruptions to supply chains related to raw materials and goods both at our own Facilities, Liquefaction Facilities and at customers and suppliers. We may also experience a lower demand for natural gas at our existing customers and a decrease in interest from potential customers as a result of the pandemic's impact on the price of available fuel options, including oil-based fuels as well as strains the pandemic places on the capacity of potential customers to evaluate purchasing our goods and services. We may experience customer requests for potential payment deferrals or other contract modifications and delays of potential or ongoing construction projects due to government guidance or customer requests. Conditions in the financial and credit markets may limit the availability of funding and pose heightened risks to future financings we may require. These and other factors we cannot anticipate could adversely affect our business, financial position and results of operations. It is possible that the longer this period of economic and global supply chain and disruption continues, the greater the uncertainty will be regarding the possible adverse impact on our business operations, financial performance and results of operations.

From time to time, we may be involved in legal proceedings and may experience unfavorable outcomes.

In the future we may be subject to material legal proceedings in the course of our business, including, but not limited to, actions relating to contract disputes, business practices, intellectual property and other commercial tax and regulatory matters. Such legal proceedings may involve claims for substantial amounts of money or for other relief or might necessitate changes to our business or operations, and the defense of such actions may be both time-consuming and expensive. Further, if any such proceedings were to result in an unfavorable outcome, it could have an adverse effect on our business, financial position and results of operations.

Our success depends on key members of our management, the loss of any of whom could disrupt our business operations.

We depend to a large extent on the services of our chief executive officer, Wesley R. Edens, some of our other executive officers and other key employees. Mr. Edens does not have an employment agreement with us. The loss of the services of Mr. Edens or one or more of our other key executives or employees could disrupt our operations and increase our exposure to the other risks described in this "Item 1A. Risk Factors." We do not maintain key man insurance on Mr. Edens or any of our employees. As a result, we are not insured against any losses resulting from the death of our key employees.

Our construction of energy-related infrastructure is subject to operational, regulatory, environmental, political, legal and economic risks, which may result in delays, increased costs or decreased cash flows.

The construction of energy-related infrastructure, including our Facilities and Liquefaction Facilities, the Barcarena Facility, the Santa Catarina Facility and other assets in Brazil, as well as other future projects, involves numerous operational, regulatory, environmental, political, legal and economic risks beyond our control and may require the expenditure of significant amounts of capital during construction and thereafter. These potential risks include, among other things, the following:

- we may be unable to complete construction projects on schedule or at the budgeted cost due to delays in obtaining required permits, the unavailability of required construction personnel or materials, accidents or weather conditions;
- we may issue change orders under existing or future engineering, procurement and construction ("EPC") contracts resulting from the occurrence of certain specified events that may give our customers the right to cause us to enter into change orders or resulting from changes with which we otherwise agree;
- we will not receive any material increase in operating cash flows until a project is completed, even though we may have expended considerable funds during the construction phase, which may be prolonged;
- we may construct facilities to capture anticipated future energy consumption growth in a region in which such growth does not materialize;
- the completion or success of our construction projects may depend on the completion of a third-party construction project (e.g., additional public utility infrastructure projects) that we do not control and that may be subject to numerous additional potential risks, delays and complexities;
- the purchase of the project company holding the rights to develop and operate the Ireland Facility (as defined herein) is subject to a number of contingencies, many of which are beyond our control and could cause us not to acquire the remaining interests of the project company or cause a delay in the construction of our Ireland Facility;
- we may not be able to obtain key permits or land use approvals, including those required under environmental laws, on terms that are satisfactory for our operations and on a timeline that meets our commercial obligations, and there may be delays, perhaps substantial in length, such as in the event of challenges by citizens groups or non-governmental organizations, including those opposed to fossil fuel energy sources;
- we may be (and have been in select circumstances) subject to local opposition, including the efforts by environmental groups, which may attract negative publicity or have an adverse impact on our reputation; and
- we may be unable to obtain rights-of-way to construct additional energy-related infrastructure or the cost to do so may be uneconomical.

A materialization of any of these risks could adversely affect our ability to achieve growth in the level of our cash flows or realize benefits from future projects, which could have a material adverse effect on our business, financial condition and results of operations.

We expect to be dependent on our primary building contractor and other contractors for the successful completion of our energy-related infrastructure.

Timely and cost-effective completion of our energy-related infrastructure, including our Facilities and Liquefaction Facilities, the Sergipe Facility, the Barcarena Facility and the Santa Catarina Facility, as well as future projects, in compliance with agreed specifications is central to our business strategy and is highly dependent on the performance of our primary building contractor and our other contractors under our agreements with them. The ability of our primary building contractor and our other contractors to perform successfully under their agreements with us is dependent on a number of factors, including their ability to:

- design and engineer each of our facilities to operate in accordance with specifications;
- engage and retain third-party subcontractors and procure equipment and supplies;
- respond to difficulties such as equipment failure, delivery delays, schedule changes and failures to perform by subcontractors, some of which are beyond their control;
- attract, develop and retain skilled personnel, including engineers;
- post required construction bonds and comply with the terms thereof;
- manage the construction process generally, including coordinating with other contractors and regulatory agencies; and
- maintain their own financial condition, including adequate working capital.

Until and unless we have entered into an EPC contract for a particular project, in which the EPC contractor agrees to meet our planned schedule and projected total costs for a project, we are subject to potential fluctuations in construction costs and other related project costs. Although some agreements may provide for liquidated damages if the contractor fails to perform in the manner required with respect to certain of its obligations, the events that trigger a requirement to pay liquidated damages may delay or impair the operation of the applicable facility, and any liquidated damages that we receive may be delayed or insufficient to cover the damages that we suffer as a result of any such delay or impairment. The obligations of our primary building contractor and our other contractors to pay liquidated damages under their agreements with us are subject to caps on liability, as set forth therein. Furthermore, we may have disagreements with our contractors about different elements of the construction process, which could lead to the assertion of rights and remedies under their contracts and increase the cost of the applicable facility or result in a contractor's unwillingness to perform further work. We may hire contractors to perform work in jurisdictions where they do not have previous experience, or contractors we have not previously hired to perform work in jurisdictions we are beginning to develop, which may lead to such contractors being unable to perform according to its respective agreement. If any contractor is unable or unwilling to perform according to the negotiated terms and timetable of its respective agreement for any reason or terminates its agreement for any reason, we would be required to engage a substitute contractor, which could be particularly difficult in certain of the markets in which we plan to operate. This would likely result in significant project delays and increased costs, which could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

In addition, if our contractors are unable or unwilling to perform according to their respective agreements with us, our projects may be delayed and we may face contractual consequences in our agreements with our customers, including for development services, the supply of natural gas, LNG or steam and the supply of power. We may be required to pay liquidated damages, face increased expenses or reduced revenue, and may face issues complying with certain covenants in such customer agreements or in our financings. We may not have full protection to seek payment from our contractors to compensate us for such payments and other consequences.

We are relying on third-party engineers to estimate the future rated capacity and performance capabilities of our existing and future facilities, and these estimates may prove to be inaccurate.

We are relying on third parties for the design and engineering services underlying our estimates of the future rated capacity and performance capabilities of our Facilities and Liquefaction Facilities, as well as other future projects. If any of these facilities, when actually constructed, fails to have the rated capacity and performance capabilities that we intend, our estimates may not be accurate. Failure of any of our existing Facilities, Liquefaction Facilities or future facilities to achieve our intended future capacity and performance capabilities could prevent us from achieving the commercial start dates under our customer contracts and could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

We perform development or construction services from time to time, which are subject to a variety of risks unique to these activities.

From time to time, we may agree to provide development or construction services as part of our customer contracts and such services are subject to a variety of risks unique to these activities. If construction costs of a project exceed original estimates, such costs may have to be absorbed by us, thereby making the project less profitable than originally estimated, or possibly not profitable at all. In addition, a construction project may be delayed due to government or regulatory approvals, supply shortages, or other events and circumstances beyond our control, or the time required to complete a construction project may be greater than originally anticipated. For example, the conversion of Unit 5 and 6 in the San Juan Power Plant was delayed in part due to the earthquakes that occurred near Puerto Rico in January 2020 and third-party delays.

We rely on third-party subcontractors and equipment manufacturers to complete many of our projects. To the extent that we cannot engage subcontractors or acquire equipment or materials in the amounts and at the costs originally estimated, our ability to complete a project in a timely fashion or at a profit may be impaired. If the amount we are required to pay for these goods and services exceeds the amount we have estimated in bidding for fixed-price contracts, we could experience losses in the performance of these contracts. In addition, if a subcontractor or a manufacturer is unable to deliver its services, equipment or materials according to the negotiated terms for any reason including, but not limited to, the deterioration of its financial condition, we may be required to purchase the services, equipment or materials from another source at a higher price. This may reduce the profit we expect to realize or result in a loss on a project for which the services, equipment or materials were needed.

If any such excess costs or project delays were to be material, such events may adversely affect our cash flow and liquidity.

We may not be able to purchase or receive physical delivery of natural gas in sufficient quantities and/or at economically attractive prices to satisfy our delivery obligations under the GSAs, PPA and SSA, which could have a material adverse effect on us.

Under the GSAs with JPS, SJPC and PREPA, we are required to deliver to JPS, SJPC and PREPA specified amounts of natural gas at specified times, while under the SSA with Jamalco, we are required to deliver steam, and under the PPAs with JPS and the Nicaraguan electrical authority, we are required to deliver power, each of which also requires us to obtain sufficient amounts of LNG. However, we may not be able to purchase or receive physical delivery of sufficient quantities of LNG to satisfy those delivery obligations, which may provide a counterparty with the right to terminate its GSA, PPA or SSA, as applicable. In addition, price fluctuations in natural gas and LNG may make it expensive or uneconomical for us to acquire adequate supply of these items or to sell our inventory of natural gas or LNG at attractive prices.

We are dependent upon third-party LNG suppliers and shippers and other tankers and facilities to provide delivery options to and from our tankers and energy-related infrastructure. If LNG were to become unavailable for current or future volumes of natural gas due to repairs or damage to supplier facilities or tankers, lack of capacity, impediments to international shipping or any other reason, our ability to continue delivering natural gas, power or steam to end-users could be restricted, thereby reducing our revenues. Additionally, under tanker charters, we will be obligated to make payments for our chartered tankers regardless of use. We may not be able to enter into contracts with purchasers of LNG in quantities equivalent to or greater than the amount of tanker capacity we have purchased. If any third parties were to default on their obligations under our contracts or seek bankruptcy protection, we may not be able to replace such contracts or purchase or receive a sufficient quantity of natural gas in order to satisfy our delivery obligations under our GSAs, PPA and SSA with LNG produced at our own Liquefaction Facilities. Any permanent interruption at any key LNG supply chains that caused a material reduction in volumes transported on or to our tankers and facilities could have a material adverse effect on our business, financial condition, operating results, cash flow, liquidity and prospects.

While we have entered into contracts with a third-party to purchase our currently contracted and expected LNG volumes through 2027, we may need to purchase significant additional LNG volumes to meet our delivery obligations to our downstream customers. Failure to secure contracts for the purchase of a sufficient amount of natural gas could materially and adversely affect our business, operating results, cash flows and liquidity.

Recently, the LNG industry has experienced increased volatility. If market disruptions and bankruptcies of third-party LNG suppliers and shippers negatively impacts our ability to purchase a sufficient amount of LNG or significantly increases our costs for purchasing LNG, our business, operating results, cash flows and liquidity could be materially and adversely affected. There can be no assurances that we will complete the Pennsylvania Facility or be able to supply our Facilities with LNG produced at our own Liquefaction Facilities or Fast LNG infrastructure. Even if we do complete the Pennsylvania Facility or implement our Fast LNG strategy, there can be no assurance that it will operate as we expect or that we will succeed in our goal of reducing the risk to our operations of future LNG price variations.

We face competition based upon the international market price for LNG or natural gas.

Our business is subject to the risk of natural gas and LNG price competition at times when we need to replace any existing customer contract, whether due to natural expiration, default or otherwise, or enter into new customer contracts. Factors relating to competition may prevent us from entering into new or replacement customer contracts on economically comparable terms to existing customer contracts, or at all. Such an event could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. Factors which may negatively affect potential demand for natural gas from our business are diverse and include, among others:

- increases in worldwide LNG production capacity and availability of LNG for market supply;
- increases in demand for natural gas but at levels below those required to maintain current price equilibrium with respect to supply;
- increases in the cost to supply natural gas feedstock to our liquefaction projects;
- increases in the cost to supply LNG feedstock to our Facilities;
- decreases in the cost of competing sources of natural gas, LNG or alternate fuels such as coal, heavy fuel oil and automotive diesel oil ("ADO")
- decreases in the price of LNG; and
- displacement of LNG or fossil fuels more broadly by alternate fuels or energy sources or technologies (including but not limited to nuclear, wind, solar, biofuels and batteries) in locations where access to these energy sources is not currently available or prevalent.

In addition, we may not be able to successfully execute on our strategy to supply our existing and future customers with LNG produced primarily at our own Liquefaction Facilities upon completion of the Pennsylvania Facility. See "–We have not yet completed contracting, construction and commissioning of all of our Facilities and Liquefaction Facilities. There can be no assurance that our Facilities and Liquefaction Facilities will operate as expected, or at all."

As part of our business development, we enter into non-binding agreements, and may not agree to final definitive documents on similar terms or at all.

Our business development process includes entering into non-binding letters of intent, non-binding memorandums of understanding, non-binding term sheets and responding to requests for proposals with potential customers. These agreements and any award following a request for proposals are subject to negotiating final definitive documents. The negotiation process may cause us or our potential counterparty to adjust the material terms of the agreement, including the price, term, schedule and any related development obligations. We cannot assure you if or when we will enter into binding definitive agreements for transactions initially described in non-binding agreements, and the terms of our binding agreements may differ materially from the terms of the related non-binding agreements.

As part of our efforts to reduce global carbon emissions, we are making investments in hydrogen energy technologies. The innovative nature of these projects entails the risk that we may never realize the anticipated benefits we hope to achieve for the planet.

We are making investments to develop green hydrogen energy technologies as part of our long-term goal to become one of the world's leading providers of carbon-free energy. In October 2020, we announced our intention to partner with Long Ridge Energy Terminal and GE Gas Power to transition a power plant to be capable of burning 100% green hydrogen over the next decade, and investment in H2Pro, an Israel-based company developing a novel, efficient, and low-cost green hydrogen production technology. We expect to make additional investments in this field in the future. Because these technologies are innovative, we may be making investments in unproven business strategies and technologies with which we have limited or no prior development or operating experience. As an investor in these technologies, it is also possible that we could be exposed to claims and liabilities, expenses, regulatory challenges and other risks.

Technological innovation may impair the economic attractiveness of our projects.

The success of our current operations and future projects will depend in part on our ability to create and maintain a competitive position in the natural gas liquefaction industry. In particular, although we plan to build out our delivery logistics chain in Northern Pennsylvania using proven technologies such as those currently in operation at our Miami Facility, we do not have any exclusive rights to any of these technologies. In addition, such technologies may be rendered obsolete or uneconomical by legal or regulatory requirements, technological advances, more efficient and cost-effective processes or entirely different approaches developed by one or more of our competitors or others, which could materially and adversely affect our business, ability to realize benefits from future projects, results of operations, financial condition, liquidity and prospects.

Changes in legislation and regulations could have a material adverse impact on our business, results of operations, financial condition, liquidity and prospects.

Our business is subject to numerous governmental laws, rules, regulations and requires permits that impose various restrictions and obligations that may have material effects on our results of operations. In addition, each of the applicable regulatory requirements and limitations is subject to change, either through new regulations enacted on the federal, state or local level, or by new or modified regulations that may be implemented under existing law. The nature and extent of any changes in these laws, rules, regulations and permits may be unpredictable and may have material effects on our business. Future legislation and regulations or changes in existing legislation and regulations, or interpretations thereof, such as those relating to the liquefaction, storage, or regasification of LNG, or its transportation could cause additional expenditures, restrictions and delays in connection with our operations as well as other future projects, the extent of which cannot be predicted and which may require us to limit substantially, delay or cease operations in some circumstances. For example, in March 2021, an amendment to the Mexican Power Industry Law (*Ley de la Industria Electrica*) was published which would reduce the dispatch priority of privately-owned power plants compared to state-owned power plants in Mexico. The amendment was determined to be unconstitutional by a Mexican court, but the administration may propose a constitutional amendment to implement the change. More recently, on May 4, 2021, an amendment to the Mexican Hydrocarbons Law (*Ley de Hidrocarburos*) was published which would negatively impact our permits in Mexico. This amendment is being challenged as unconstitutional. If the amendment is enforced against us, it could negatively affect our permitting applications, our revenue and results of operations. If either amendment is enforced against us, it could negatively affect our plant's dispatch and our revenue and results of operations. Revised, reinterpreted or additional laws and regulations that delay our ability to obtain permits necessary to commence operations or that result in increased compliance costs or additional operating costs and restrictions could have an adverse effect on our business, the ability to expand our business, including into new markets, results of operations, financial condition, liquidity and prospects.

Increasing trucking regulations may increase our costs and negatively impact our results of operations.

We are developing a transportation system specifically dedicated to transporting LNG from our Liquefaction Facilities to a nearby port, from which our LNG can be transported to our operations in the Atlantic Basin and elsewhere. This transportation system may include trucks that we or our affiliates own and operate. Any such operations would be subject to various trucking safety regulations, including those which are enacted, reviewed and amended by the Federal Motor Carrier Safety Administration ("FMCSA"). These regulatory authorities exercise broad powers, governing activities such as the authorization to engage in motor carrier operations, driver licensing, insurance requirements, financial reporting and review of certain mergers, consolidations and acquisitions, and transportation of hazardous materials. To a large degree, intrastate motor carrier operations are subject to state and/or local safety regulations that mirror federal regulations but also regulate the weight and size dimensions of loads.

All federally regulated carriers' safety ratings are measured through a program implemented by the FMCSA known as the Compliance Safety Accountability ("CSA") program. The CSA program measures a carrier's safety performance based on violations observed during roadside inspections as opposed to compliance audits performed by the FMCSA. The quantity and severity of any violations are compared to a peer group of companies of comparable size and annual mileage. If a company rises above a threshold established by the FMCSA, it is subject to action from the FMCSA. There is a progressive intervention strategy that begins with a company providing the FMCSA with an acceptable plan of corrective action that the company will implement. If the issues are not corrected, the intervention escalates to on-site compliance audits and ultimately an "unsatisfactory" rating and the revocation of the company's operating authority by the FMCSA, which could result in a material adverse effect on our business and consolidated results of operations and financial position.

Any trucking operations would be subject to possible regulatory and legislative changes that may increase our costs. Some of these possible changes include changes in environmental regulations, changes in the hours of service regulations which govern the amount of time a driver may drive or work in any specific period, onboard black box recorder device requirements or limits on vehicle weight and size.

We may not be able to renew or obtain new or favorable charters or leases, which could adversely affect our business, prospects, financial condition, results of operations and cash flows.

We have obtained long-term leases and corresponding rights-of-way agreements with respect to the land on which the Jamaica Facilities, the pipeline connecting the Montego Bay Facility to the Bogue Power Plant (as defined herein), the Miami Facility, the San Juan Facility and the CHP Plant are situated. However, we do not own the land. As a result, we are subject to the possibility of increased costs to retain necessary land use rights as well as local law. If we were to lose these rights or be required to relocate, our business could be materially and adversely affected. The Miami Facility is currently located on land we are leasing from an affiliate. Any payments under the existing lease or future modifications or extensions to the lease could involve transacting with an affiliate. We have also entered into LNG tanker charters in order to secure shipping capacity for our import of LNG to the Jamaica Facilities.

Our ability to renew existing charters or leases for our current projects or obtain new charters or leases for our future projects will depend on prevailing market conditions upon expiration of the contracts governing the leasing or charter of the applicable assets. Therefore, we may be exposed to increased volatility in terms of rates and contract provisions. Likewise, our counterparties may seek to terminate or renegotiate their charters or leases with us. If we are not able to renew or obtain new charters or leases in direct continuation, or if new charters or leases are entered into at rates substantially above the existing rates or on terms otherwise less favorable compared to existing contractual terms, our business, prospects, financial condition, results of operations and cash flows could be materially adversely affected.

We may not be able to successfully enter into contracts or renew existing contracts to charter tankers in the future, which may result in us not being able to meet our obligations.

We enter into time charters of ocean-going tankers for the transportation of LNG, which extend for varying lengths of time. We may not be able to successfully enter into contracts or renew existing contracts to charter tankers in the future, which may result in us not being able to meet our obligations. We are also exposed to changes in market rates and availability for tankers, which may affect our earnings. Fluctuations in rates result from changes in the supply of and demand for capacity and changes in the demand for seaborne carriage of commodities. Because the factors affecting the supply and demand are outside of our control and are unpredictable, the nature, timing, direction and degree of changes in industry conditions are also unpredictable.

We rely on the operation of tankers under our time charters and ship-to-ship kits to transfer LNG between ships. The operation of ocean-going tankers and kits carries inherent risks. These risks include the possibility of:

- natural disasters;
- mechanical failures;
- grounding, fire, explosions and collisions;
- piracy;
- human error; and
- war and terrorism.

We do not currently maintain a redundant supply of ships, ship-to-ship kits or other equipment. As a result, if our current equipment fails, is unavailable or insufficient to service our LNG purchases, production, or delivery commitments we may need to procure new equipment, which may not be available or be expensive to obtain. Any such occurrence could delay the start of operations of facilities we intend to commission, interrupt our existing operations and increase our operating costs. Any of these results could have a material adverse effect on our business, financial condition and operating results.

The operation of LNG carriers is inherently risky, and an incident resulting in significant loss or environmental consequences involving an LNG vessel could harm our reputation and business.

Cargoes of LNG and our chartered vessels are at risk of being damaged or lost because of events such as:

- marine disasters;
- piracy;
- bad weather;
- mechanical failures;
- environmental accidents;
- grounding, fire, explosions and collisions;
- human error; and
- war and terrorism.

An accident involving our cargoes or any of our chartered vessels could result in any of the following:

- death or injury to persons, loss of property or environmental damage;
- delays in the delivery of cargo;
- loss of revenues;
- termination of charter contracts;
- governmental fines, penalties or restrictions on conducting business;
- higher insurance rates; and
- damage to our reputation and customer relationships generally.

Any of these circumstances or events could increase our costs or lower our revenues.

If our chartered vessels suffer damage as a result of such an incident, they may need to be repaired. Repairs and maintenance costs for existing vessels are difficult to predict and may be substantially higher than for vessels we have operated since they were built. The loss of earnings while these vessels are being repaired would decrease our results of operations. If a vessel we charter were involved in an accident with the potential risk of environmental impacts or contamination, the resulting media coverage could have a material adverse effect on our reputation, our business, our results of operations and cash flows and weaken our financial condition. These risks also affect Hygo and GMLP and remain relevant following the Mergers.

Our chartered vessels operating in certain jurisdictions including the United States, now or in the future, will be subject to cabotage laws including the Merchant Marine Act of 1920, as amended (the "Jones Act").

Certain activities related to our logistics and shipping operations may constitute "coastwise trade" within the meaning of laws and regulations of the U.S. and other jurisdictions. Under these laws and regulations, often referred to as cabotage laws, including the Jones Act, in the U.S., only vessels meeting specific national ownership and registration requirements or which are subject to an exception or exemption, may engage in such "coastwise trade". When we operate or charter foreign-flagged vessels, we do so within the current interpretation of such cabotage laws with respect to permitted activities for foreign-flagged vessels. Significant changes in cabotage laws or to the interpretation of such laws in the places where we operate could affect our ability to operate or charter, or competitively operate or charter, our foreign-flagged vessels in those waters. If we do not continue to comply with such laws and regulations, we could incur severe penalties, such as fines or forfeiture of any vessels or their cargo, and any noncompliance or allegations of noncompliance could disrupt our operations in the relevant jurisdiction. Any noncompliance or alleged noncompliance could have a material adverse effect on our reputation, our business, our results of operations and cash flows, and could weaken our financial condition. These risks also affect Hygo and GMLP.

Our chartered vessels operating in international waters, now or in the future, will be subject to various international and local laws and regulations relating to protection of the environment.

Our chartered vessels' operations in international waters and in the territorial waters of other countries are regulated by extensive and changing international, national and local environmental protection laws, regulations, treaties and conventions in force in international waters, the jurisdictional waters of the countries in which our vessels operate, as well as the countries of our vessels' registration, including those governing oil spills, discharges to air and water, the handling and disposal of hazardous substances and wastes and the management of ballast water. The International Maritime Organization ("IMO") International Convention for the Prevention of Pollution from Ships of 1973, as amended from time to time, and generally referred to as "MARPOL," can affect operations of our chartered vessels. In addition, our chartered LNG vessels may become subject to the International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea (the "HNS Convention"), adopted in 1996 and subsequently amended by a Protocol to the HNS Convention in April 2010. Other regulations include, but are not limited to, the designation of Emission Control Areas under MARPOL, the IMO International Convention on Civil Liability for Oil Pollution Damage of 1969, as amended from time to time, the International Convention on Civil Liability for Bunker Oil Pollution Damage, the IMO International Convention for the Safety of Life at Sea of 1974, as amended from time to time, the International Safety Management Code for the Safe Operations of Ships and for Pollution Prevention, the IMO International Convention on Load Lines of 1966, as amended from time to time and the International Convention for the Control and Management of Ships' Ballast Water and Sediments in February 2004.

Moreover, the overall trends are towards more regulations and more stringent requirements which are likely to add to our costs of doing business. For example, IMO regulations, which became applicable on January 1, 2020, limit the sulfur content of fuel oil for ships to 0.5 weight percent starting January 1, 2020. Likewise, the European Union is considering extending its emissions trading scheme to maritime transport to reduce GHG emissions from vessels. We contract with leading vessel providers in the LNG market and look for them to take the lead in maintaining compliance with all such requirements, although the terms of our charter agreements may call for us to bear some or all of the associated costs. While we believe we are similarly situated with respect to other companies that charter vessels, we cannot assure you that these requirements will not have a material effect on our business.

Our chartered vessels operating in U.S. waters, now or in the future, will also be subject to various federal, state and local laws and regulations relating to protection of the environment, including the OPA, the CERCLA, the CWA and the CAA. In some cases, these laws and regulations require governmental permits and authorizations before conducting certain activities. These environmental laws and regulations may impose substantial penalties for noncompliance and substantial liabilities for pollution. Failure to comply with these laws and regulations may result in substantial civil and criminal fines and penalties. As with the industry generally, our chartered vessels' operations will entail risks in these areas, and compliance with these laws and regulations, which may be subject to frequent revisions and reinterpretation, may increase our overall cost of business.

There may be shortages of LNG tankers worldwide, which could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

We rely on ocean-going LNG tankers and freight carriers (for ISO containers) for the movement of LNG. Consequently, our ability to provide services to our customers could be adversely impacted by shifts in tanker market dynamics, shortages in available cargo capacity, changes in policies and practices such as scheduling, pricing, routes of service and frequency of service, or increases in the cost of fuel, taxes and labor, and other factors not within our control. The construction and delivery of LNG tankers require significant capital and long construction lead times, and the availability of the tankers could be delayed to the detriment of our LNG business and our customers because of:

- an inadequate number of shipyards constructing LNG tankers and a backlog of orders at these shipyards;
- political or economic disturbances in the countries where the tankers are being constructed;
- changes in governmental regulations or maritime self-regulatory organizations;
- work stoppages or other labor disturbances at the shipyards, including as a result of the COVID-19 pandemic;
- bankruptcy or other financial crisis of shipbuilders;
- quality or engineering problems;
- weather interference or a catastrophic event, such as a major earthquake, tsunami or fire; or
- shortages of or delays in the receipt of necessary construction materials.

Changes in ocean freight capacity, which are outside our control, could negatively impact our ability to provide natural gas if LNG shipping capacity is adversely impacted and LNG transportation costs increase because we may bear the risk of such increases and may not be able to pass these increases on to our customers. Material interruptions in service or stoppages in LNG transportation could adversely impact our business, results of operations and financial condition.

Competition in the LNG industry is intense, and some of our competitors have greater financial, technological and other resources than we currently possess.

We operate in the highly competitive area of LNG production and face intense competition from independent, technology-driven companies as well as from both major and other independent oil and natural gas companies and utilities, many of which have been in operation longer than us.

Many competing companies have secured access to, or are pursuing development or acquisition of, LNG facilities in North America and internationally. We may face competition from major energy companies and others in pursuing our proposed business strategy to provide liquefaction and export products and services. In addition, competitors have and are developing LNG facilities in other markets, which will compete with our LNG facilities. Some of these competitors have longer operating histories, more development experience, greater name recognition, larger staffs and substantially greater financial, technical and marketing resources than we currently possess. We also face competition for the contractors needed to build our facilities. The superior resources that some of these competitors have available for deployment could allow them to compete successfully against us, which could have a material adverse effect on our business, ability to realize benefits from future projects, results of operations, financial condition, liquidity and prospects.

Failure of LNG to be a competitive source of energy in the markets in which we operate, and seek to operate, could adversely affect our expansion strategy.

Our operations are, and will be, dependent upon LNG being a competitive source of energy in the markets in which we operate. In the United States, due mainly to a historic abundant supply of natural gas and discoveries of substantial quantities of unconventional, or shale, natural gas, imported LNG has not developed into a significant energy source. The success of the domestic liquefaction component of our business plan is dependent, in part, on the extent to which natural gas can, for significant periods and in significant volumes, be produced in the United States at a lower cost than the cost to produce some domestic supplies of other alternative energy sources, and that it can be transported at reasonable rates through appropriately scaled infrastructure. The COVID-19 pandemic and actions by OPEC have significantly impacted energy markets, and the price of oil has recently traded at historic low prices.

Potential expansion in the Caribbean and other parts of world where we may operate is primarily dependent upon LNG being a competitive source of energy in those geographical locations. For example, in the Caribbean, due mainly to a lack of regasification infrastructure and an underdeveloped international market for natural gas, natural gas has not yet developed into a significant energy source. The success of our operations in the Caribbean is dependent, in part, on the extent to which LNG can, for significant periods and in significant volumes, be produced internationally and delivered to Caribbean customers at a lower cost than the cost to deliver other alternative energy sources.

Political instability in foreign countries that export LNG, or strained relations between such countries and countries in the Caribbean, may also impede the willingness or ability of LNG suppliers and merchants in such countries to export LNG to the Caribbean. Furthermore, some foreign suppliers of LNG may have economic or other reasons to direct their LNG to non-Caribbean markets or from or to our competitors' LNG facilities. Natural gas also competes with other sources of energy, including coal, oil, nuclear, hydroelectric, wind and solar energy, which may become available at a lower cost in certain markets.

As a result of these and other factors, natural gas may not be a competitive source of energy in the markets we intend to serve or elsewhere. The failure of natural gas to be a competitive supply alternative to oil and other alternative energy sources could adversely affect our ability to deliver LNG or natural gas to our customers in the Caribbean or other locations on a commercial basis.

Any use of hedging arrangements may adversely affect our future operating results or liquidity.

To reduce our exposure to fluctuations in the price, volume and timing risk associated with the purchase of natural gas, we may enter into futures, swaps and option contracts traded or cleared on the Intercontinental Exchange and the New York Mercantile Exchange or over-the-counter ("OTC") options and swaps with other natural gas merchants and financial institutions. Hedging arrangements would expose us to risk of financial loss in some circumstances, including when:

- expected supply is less than the amount hedged;
- the counterparty to the hedging contract defaults on its contractual obligations; or
- there is a change in the expected differential between the underlying price in the hedging agreement and actual prices received.

The use of derivatives also may require the posting of cash collateral with counterparties, which can impact working capital when commodity prices change. However, we do not currently have any hedging arrangements, and failure to properly hedge our positions against changes in natural gas prices could also have a material adverse effect on our business, financial condition and operating results.

Our risk management strategies cannot eliminate all LNG price and supply risks. In addition, any non-compliance with our risk management strategies could result in significant financial losses.

Our strategy is to maintain a manageable balance between LNG purchases, on the one hand, and sales or future delivery obligations, on the other hand. Through these transactions, we seek to earn a margin for the LNG purchased by selling LNG for physical delivery to third-party users, such as public utilities, shipping/marine cargo companies, industrial users, railroads, trucking fleets and other potential end-users converting from traditional ADO or oil fuel to natural gas. These strategies cannot, however, eliminate all price risks. For example, any event that disrupts our anticipated supply chain could expose us to risk of loss resulting from price changes if we are required to obtain alternative supplies to cover these transactions. We are also exposed to basis risks when LNG is purchased against one pricing index and sold against a different index. Moreover, we are also exposed to other risks, including price risks on LNG we own, which must be maintained in order to facilitate transportation of the LNG to our customers or to our Facilities. If we were to incur a material loss related to commodity price risks, it could have a material adverse effect on our financial position, results of operations and cash flows. There can be no assurance that we will complete the Pennsylvania Facility or be able to supply our Facilities and the CHP Plant with LNG produced at our own Liquefaction Facilities. Even if we do complete the Pennsylvania Facility, there can be no assurance that it will operate as expected or that we will succeed in our goal of reducing the risk to our operations of future LNG price variations.

We may experience increased labor costs, and the unavailability of skilled workers or our failure to attract and retain qualified personnel could adversely affect us.

We are dependent upon the available labor pool of skilled employees, including truck drivers. We compete with other energy companies and other employers to attract and retain qualified personnel with the technical skills and experience required to construct and operate our energy-related infrastructure and to provide our customers with the highest quality service. In addition, the tightening of the transportation related labor market due to the shortage of skilled truck drivers may affect our ability to hire and retain skilled truck drivers and require us to pay increased wages. Our affiliates in the United States who hire personnel on our behalf are also subject to the Fair Labor Standards Act, which governs such matters as minimum wage, overtime and other working conditions. We are also subject to applicable labor regulations in the other jurisdictions in which we operate, including Jamaica. We may face challenges and costs in hiring, retaining and managing our Jamaican and other employee base. A shortage in the labor pool of skilled workers, particularly in Jamaica or the United States, or other general inflationary pressures or changes in applicable laws and regulations, could make it more difficult for us to attract and retain qualified personnel and could require an increase in the wage and benefits packages that we offer, thereby increasing our operating costs. Any increase in our operating costs could materially and adversely affect our business, financial condition, operating results, liquidity and prospects.

Our current lack of asset and geographic diversification could have an adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

The substantial majority of our anticipated revenue in 2021 will be dependent upon our assets and customers in Jamaica and Puerto Rico. Jamaica and Puerto Rico have historically experienced economic volatility and the general condition and performance of their economies, over which we have no control, may affect our business, financial condition and results of operations. Due to our current lack of asset and geographic diversification, an adverse development at the Jamaica Facilities or our San Juan Facility, in the energy industry or in the economic conditions in Jamaica or Puerto Rico, would have a significantly greater impact on our financial condition and operating results than if we maintained more diverse assets and operating areas.

Our business could be affected adversely by labor disputes, strikes or work stoppages in Brazil

All of our employees in Brazil are represented by a labor union and are covered by collective bargaining agreements pursuant to Brazilian labor legislation. As a result, we are subject to the risk of labor disputes, strikes, work stoppages and other labor-relations matters. We could experience a disruption of our operations or higher ongoing labor costs, which could have a material adverse effect on our operating results and financial condition. Future negotiations with the unions or other certified bargaining representatives could divert management attention and disrupt operations, which may result in increased operating expenses and lower net income. Moreover, future agreements with unionized and non-unionized employees may be on terms that are note as attractive as our current agreements or comparable to agreements entered into by our competitors. Labor unions could also seek to organize some or all of our non-unionized workforce.

We may incur impairments to long-lived assets.

We test our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Significant negative industry or economic trends, and decline of our market capitalization, reduced estimates of future cash flows for our business segments or disruptions to our business could lead to an impairment charge of our long-lived assets. Our valuation methodology for assessing impairment requires management to make judgments and assumptions based on historical experience and to rely heavily on projections of future operating performance. Projections of future operating results and cash flows may vary significantly from results. In addition, if our analysis results in an impairment to our long-lived assets, we may be required to record a charge to earnings in our consolidated financial statements during a period in which such impairment is determined to exist, which may negatively impact our operating results.

A major health and safety incident involving LNG or the energy industry more broadly or relating to our business may lead to more stringent regulation of LNG operations or the energy business generally, could result in greater difficulties in obtaining permits, including under environmental laws, on favorable terms, and may otherwise lead to significant liabilities and reputational damage.

Health and safety performance is critical to the success of all areas of our business. Any failure in health and safety performance from our operations may result in an event that causes personal harm or injury to our employees, other persons, and/or the environment, as well as the imposition of injunctive relief and/or penalties for non-compliance with relevant regulatory requirements or litigation. Any such failure that results in a significant health and safety incident may be costly in terms of potential liabilities, and may result in liabilities that exceed the limits of our insurance coverage. Such a failure, or a similar failure elsewhere in the energy industry (including, in particular, LNG liquefaction, storage, transportation or regasification operations), could generate public concern, which may lead to new laws and/or regulations that would impose more stringent requirements on our operations, have a corresponding impact on our ability to obtain permits and approvals, and otherwise jeopardize our reputation or the reputation of our industry as well as our relationships with relevant regulatory agencies and local communities. Individually or collectively, these developments could adversely impact our ability to expand our business, including into new markets. Similarly, such developments could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

The swaps regulatory and other provisions of the Dodd-Frank Act and the rules adopted thereunder and other regulations, including EMIR and REMIT, could adversely affect our ability to hedge risks associated with our business and our operating results and cash flows.

Title VII of the Dodd-Frank Act established federal regulation of the OTC derivatives market and made other amendments to the Commodity Exchange Act that are relevant to our business. The provisions of Title VII of the Dodd-Frank Act and the rules adopted thereunder by the Commodity Futures Trading Commission (the "CFTC"), the SEC and other federal regulators may adversely affect our ability to manage certain of our risks on a cost-effective basis. Such laws and regulations may also adversely affect our ability to execute our strategies with respect to hedging our exposure to variability in expected future cash flows attributable to the future sale of our LNG inventory and to price risk attributable to future purchases of natural gas to be utilized as fuel to operate our Facilities, our CHP Plant and to secure natural gas feedstock for our Liquefaction Facilities.

The CFTC has proposed new rules setting limits on the positions in certain core futures contracts, economically equivalent futures contracts, options contracts and swaps for or linked to certain physical commodities, including natural gas, held by market participants, with limited exemptions for certain bona fide hedging and other types of transactions. The CFTC has also adopted final rules regarding aggregation of positions, under which a party that controls the trading of, or owns 10% or more of the equity interests in, another party will have to aggregate the positions of the controlled or owned party with its own positions for purposes of determining compliance with position limits unless an exemption applies. The CFTC's aggregation rules are now in effect, though CFTC staff have granted relief, until August 12, 2022, from various conditions and requirements in the final aggregation rules. With the implementation of the final aggregation rules and upon the adoption and effectiveness of final CFTC position limits rules, our ability to execute our hedging strategies described above could be limited. It is uncertain at this time whether, when and in what form the CFTC's proposed new position limits rules may become final and effective.

Under the Dodd-Frank Act and the rules adopted thereunder, we may be required to clear through a derivatives clearing organization any swaps into which we enter that fall within a class of swaps designated by the CFTC for mandatory clearing and we could have to execute trades in such swaps on certain trading platforms. The CFTC has designated six classes of interest rate swaps and credit default swaps for mandatory clearing, but has not yet proposed rules designating any other classes of swaps, including physical commodity swaps, for mandatory clearing. Although we expect to qualify for the end-user exception from the mandatory clearing and trade execution requirements for any swaps entered into to hedge our commercial risks, if we fail to qualify for that exception and have to clear such swaps through a derivatives clearing organization, we could be required to post margin with respect to such swaps, our cost of entering into and maintaining such swaps could increase and we would not enjoy the same flexibility with the cleared swaps that we enjoy with the uncleared OTC swaps we may enter. Moreover, the application of the mandatory clearing and trade execution requirements to other market participants, such as Swap Dealers, may change the cost and availability of the swaps that we may use for hedging.

As required by the Dodd-Frank Act, the CFTC and the federal banking regulators have adopted rules requiring certain market participants to collect initial and variation margin with respect to uncleared swaps from their counterparties that are financial end-users and certain registered Swap Dealers and Major Swap Participants. The requirements of those rules are subject to a phased-in compliance schedule, which commenced on September 1, 2016. Although we believe we will qualify as a non-financial end user for purposes of these rules, were we not to do so and have to post margin as to our uncleared swaps in the future, our cost of entering into and maintaining swaps would be increased. In June 2011, the Basel Committee on the Banking Supervision, an international trade body comprised of senior representatives of bank supervisory authorities and central banks from 27 countries, including the United States and the European Union, announced the final framework for a comprehensive set of capital and liquidity standards, commonly referred to as "Basel III." Our counterparties that are subject to the Basel III capital requirements may increase the cost to us of entering into swaps with them or, although not required to collect margin from us under the margin rules, require us to post collateral with them in connection with such swaps in order to offset their increased capital costs or to reduce their capital costs to maintain those swaps on their balance sheets.

The Dodd-Frank Act also imposes regulatory requirements on swaps market participants, including Swap Dealers and other swaps entities as well as certain regulations on end-users of swaps, including regulations relating to swap documentation, reporting and recordkeeping, and certain business conduct rules applicable to Swap Dealers and other swaps entities. Together with the Basel III capital requirements on certain swaps market participants, these regulations could significantly increase the cost of derivative contracts (including through requirements to post margin or collateral), materially alter the terms of derivative contracts, reduce the availability of derivatives to protect against certain risks that we encounter, and reduce our ability to monetize or restructure derivative contracts and to execute our hedging strategies. If, as a result of the swaps regulatory regime discussed above, we were to forgo the use of swaps to hedge our risks, such as commodity price risks that we encounter in our operations, our operating results and cash flows may become more volatile and could be otherwise adversely affected.

The European Market Infrastructure Regulation ("EMIR") may result in increased costs for OTC derivative counterparties and also lead to an increase in the costs of, and demand for, the liquid collateral that EMIR requires central counterparties to accept. Although we expect to qualify as a non-financial counterparty under EMIR and thus not be required to post margin under EMIR, our subsidiaries and affiliates operating in the Caribbean may still be subject to increased regulatory requirements, including recordkeeping, marking to market, timely confirmations, derivatives reporting, portfolio reconciliation and dispute resolution procedures. Regulation under EMIR could significantly increase the cost of derivatives contracts, materially alter the terms of derivatives contracts and reduce the availability of derivatives to protect against risks that we encounter. The increased trading costs and collateral costs may have an adverse impact on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

Our subsidiaries and affiliates operating in the Caribbean may be subject to the Regulation on Wholesale Energy Market Integrity and Transparency ("REMIT") as wholesale energy market participants. This classification imposes increased regulatory obligations on our subsidiaries and affiliates, including a prohibition to use or disclose insider information or to engage in market manipulation in wholesale energy markets, and an obligation to report certain data. These regulatory obligations may increase the cost of compliance for our business and if we violate these laws and regulations, we could be subject to investigation and penalties.

Failure to obtain and maintain permits, approvals and authorizations from governmental and regulatory agencies on favorable terms with respect to the design, construction and operation of our facilities could impede operations and construction and could have a material adverse effect on us.

The design, construction and operation of energy-related infrastructure, including our existing and proposed facilities, the import and export of LNG and the transportation of natural gas, are highly regulated activities at the federal, state and local levels. The process to obtain the permits, approvals and authorizations we need to conduct our business is complex, challenging and varies in each jurisdiction in which we operate.

In the United States and Puerto Rico, approvals of the DOE under Section 3 of the NGA, as well as several other material governmental and regulatory permits, approvals and authorizations, including under the CAA and the CWA and their state analogues, may be required in order to construct and operate an LNG facility and export LNG. Permits, approvals and authorizations obtained from the DOE and other federal and state regulatory agencies also contain ongoing conditions, and additional requirements may be imposed. Certain federal permitting processes may trigger the requirements of the National Environmental Policy Act ("NEPA"), which requires federal agencies to evaluate major agency actions that have the potential to significantly impact the environment. Compliance with NEPA may extend the time and/or increase the costs for obtaining necessary governmental approvals associated with our operations and create independent risk of legal challenges to the adequacy of the NEPA analysis, which could result in delays that may adversely affect our business, contracts, financial condition, operating results, cash flow, liquidity and profitability. On July 15, 2020, the White House Council on Environmental Quality issued a final rule revising its NEPA regulations. These regulations have taken legal effect, and although they have been challenged in court, they have not been stayed. The Council on Environmental Quality has announced that it is engaged in an ongoing and comprehensive review of the revised regulations and is assessing whether and how the Council may ultimately undertake a new rulemaking to revise the regulations. The impacts of any such future revisions that may be adopted are uncertain and indeterminable for the foreseeable future. On June 18, 2020, we received an order from FERC, which asked us to explain why our San Juan Facility is not subject to FERC's jurisdiction under section 3 of the NGA. Because we do not believe that the San Juan Facility is jurisdictional, we provided our reply to FERC on July 20, 2020 and requested that FERC act expeditiously. On March 19, 2021 FERC issued an order that the San Juan Facility does fall under FERC jurisdiction. FERC directed us to file an application for authorization to operate the San Juan Facility within 180 days of the order, which is September 15, 2021, but also found that allowing operation of the San Juan Facility to continue during the pendency of an application is in the public interest. FERC also concluded that no enforcement action against us is warranted, presuming we comply with the requirements of the order. Parties to the proceeding, including the Company, sought rehearing of the March 19, 2021 FERC order, and FERC denied all requests for rehearing in an order issued on July 15, 2021. We have filed petitions for review of FERC's March 19, 2021 and July 15, 2021 orders with the United States Court of the Appeals for the District of Columbia Circuit. To date, no other party has sought review of FERC's orders. While our petitions for review are pending, we intend to comply with FERC's directive to file an application for authorization to operate the San Juan Facility no later than the September 15, 2021 deadline.

In Mexico, we have obtained substantially all permits and have commenced operations but are awaiting regassification and transmission permits. The regulatory authority that issues the regassification permit is temporarily closed because of COVID restrictions, and we do not know the precise date when we will receive the permits we need to commence full commercial operations.

We cannot control the outcome of any review or approval process in Mexico or any other jurisdiction where we operate, including whether or when any such permits, approvals and authorizations will be obtained, the terms of their issuance, or possible appeals or other potential interventions by third parties that could interfere with our ability to obtain and maintain such permits, approvals and authorizations or the terms thereof. If we are unable to obtain and maintain such permits, approvals and authorizations on favorable terms, we may not be able to recover our investment in our projects and may be subject to financial penalties under our customer and other agreements. Many of these permits, approvals and authorizations require public notice and comment before they can be issued, which can lead to delays to respond to such comments, and even potentially to revise the permit application. There is no assurance that we will obtain and maintain these governmental permits, approvals and authorizations on favorable terms, or that we will be able to obtain them on a timely basis, and failure to obtain and maintain any of these permits, approvals or authorizations could have a material adverse effect on our business, financial condition, operating results, liquidity and prospects. Moreover, many of these permits, approvals and authorizations are subject to administrative and judicial challenges, which can delay and protract the process for obtaining and implementing permits and can also add significant costs and uncertainty.

Existing and future environmental, health and safety laws and regulations could result in increased compliance costs or additional operating costs or construction costs and restrictions.

Our business is now and will in the future be subject to extensive federal, state and local laws and regulations both in the United States and in other jurisdictions where we operate. These requirements regulate and restrict, among other things: the siting and design of our facilities; discharges to air, land and water, with particular respect to the protection of human health, the environment and natural resources and safety from risks associated with storing, receiving and transporting LNG; the handling, storage and disposal of hazardous materials, hazardous waste and petroleum products; and remediation associated with the release of hazardous substances. For example, PHMSA has promulgated detailed regulations governing LNG facilities under its jurisdiction to address siting, design, construction, equipment, operations, maintenance, personnel qualifications and training, fire protection and security. While the Miami Facility is subject to these regulations, none of our LNG facilities currently under development are subject to PHMSA's jurisdiction, but state and local regulators can impose similar siting, design, construction and operational requirements. In addition, the U.S. Coast Guard regulations require certain security and response plans, protocols and trainings to mitigate and reduce the risk of intentional or accidental impacts to energy transportation and production infrastructure located in certain domestic ports.

Federal and state laws impose liability, without regard to fault or the lawfulness of the original conduct, for the release of certain types or quantities of hazardous substances into the environment. As the owner and operator of our facilities, we could be liable for the costs of cleaning up any such hazardous substances that may be released into the environment at or from our facilities and for any resulting damage to natural resources.

Many of these laws and regulations, such as the CAA and the CWA, and analogous state laws and regulations, restrict or prohibit the types, quantities and concentrations of substances that can be emitted into the environment in connection with the construction and operation of our facilities, and require us to obtain and maintain permits and provide governmental authorities with access to our facilities for inspection and reports related to our compliance. For example, the Pennsylvania Department of Environmental Protection laws and regulations will apply to the construction and operation of the Pennsylvania Facility. Relevant local authorities may also require us to obtain and maintain permits associated with the construction and operation of our facilities, including with respect to land use approvals. Failure to comply with these laws and regulations could lead to substantial liabilities, fines and penalties or capital expenditures related to pollution control equipment and restrictions or curtailment of our operations, which could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

Other future legislation and regulations could cause additional expenditures, restrictions and delays in our business and to our proposed construction, the extent of which cannot be predicted and which may require us to limit substantially, delay or cease operations in some circumstances. In October 2017, the U.S. Government Accountability Office issued a legal determination that a 2013 interagency guidance document was a "rule" subject to the Congressional Review Act ("CRA"). This legal determination could open a broader set of agency guidance documents to potential disapproval and invalidation under the CRA, potentially increasing the likelihood that laws and regulations applicable to our business will become subject to revised interpretations in the future that we cannot predict. Revised, reinterpreted or additional laws and regulations that result in increased compliance costs or additional operating or construction costs and restrictions could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

Greenhouse Gases/Climate Change. The threat of climate change continues to attract considerable attention in the United States and in foreign countries. Numerous proposals have been made and could continue to be made at the international, national, regional and state government levels to monitor and limit existing and future GHG emissions. As a result, our operations are subject to a series of risks associated with the processing, transportation, and use of fossil fuels and emission of GHGs.

In the United States to date, no comprehensive climate change legislation has been implemented at the federal level, although various individual states and state coalitions have adopted or considered adopting legislation, regulations or other regulatory initiatives, including GHG cap and trade programs, carbon taxes, reporting and tracking programs, and emission restrictions, pollution reduction incentives, or renewable energy or low-carbon replacement fuel quotas. At the international level, the United Nations-sponsored "Paris Agreement" was signed by 197 countries who agreed to limit their GHG emissions through non-binding, individually-determined reduction goals every five years after 2020. The United States rejoined the Paris Agreement, effective February 19, 2021, and other countries where we operate or plan to operate, including Jamaica, Ireland, Mexico, and Nicaragua, have signed or acceded to this agreement. However, the scope of future climate and GHG emissions-focused regulatory requirements, if any, remain uncertain.

Governmental, scientific, and public concern over the threat of climate change arising from GHG emissions has resulted in increasing political uncertainty in the United States. For example, based in part on the publicized climate plan and pledges by President Biden, there may be significant legislation, rulemaking, or executive orders that seek to address climate change, incentivize low-carbon infrastructure or initiatives, or ban or restrict the exploration and production of fossil fuels. For example, although the U.S. has withdrawn from the Paris Agreement, President Biden has issued executive orders recommitting the U.S. to the Paris Agreement and calling for the federal government to begin formulating the United States nationally determined emissions reductions goal under the agreement with the U.S. recommitting to the Paris Agreement, executive orders may be issued or federal legislation or regulatory initiatives may be adopted to achieve the Paris Agreement's goals.

Climate-related litigation and permitting risks are also increasing, as a number of cities, local governments and private organizations have sought to either bring suit against oil and natural gas companies in state or federal court, alleging various public nuisance claims, or seek to challenge permits required for infrastructure development. Fossil fuel producers are also facing general risks of shifting capital availability due to stockholder concern over climate change and potentially stranded assets in the event of future, comprehensive climate and GHG-related regulation. While several of these cases have been dismissed, there is no guarantee how future lawsuits might be resolved.

The adoption and implementation of new or more comprehensive international, federal or state legislation, regulations or other regulatory initiatives that impose more stringent restrictions on GHG emissions could result in increased compliance costs, and thereby reduce demand for or erode value for, the natural gas that we process and market. Additionally, political, litigation, and financial risks may result in reduced natural gas production activities, increased liability for infrastructure damages as a result of climatic changes, or an impaired ability to continue to operate in an economic manner. One or more of these developments could have a material adverse effect on our business, financial condition and results of operation.

The adoption and implementation of any U.S. federal, state or local regulations or foreign regulations imposing obligations on, or limiting emissions of GHGs from, our equipment and operations could require us to incur significant costs to reduce emissions of GHGs associated with our operations or could adversely affect demand for natural gas and natural gas products. The potential increase in our operating costs could include new costs to operate and maintain our facilities, install new emission controls on our facilities, acquire allowances to authorize our GHG emissions, pay taxes related to our GHG emissions, and administer and manage a GHG emissions program. We may not be able to recover such increased costs through increases in customer prices or rates. In addition, changes in regulatory policies that result in a reduction in the demand for hydrocarbon products that are deemed to contribute to GHGs, or restrict their use, may reduce volumes available to us for processing, transportation, marketing and storage. These developments could have a material adverse effect on our financial position, results of operations and cash flows.

Fossil Fuels. Our business activities depend upon a sufficient and reliable supply of natural gas feedstock, and are therefore subject to concerns in certain sectors of the public about the exploration, production and transportation of natural gas and other fossil fuels and the consumption of fossil fuels more generally. Legislative and regulatory action, and possible litigation, in response to such public concerns may also adversely affect our operations. We may be subject to future laws, regulations, or actions to address such public concern with fossil fuel generation, distribution and combustion, greenhouse gases and the effects of global climate change.

Our customers may also move away from using fossil fuels such as LNG for their power generation needs for reputational or perceived risk-related reasons. These matters represent uncertainties in the operation and management of our business, and could have a material adverse effect on our financial position, results of operations and cash flows.

Hydraulic Fracturing. Certain of our suppliers of natural gas and LNG employ hydraulic fracturing techniques to stimulate natural gas production from unconventional geological formations (including shale formations), which currently entails the injection of pressurized fracturing fluids (consisting of water, sand and certain chemicals) into a well bore. Moreover, hydraulically fractured natural gas wells account for a significant percentage of the natural gas production in the U.S.; the U.S. Energy Information Administration reported in 2016 that hydraulically fractured wells provided two-thirds of U.S. marketed gas production in 2015. The requirements for permits or authorizations to conduct these activities vary depending on the location where such drilling and completion activities will be conducted. Several states have adopted or considered adopting regulations to impose more stringent permitting, public disclosure or well construction requirements on hydraulic fracturing operations, or to ban hydraulic fracturing altogether. As with most permitting and authorization processes, there is a degree of uncertainty as to whether a permit will be granted, the time it will take for a permit or approval to be issued and any conditions which may be imposed in connection with the granting of the permit. Certain regulatory authorities have delayed or suspended the issuance of permits or authorizations while the potential environmental impacts associated with issuing such permits can be studied and appropriate mitigation measures evaluated. In addition to state laws, some local municipalities have adopted or considered adopting land use restrictions, such as city ordinances, that may restrict the performance of or prohibit the well drilling in general and/or hydraulic fracturing in particular.

Hydraulic fracturing activities are typically regulated at the state level, but federal agencies have asserted regulatory authority over certain hydraulic fracturing activities and equipment used in the production, transmission and distribution of oil and natural gas, including such oil and natural gas produced via hydraulic fracturing. Federal and state legislatures and agencies may seek to further regulate or even ban such activities. For example, the Delaware River Basin Commission ("DRBC"), a regional body created via interstate compact responsible for, among other things, water quality protection, water supply allocation, regulatory review, water conservation initiatives, and watershed planning in the Delaware River Basin, has implemented a de facto ban on hydraulic fracturing activities in that basin since 2010 pending the approval of new regulations governing natural gas production activity in the basin. More recently, the DRBC has stated that it will consider new regulations that would ban natural gas production activity, including hydraulic fracturing, in the basin. If additional levels of regulation or permitting requirements were imposed on hydraulic fracturing operations, natural gas prices in North America could rise, which in turn could materially adversely affect the relative pricing advantage that has existed in recent years in favor of domestic natural gas prices (based on Henry Hub pricing). Increased regulation or difficulty in permitting of hydraulic fracturing, and any corresponding increase in domestic natural gas prices, could materially adversely affect demand for LNG and our ability to develop commercially viable LNG facilities.

We are subject to numerous governmental export laws and trade and economic sanctions laws and regulations. Our failure to comply with such laws and regulations could subject us to liability and have a material adverse impact on our business, results of operations or financial condition.

We conduct business throughout the world, and our business activities and services are subject to various applicable import and export control laws and regulations of the United States and other countries, particularly countries in the Caribbean, Ireland, Mexico, Nicaragua and the other countries in which we seek to do business. We must also comply with U.S. trade and economic sanctions laws, including the U.S. Commerce Department's Export Administration Regulations and economic and trade sanctions regulations maintained by the U.S. Treasury Department's Office of Foreign Assets Control. Although we take precautions to comply with all such laws and regulations, violations of governmental export control and economic sanctions laws and regulations could result in negative consequences to us, including government investigations, sanctions, criminal or civil fines or penalties, more onerous compliance requirements, loss of authorizations needed to conduct aspects of our international business, reputational harm and other adverse consequences. Moreover, it is possible that we could invest both time and capital into a project involving a counterparty who may become subject to sanctions. If any of our counterparties becomes subject to sanctions as a result of these laws and regulations or otherwise, we may face an array of issues, including, but not limited to: having to abandon the related project, being unable to recuperate prior invested time and capital or being subject to law suits, investigations or regulatory proceedings that could be time-consuming and expensive to respond to and which could lead to criminal or civil fines or penalties.

We are also subject to anti-corruption laws and regulations, including the U.S. Foreign Corrupt Practices Act ("FCPA"), which generally prohibit companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or keeping business and/or other benefits. Some of the jurisdictions in which we currently, or may in the future, operate may present heightened risks for FCPA issues, such as Nicaragua, Jamaica, Brazil, Mexico and Puerto Rico. Although we have adopted policies and procedures that are designed to ensure that we, our employees and other intermediaries comply with the FCPA, it is highly challenging to adopt policies and procedures that ensure compliance in all respects with the FCPA, particularly in high-risk jurisdictions. Developing and implementing policies and procedures is a complex endeavor. There is no assurance that these policies and procedures will work effectively all of the time or protect us against liability under anti-corruption laws and regulations, including the FCPA, for actions taken by our employees and other intermediaries with respect to our business or any businesses that we may acquire.

If we are not in compliance with anti-corruption laws and regulations, including the FCPA, we may be subject to costly and intrusive criminal and civil investigations as well significant potential criminal and civil penalties and other remedial measures, including changes or enhancements to our procedures, policies and control, as well as potential personnel change and disciplinary actions. In addition, non-compliance with anti-corruption laws could constitute a breach of certain covenants in operational or debt agreements, and cross-default provisions in certain of our agreements could mean that an event of default under certain of our commercial agreements could trigger an event of default under our other agreements, including our debt agreements. Any adverse finding against us could also negatively affect our relationship and reputation with current and potential customers. The occurrence of any of these events could have a material adverse impact on our business, results of operations, financial condition, liquidity and future business prospects.

In addition, in certain countries we serve or expect to serve our customers through third-party agents and other intermediaries, such as customs agents. Violations of applicable import, export, trade and economic sanctions laws and regulations by these third-party agents or intermediaries may also result in adverse consequences and repercussions to us. There can be no assurance that we and our agents and other intermediaries will be in compliance with export control and economic sanctions laws and regulations in the future. In such event of non-compliance, our business and results of operations could be adversely impacted.

Risks Related to the Jurisdictions in Which We Operate

We are currently highly dependent upon economic, political and other conditions and developments in Brazil, Mexico, Jamaica, Puerto Rico and the other jurisdictions in which we operate.

We currently conduct a meaningful portion of our business in Brazil, Jamaica and Puerto Rico and we soon expect to commence commercial operations in Mexico and Nicaragua. As a result, our current business, results of operations, financial condition and prospects are materially dependent upon economic, political and other conditions and developments in these jurisdictions.

We currently have interests and operations in Jamaica and the United States (including Puerto Rico) and currently intend to expand into additional markets in the Caribbean, Mexico, Ireland, Nicaragua and other geographies, and such interests are subject to governmental regulation in each market. The governments in these markets differ widely with respect to structure, constitution and stability and some countries lack mature legal and regulatory systems. To the extent that our operations depend on governmental approval and regulatory decisions, the operations may be adversely affected by changes in the political structure or government representatives in each of the markets in which we operate. Recent political, security and economic changes have resulted in political and regulatory uncertainty in certain countries in which we operate or may pursue operations. Some of these markets have experienced political, security and economic instability in the recent past and may experience instability in the future. In 2019, public demonstrations in Puerto Rico led to the governor's resignation and the political change interrupted the bidding process for the privatization of PREPA's transmission and distribution systems. While our operations were not, to date, impacted by the demonstrations or changes in Puerto Rico's administration, any substantial disruption in our ability to perform our obligations under the Fuel Sale and Purchase Agreement with PREPA could have a material adverse effect on our financial condition, results of operations and cash flows. Furthermore, we cannot predict how our relationship with PREPA could change given PREPA's award for its transmission and distribution system. PREPA may seek to find alternative power sources or purchase substantially less natural gas from us than what we currently expect to sell to PREPA.

Any slowdown or contraction affecting the local economy in a jurisdiction in which we operate could negatively affect the ability of our customers to purchase LNG, natural gas, steam or power from us or to fulfill their obligations under their contracts with us. If the economy in Brazil, Jamaica, Puerto Rico or other jurisdictions in which we operate worsens because of, for example:

- lower economic activity, including as a result of the COVID-19 pandemic which has significantly affected Jamaica's and other jurisdictions' tourism industries;
- change in applicable laws;
- an increase in oil, natural gas or petrochemical prices;
- devaluation of the applicable currency;
- higher inflation; or
- an increase in domestic interest rates,

then our business, results of operations, financial condition and prospects may also be significantly affected by actions taken by the government in the jurisdictions in which we operate. The COVID-19 pandemic has resulted in lower economic activity. Certain of the jurisdictions in which we operate have recently restricted travel, implemented workforce pressures, and experienced reduced business development, travel, hospitality and tourism due to COVID-19. Caribbean governments traditionally have played a central role in the economy and continue to exercise significant influence over many aspects of it. They may make changes in policy, or new laws or regulations may be enacted or promulgated, relating to, for example, monetary policy, taxation, exchange controls, interest rates, regulation of banking and financial services and other industries, government budgeting and public sector financing. These and other future developments in the Jamaican economy or in the governmental policies in our Caribbean markets may reduce demand for our products and adversely affect our business, financial condition, results of operations or prospects. For example, JPS and SJPC are subject to the mandate of the OUR. The OUR regulates the amount of money that power utilities in Jamaica, including JPS and SJPC, can charge their customers. Though the OUR cannot impact the fixed price we charge our customers for LNG, pricing regulations by the OUR and other similar regulators could negatively impact our customers' ability to perform their obligations under our GSAs and, in the case of JPS, the PPA, which could adversely affect our business, financial condition, results of operations or prospects.

Our development activities and future operations in Nicaragua may be materially affected by political, economic and other uncertainties.

Nicaragua has recently experienced political and economic challenges. Specifically, in 2018, U.S. legislation was approved to restrict U.S. aid to Nicaragua. In 2018, 2019 and 2020, U.S. and European governmental authorities imposed a number of sanctions against entities and individuals in or associated with the government of Nicaragua and Venezuela. If any of our counterparties becomes subject to sanctions as a result of these laws and regulations, changes thereto or otherwise, we may face an array of issues, including, but not limited to: having to suspend our development or operations on a temporary or permanent basis, being unable to recuperate prior invested time and capital or being subject to lawsuits, investigations or regulatory proceedings that could be time-consuming and expensive to respond to and which could lead to criminal or civil fines or penalties. There is also a risk of civil unrest, strikes or political turmoil in Nicaragua, and the outcome of any such unrest cannot be predicted.

Our financial condition and operating results may be adversely affected by foreign exchange fluctuations.

Our condensed consolidated financial statements are presented in U.S. dollars. Therefore, fluctuations in exchange rates used to translate other currencies into U.S. dollars will impact our reported consolidated financial condition, results of operations and cash flows from period to period. These fluctuations in exchange rates will also impact the value of our investments and the return on our investments. Additionally, some of the jurisdictions in which we operate may limit our ability to exchange local currency for U.S. dollars.

A portion of our cash flows and expenses may in the future be incurred in currencies other than the U.S. dollar. Our material counterparties' cash flows and expenses may be incurred in currencies other than the U.S. dollar. There can be no assurance that non-U.S. currencies will not be subject to volatility and depreciation or that the current exchange rate policies affecting these currencies will remain the same. We may choose not to hedge, or we may not be effective in efforts to hedge, this foreign currency risk. Depreciation or volatility of the Jamaican dollar against the U.S. dollar or other currencies could cause counterparties to be unable to pay their contractual obligations under our agreements or to lose confidence in us and may cause our expenses to increase from time to time relative to our revenues as a result of fluctuations in exchange rates, which could affect the amount of net income that we report in future periods.

We have operations in multiple jurisdictions and may expand our operations to additional jurisdictions, including jurisdictions in which the tax laws, their interpretation or their administration may change. As a result, our tax obligations and related filings are complex and subject to change, and our after-tax profitability could be lower than anticipated.

We are subject to income, withholding and other taxes in the United States on a worldwide basis and in numerous state, local and foreign jurisdictions with respect to our income and operations related to those jurisdictions. Our after-tax profitability could be affected by numerous factors, including the availability of tax credits, exemptions and other benefits to reduce our tax liabilities, changes in the relative amount of our earnings subject to tax in the various jurisdictions in which we operate, the potential expansion of our business into or otherwise becoming subject to tax in additional jurisdictions, changes to our existing businesses and operations, the extent of our intercompany transactions and the extent to which taxing authorities in the relevant jurisdictions respect those intercompany transactions.

Our after-tax profitability may also be affected by changes in the relevant tax laws and tax rates, regulations, administrative practices and principles, judicial decisions, and interpretations, in each case, possibly with retroactive effect.

A change in tax laws in any country in which we operate could adversely affect us.

Tax laws, regulations and treaties are highly complex and subject to interpretation. Consequently, we are subject to changing laws, treaties and regulations in and between the countries in which we operate. Our tax expense is based on our interpretation of the tax laws in effect at the time the expense was incurred. A change in tax laws, regulations, or treaties, or in the interpretation thereof, could result in a materially higher tax expense or a higher effective tax rate on our earnings.

Risks Related to Hygo's Business Activities

Hygo has commenced commercial operations at one facility. Hygo's other planned facilities are in various stages of contracting customers, construction, permitting and commissioning. There can be no assurance that Hygo's planned facilities will commence operations timely, or at all.

Hygo's Sergipe Facility commenced commercial operations in March 2020. However, Hygo has not yet commenced commercial operations or entered into binding construction contracts or obtained all necessary environmental, regulatory, construction and zoning permissions for any of its other facilities. In addition, although Hygo has been awarded environmental and regulatory licenses for its Santa Catarina Facility, Hygo has not secured any commercial projects nor obtained all remaining necessary approvals. There can be no assurance that Hygo will be able to enter into the contracts required for the development of Hygo facilities on commercially favorable terms, if at all, or that Hygo will be able to obtain all of the environmental, regulatory, construction and zoning permissions Hygo needs in Brazil and elsewhere.

In particular, Hygo will require agreements with ports proximate to its facilities capable of handling the transload of LNG direct from its occupying vessel to its transportation assets. If Hygo is unable to enter into favorable contracts or to obtain the necessary regulatory and land use approvals on favorable terms, Hygo may not be able to construct and operate these assets as anticipated, or at all. In addition, to develop future projects Hygo will, in many cases, have to secure the use of suitable vessels and, as required, convert them. Finally, the construction of facilities is inherently subject to the risks of cost overruns and delays. For example, the construction of Hygo's Sergipe Power Plant experienced a two-month delay related to the installation of various offshore equipment.

If Hygo is unable to construct, commission and operate all of its facilities, or, when and if constructed, they do not accomplish their goals, or if Hygo experiences delays or cost overruns in construction, our business, operating results, cash flows and liquidity could be materially and adversely affected. Expenses related to Hygo's pursuit of contracts and regulatory approvals related to Hygo's facilities still under development may be significant and will be incurred by Hygo regardless of whether these assets are ultimately constructed and operational.

There is no existing market in Brazil for the sale of LNG as a fuel source for trucking or vehicles generally. BR Distribuidora does not currently distribute, nor is obligated to commence distribution of, LNG through its distribution and fuel centers. Additionally, BR Distribuidora is not obligated to, and may not, convert any portion of its existing fleet of diesel trucks. Moreover, Hygo's agreement with BR Distribuidora is subject to regulatory approval and other uncertainties. Hygo may be unable to realize the anticipated benefits of this partnership.

The transportation industry in Brazil currently relies on traditional fuels such as gasoline and diesel. And although there is wide acknowledgement in the industry that LNG represents a less expensive and more environmentally friendly alternative to these fuels, no significant portion of the transportation industry is currently utilizing LNG. Hygo cannot predict when, or even if, any meaningful portion of the transportation industry within Brazil will convert to LNG powered vehicles. Hygo's agreement with Petrobras Distribuidora S.A. ("BR Distribuidora") does not contractually obligate it to convert any portion of its fleet of diesel trucks to LNG-powered vehicles. Unless and until there is a significant conversion to LNG-powered vehicles within Brazil, Hygo will not realize the anticipated benefits of Hygo's partnership with BR Distribuidora, which could adversely impact our future revenues.

In addition, Hygo's activities with respect to the sale of LNG are subject to the approval of other regulatory authorities, including Agência Nacional de Petróleo, Gás Natural e Biocombustíveis ("ANP"). There can be no assurance as to whether regulatory approvals will be received or that they will be granted in a timely manner. Until Hygo receives these approvals, Hygo will be unable to make sales through BR Distribuidora's distribution channels or other channels. Accordingly, Hygo has not yet made any sales pursuant to this arrangement.

Brazil and the Netherlands are conducting a joint investigation into allegations against Hygo's former Chief Executive Officer, including allegations of improper payments made in Brazil. The outcome of this investigation could cause Hygo reputational harm or have a material adverse effect on Hygo's business.

On September 23, 2020, Eduardo Antonello, Hygo's former Chief Executive Officer, was named in a joint corruption investigation in Brazil and the Netherlands. Mauricio Carvalho, the majority shareholder of Evolution Power Partners S.A. ("Evolution"), Hygo's joint venture partner in Centrais Elétricas Barcarena S.A. ("CELBA"), was also named in the investigation. In connection with the investigation, on September 23, 2020, Brazilian federal police executed search warrants on Hygo's office in Brazil and certain of its joint ventures, and seized documents and electronic records and devices belonging to those entities relating to Mr. Antonello, Hygo and its joint ventures. On September 25, 2020, Hygo's board of directors initiated an internal review with respect to Mr. Antonello's conduct with respect to Hygo and its joint ventures. The board of directors was assisted in this review by outside counsel and accounting advisors. The review included forensic accounting work, review of certain contracts, interviews with certain company personnel and representatives, and review of internal audit material, certain corporate credit card expenses and Hygo's anti-corruption policies. The board of directors of Hygo and its advisors did not identify any evidence establishing bribery or other corrupt conduct involving Hygo. In October 2020, before the review was completed, Mr. Antonello resigned as Chief Executive Officer and was replaced by Paul Hanrahan, who also joined the Hygo board of directors. The Hygo board of directors will continue its oversight and review of compliance procedures in accordance with the ethical and corporate governance standards established by applicable law.

While Hygo has conducted its own internal investigation and did not identify evidence establishing bribery or other corrupt conduct involving Hygo, Hygo does not know if any authority is conducting an investigation of Mr. Antonello or Hygo, the results of any investigation, or whether any litigation will arise out of, relating to, or in connection with the investigation or the extent of the impact that the investigation or any such litigation may have on Hygo's business. Publicity or other events associating with Mr. Antonello or the investigation, regardless of their foundation or accuracy, could adversely affect Hygo's and our reputation and Hygo's ability to conduct Hygo's business in Brazil and other jurisdictions. For example, Hygo may experience difficulties participating in public auctions and in some cases, may be disqualified, as was the case with respect to Hygo's bid to lease Petrobras's Bahìa Regasification Terminal (the "Bahìa Facility"). On September 30, 2020, Hygo's subsidiary, NFE Power Comercializadora de Gás Natural Ltda. ("NFE Power Comercializadora"), participated in a public competitive bid process sponsored by Petrobras for the lease of the Bahìa Facility. Although NFE Power Comercializadora was the only qualifying participant to submit a bid, in October 2020, Petrobras notified all participants that NFE Power Comercializadora was disqualified. NFE Power Comercializadora subsequently filed an administrative appeal before the Petrobras Bid Committee challenging the final result of the competitive process. In December 2020, NFE Power Comercializadora lost the appeal and was not awarded the bid for the Bahìa Facility.

Hygo's cash flow will be dependent upon the ability of its operating subsidiaries and joint ventures to make cash distributions to Hygo, the amount of which will depend on various contingencies.

Hygo currently anticipates that a major source of Hygo's earnings will be cash distributions from Hygo's operating subsidiaries and joint ventures. The amount of cash that Hygo's operating subsidiaries and joint ventures can distribute each quarter to their owners, including Hygo, principally depends upon the amount of cash they generate from their operations, which will fluctuate from quarter to quarter based on, among other things:

- the amount of LNG or natural gas sold to customers;
- market price of LNG;
- the level of dispatch of the Sergipe Power Plant and Hygo's future power plants;
- any restrictions on the payment of distributions contained in covenants in their financing arrangements and joint venture agreements;
- the levels of investments in each of Hygo's operating subsidiaries, which may be limited and disparate;
- the levels of operating expenses, maintenance expenses and general and administrative expenses;
- regulatory action affecting: (i) the supply of, or demand for electricity in Brazil, (ii) operating costs and operating flexibility; and
- prevailing economic conditions.

Hygo's facilities may be impacted by operational issues and delays. For example, in September 2020, the Sergipe Power Plant experienced transformer failures impacting its ability to dispatch at 100%, which have not yet been fully resolved, and the plant is not currently operating at 100% capacity. In addition, Hygo does not wholly own all of its operating subsidiaries and joint ventures. As a result, if such operating subsidiaries and joint ventures make distributions, including tax distributions, they will also have to make distributions to their noncontrolling interest owners.

Hygo may not be able to fully utilize the capacity of its facilities, which could impact its future revenues and materially harm Hygo's business, financial condition and operating results.

Hygo's FSRU facilities have significant excess capacity that is currently not dedicated to a particular anchor customer. Part of Hygo's business strategy is to utilize undedicated excess capacity of Hygo's FSRU facilities to serve additional downstream customers in the regions in which Hygo operates. However, Hygo has not secured, and Hygo may be unable to secure, commitments for all of its excess capacity. Factors which could cause Hygo to contract less than full capacity include difficulties in negotiations with potential counterparties and factors outside of its control such as the price of and demand for LNG. Failure to secure commitments for less than full capacity could impact Hygo's future revenues and materially harm Hygo's business, financial condition and operating results.

In addition, the operator of the Sergipe Facility, Centrais Elétricas de Sergipe S.A. ("CELSE") (which is an entity wholly owned by Centrais Elétricas de Sergipe Participações S.A. ("CELSEPAR"), a 50/50 joint venture between Hygo and Ebrasil Energia Ltda. ("Ebrasil")), has the right to utilize 100% of the capacity at Hygo's Sergipe Facility pursuant to the Sergipe FSRU Charter. In order to utilize the excess capacity of the Sergipe Facility, Hygo will need the consent of CELSE and the senior lenders under CELSE's financing arrangements. If Hygo is unable to obtain the necessary consents to utilize the excess capacity of the Sergipe Facility, Hygo's business, financial condition and operating results may be adversely affected.

Failure of LNG to be a competitive source of energy in the markets in which Hygo operates, and seeks to operate, could adversely affect Hygo's expansion strategy.

Hygo's operations are, and will be, dependent upon LNG being a competitive source of energy in the markets in which Hygo operates. In particular, hydroelectric power generation is the predominant source of electricity in Brazil and LNG is one of several other energy sources used to supplement hydroelectric generation. Potential expansion in other parts of world where Hygo may operate is primarily dependent upon LNG being a competitive source of energy in those geographical locations. Likewise, recent declines in the cost of crude oil, if sustained, will make crude oil and its derivatives a more competitive fuel source to LNG.

As a result of these and other factors, natural gas may not be a competitive source of energy in the markets Hygo intends to serve or elsewhere. The failure of natural gas to be a competitive supply alternative to oil and other alternative energy sources could adversely affect Hygo's ability to deliver LNG or natural gas to Hygo's customers or other locations on a commercial basis.

CELSE is subject to risk of loss or damage to LNG that is processed and/or stored at its FSRUs and transported via pipeline.

LNG processed and stored on FSRUs may be subject to loss or damage resulting from equipment malfunction, faulty handling, ageing or otherwise. For the period of time during which LNG is stored on an FSRU or is dispatched to a pipeline, CELSE, in the case of the Sergipe Facility, bears the risk of loss or damage to all such LNG. Any such disruption to the supply of LNG and natural gas may lead to delays, disruptions or curtailments in the production of power at the Sergipe Power Plant. If CELSE cannot generate energy at the Sergipe Power Plant by burning natural gas, our revenues, financial condition and results of operations may be materially and adversely affected.

Hygo has a limited operating history and anticipates significant capital expenditures.

Hygo commenced operations in May 2016 and has a limited operating history and track record. As a result, its prior operating history and historical consolidated financial statements may not be a reliable basis for evaluating its business prospects. In addition, Hygo has historically derived its revenues from the operation of its vessels on short-term charters, but Hygo expects the majority of its future revenues to be derived from its LNG-to-power projects. Hygo's strategy may not be successful, and if unsuccessful, it may be unable to modify it in a timely and successful manner. Hygo cannot give any assurance that it will be able to implement its strategy on a timely basis, if at all, or achieve its internal model or that its assumptions will be accurate. Hygo's limited history also means that it continues to develop and implement various policies and procedures including those related to data privacy and other matters. Hygo will need to continue to build its team to implement its strategies.

Hygo will continue to incur significant capital and operating expenditures while it develops its network of downstream LNG infrastructure, including for the completion of the Barcarena Facility, the Santa Catarina Facility and other projects in Brazil currently under construction, as well as other future projects. Hygo will need to invest significant amounts of additional capital to implement its strategy. Hygo has not completed constructing all of its facilities and its strategy includes the construction of additional facilities. Any delays beyond the expected development period for these assets would prolong, and could increase the level of, operating losses and negative operating cash flows. Hygo's future liquidity may also be affected by the timing of construction financing availability in relation to the incurrence of construction costs and other outflows and by the timing of receipt of cash flows under its customer contracts in relation to the incurrence of project and operating expenses. Hygo's ability to generate any positive operating cash flow and achieve profitability in the future is dependent on, among other things, its ability to successfully and timely complete necessary infrastructure, including its Barcarena and Santa Catarina Facilities and other projects in Brazil currently under construction, and fulfill its delivery obligations under its customer contracts.

Hygo's power generation projects may depend on the construction and operation of transmission and interconnection facilities by third parties.

Hygo's power generation projects must interconnect to Brazil's transmission system and such projects may depend on the completion of new lines and/or increases in the capacity of existing facilities by the applicable power transmission concessionaires in order to interconnect and become fully operational. Delays from such concessionaires in the completion of the necessary interconnection and associated facilities may affect the ability of Hygo's power generation projects to start commercial operation and/or fulfill power delivery commitments under the PPAs.

Hygo's ability to dispatch electricity from its power plants is dependent upon hydrological and other grid conditions in Brazil.

Historically, Brazil's electricity generation has been dominated by hydroelectricity plants. There are substantial seasonal variations in monthly and annual flows to the plants, which depend fundamentally on the volume of rain that falls in each rainy season. When hydrological conditions are poor, the National Electricity System Operator (Operador Nacional do Sistema, or "ONS") dispatches thermoelectric power plants, including those that Hygo operates, to top up hydroelectric generation and maintain the electricity supply level.

The ONS Grid Code allows the ONS to dispatch thermoelectric power plants for the following reasons or under the following circumstances:

- when marginal operation cost is the same as the variable unit cost of such power plant;
- due to inflexibility or necessity of the generator;
- when dispatch of such power plant is needed in order to maintain the stability of the system;
- as determined by the Energy Industry Monitoring Committee where extraordinary circumstances exist;
- due to accelerated and/or replacement generation as proposed by the generator in order to make up for the unavailability of fuel; and
- for purposes of exportation of power to foreign markets.

As a result, the amount of electricity generated by thermoelectric power plants, including Hygo's power plants that are already contracted and its power plants under development, can vary significantly in response to the hydrological and other grid conditions in Brazil. If Hygo's power plants are not dispatched or are dispatched at levels lower than expected, its operations and financial results may be adversely affected.

Hygo may not be profitable for an indeterminate period of time.

Hygo has a limited operating history and did not commence revenue-generating activities until 2016, and therefore did not achieve profitability as of December 31, 2020. Hygo will need to make a significant capital investment to construct and begin operations of the Barcarena Facility, the Santa Catarina Facility, its downstream distribution hubs and its other LNG-to-power projects in Brazil, and Hygo will need to make significant additional investments to develop, improve and operate them, as well as all related infrastructure. Hygo also expects to make significant expenditures and investments in identifying, acquiring and/or developing other future projects. Hygo also expects to incur significant expenses in connection with the launch and growth of its business, including costs for LNG purchases, rail and truck transportation, shipping and logistics and personnel. Hygo will need to raise significant additional debt and/or equity capital to achieve its goals. Hygo may not be able to achieve profitability, and if it does, Hygo cannot assure you that it would be able to sustain such profitability in the future.

Hygo's operational and consolidated financial results are partially dependent on the results of the joint ventures, affiliates and special purpose entities in which it invests.

Hygo conducts its business mainly through its operating subsidiaries. In addition, Hygo and its subsidiaries conduct some of their business through joint venture and other special purpose entities, which are created specifically to participate in public auctions for enterprises in the generation and transmission segments. Hygo's ability to meet its financial obligations is therefore related in part to the cash flow and earnings of its subsidiaries and joint ventures and the distribution or other transfers of earnings to Hygo in the form of dividends, loans or other advances and payments that are governed by various joint venture financing and operating arrangements.

Hygo has entered into joint ventures, and may in the future enter into additional or modify existing joint ventures, that might restrict its operational and corporate flexibility.

Hygo entered into joint ventures to acquire and develop LNG infrastructure projects and may in the future enter into additional joint venture arrangements with third parties. As Hygo does not operate the assets owned by these joint ventures, its control over their operations is limited by provisions of the agreements it has entered into with its joint venture partners and by its percentage ownership in such joint ventures. Because Hygo does not control all of the decisions of its joint ventures, it may be difficult or impossible for Hygo to cause the joint venture to take actions that Hygo believes would be in its or the joint venture's best interests. For example, Hygo cannot unilaterally cause the distribution of cash by its joint ventures. Additionally, as the joint ventures are separate legal entities, any right Hygo may have to receive assets of any joint venture or other payments upon their liquidation or reorganization will be effectively subordinated to the claims of the creditors of that joint venture (including tax authorities and trade creditors). Moreover, joint venture arrangements involve various risks and uncertainties, such as committing Hygo to fund operating and/or capital expenditures, the timing and amount of which it may not control, and its joint venture partners may not satisfy their financial obligations to the joint venture. Hygo's results of operations depend on the performance of these joint ventures and their ability to distribute funds to Hygo, and Hygo may be unable to control the amount of cash it will receive from their operations or the timing of capital expenditures, which could adversely affect its financial condition.

Hygo may guarantee the indebtedness of its joint ventures and/or affiliates.

Hygo may provide guarantees to certain banks with respect to commercial bank indebtedness of its joint ventures and/or affiliates. Failure by any of its joint ventures, equity method investees and/or affiliate to service their debt requirements and comply with any provisions contained in their commercial loan agreements, including paying scheduled installments and complying with certain covenants, may lead to an event of default under the related loan agreement. As a result, if Hygo's joint ventures, equity method investees and/or affiliates are unable to obtain a waiver or do not have enough cash on hand to repay the outstanding borrowings, the relevant lenders may foreclose their liens on the vessels securing the loans or seek repayment of the loan from Hygo, or both. Either of these possibilities could have a material adverse effect on Hygo's business. Further, by virtue of Hygo's guarantees with respect to Hygo's joint ventures and/or affiliates, this may reduce its ability to gain future credit from certain lenders.

Hygo is dependent upon GLNG and its affiliates for the operation and maintenance of its vessels.

Each of Hygo's vessels is operated and maintained by GLNG or its affiliates pursuant to ship management agreements. These agreements are the result of arms-length negotiations and subject to change. In addition, we have entered into management agreements with GLNG or its affiliates with respect to Hygo's vessels. If GLNG or any of its affiliates that provide services to Hygo fails to perform these services satisfactorily or the terms of the ship management agreements change, it could have a material adverse effect on our business, results of operations and financial condition.

Hygo may not be able to purchase or receive physical delivery of natural gas or LNG in sufficient quantities and/or at economically attractive prices to supply the Sergipe Power Plant and satisfy its delivery obligations under the PPAs, which could have a material adverse effect on Hygo.

Under the PPAs related to the Sergipe Power Plant and its other LNG-to-power facilities, Hygo is required to deliver power, which also requires Hygo to obtain sufficient amounts of LNG. However, Hygo may not be able to purchase or receive physical delivery of sufficient quantities of LNG to satisfy those delivery obligations, which may subject Hygo to certain penalties and provide its counterparties with the right to terminate their PPAs. With respect to the Sergipe Power Plant, Hygo has entered into a supply agreement with Ocean LNG Limited ("Ocean LNG"), an affiliate of Qatar Petroleum. If Ocean LNG fails to deliver sufficient LNG to Sergipe, Hygo would be forced to purchase LNG on the spot market, which may be on less favorable terms. In addition, price fluctuations in natural gas and LNG may make it expensive or uneconomical for Hygo to acquire adequate supply of these items for its other customers.

Hygo is dependent upon third party LNG suppliers and shippers and other tankers and facilities to provide delivery options to and from its tankers and energy-related infrastructure. If LNG were to become unavailable for current or future volumes of natural gas due to repairs or damage to supplier facilities or tankers, lack of capacity, impediments to international shipping or any other reason, Hygo's ability to continue delivering natural gas, power or steam to end-users could be restricted, thereby reducing its revenues. Additionally, under tanker charters, Hygo will be obligated to make payments for its chartered tankers regardless of use. Hygo may not be able to enter into contracts with purchasers of LNG in quantities equivalent to or greater than the amount of tanker capacity it has purchased. If any third parties were to default on their obligations under Hygo's contracts or seek bankruptcy protection, Hygo may not be able to purchase or receive a sufficient quantity of natural gas in order to supply the Sergipe Power Plant and satisfy its delivery obligations under its PPAs. Any permanent interruption at any key LNG supply chains that caused a material reduction in volumes transported to Hygo's facilities could have a material adverse effect on its business, financial condition, operating results, cash flow, liquidity and prospects.

Recently, the LNG industry has experienced increased volatility. If market disruptions and bankruptcies of third party LNG suppliers and shippers negatively impacts Hygo's ability to purchase a sufficient amount of LNG or significantly increases its costs for purchasing LNG, its business, operating results, cash flows and liquidity could be materially and adversely affected.

Under certain circumstances, Hygo may be required to make payments under its gas supply agreements.

If Hygo fails to take delivery of contracted volumes under its gas supply agreements, it may be required to make payments to counterparties under such agreements. For example, CELSE entered into a 25-year LNG supply agreement with Ocean LNG for the supply of LNG to the Sergipe Facility. Pursuant to the terms of the Sergipe Supply Agreement, CELSE is required to take delivery of a specified base quantity of LNG each year, subject to certain adjustments. If CELSE takes less than the full number of scheduled cargoes per year under the Sergipe Supply Agreement, CELSE will be required to pay Ocean LNG a cancellation fee per cargo according to a formula based on the number of the cargoes not taken, subject to a cap over every five-year period and the full 25 year term.

Hygo's current lack of asset and geographic diversification could have an adverse effect on its business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

The substantial majority of Hygo's anticipated revenue in the future will be dependent upon its assets and customers in Brazil. Brazil has historically experienced economic volatility and the general condition and performance of the Brazilian economy, over which Hygo has no control, may affect its business, financial condition and results of operations. Due to its current lack of asset and geographic diversification, an adverse development at any of its facilities in Brazil, in the energy industry or in the economic conditions in Brazil, would have a significantly greater impact on Hygo's financial condition and operating results than if it maintained more diverse assets and operating areas.

Hygo's operations could be limited or restricted in order to comply with protections for indigenous populations located in the areas in which it operates, and could also be adversely impacted by any changes in Brazilian law to comply with certain requirements embodied in international treaties and other laws related to indigenous communities.

Indigenous communities—including, in Brazil, Afro-indigenous ("Quilombola") communities—are subject to certain protections under international and national laws. There are several indigenous communities that surround its operations in Brazil. Hygo has entered into agreements with some of these communities that mainly provide for the use of their land for its operations, and negotiations with other such communities are ongoing. In the event that Hygo is unable to reach an agreement with indigenous communities, that its relationship with these communities deteriorates in future, or that such communities do not comply with any existing agreements related to Hygo's operations, it could have a material adverse effect on Hygo's business and results of operations.

Brazil has ratified the International Labor Organization's Indigenous and Tribal Peoples Convention ("ILO Convention 169"), which is grounded on the principle of consultation and participation of indigenous and traditional communities under the basis of free, prior, and informed consent ("FPIC"). ILO Convention 169 sets forth that governments are to ensure that members of tribes directly affected by legislative or administrative measures, including the grant of government authorizations such as are required for Hygo's operations, are consulted through appropriate procedures and through their representative institutions. ILO Convention 169 further states that the consultation must be undertaken aiming at achieving an agreement or consent to the proposed legislative or administrative measures.

Brazilian law does not specifically regulate the FPIC process for indigenous and traditional people affected by undertakings, nor does it set forth that individual members of an affected community shall render their FPIC on an undertaking that may impact them. However, in order to obtain certain environmental licenses for Hygo's operations, Hygo is required to comply with the requirements of, consult with, and obtain certain authorizations from a number of institutions regarding the protection of indigenous interests: the National Congress (in specific cases), the Federal Public Prosecutor's Office and the National Indian Foundation (Fundação Nacional do Índio or FUNAI) (for indigenous people) or Palmares Cultural Foundation (Fundação Cultural Palmares) (for Quilombola communities). If Hygo is not able to timely obtain the necessary authorizations or obtain them on favorable terms for its operations in areas where indigenous communities reside, Hygo could face construction delays, increased costs, or otherwise experience adverse impacts on its business and results of operations.

Additionally, the American Convention on Human Rights ("ACHR"), to which Brazil is a party, sets forth rights and freedoms prescribed for all persons, including property rights without discrimination due to race, language, and national or social origin. The ACHR also provides for consultation with indigenous communities regarding activities that may affect the integrity of their land and natural resources. If Brazil's legal process for consultation and the protection of indigenous rights is challenged under the ACHR and found to be inadequate, it could result in orders or judgments that could ultimately adversely impact its operations. For example, in February 2020, the Interamerican Court of Human Rights ("IACtHR") found that Argentina had not taken adequate steps, in law or action, to ensure the consulting of indigenous communities and obtaining those communities' free prior and informed consent for a project impacting their territories. IACtHR further found that Argentina had thus violated the ACHR due to infringements on the indigenous communities' rights to property, cultural identity, a healthy environment, and adequate food and water by failing to take effective measures to stop harmful, third-party activities on the indigenous communities' traditional land. As a result, IACtHR ordered Argentina, among other things, to achieve the demarcation and grant of title to the indigenous communities over their territory and the removal of the third-parties from the indigenous territory. Hygo cannot predict whether this decision will result in challenges regarding the adequacy of existing Brazilian legal requirements related to the protection of indigenous rights, changes to the existing Brazilian government body consultation process, or impact its existing development agreements or its negotiations for outstanding development agreements with indigenous communities in the areas in which it operates. However, if the consultations with indigenous communities potentially impacted by Hygo's operations are found to be insufficient, Hygo could experience a material adverse impact to its business and results of operations.

Hygo is subject to comprehensive regulation of its business, which fundamentally affects its financial performance.

Hygo's business is subject to extensive regulation by various Brazilian regulatory authorities, particularly Agência Nacional de Energia Elétrica ("ANEEL"), ANP and Agência Nacional de Transportes Aquaviários ("ANTAQ"). ANEEL regulates and oversees various aspects of Hygo's business and establishes its tariffs. If Hygo is obligated by ANEEL to make additional and unexpected capital investments and is not allowed to adjust its tariffs accordingly, if ANEEL does not authorize the recovery of all costs or if ANEEL modifies the regulations related to tariff adjustments, Hygo may be adversely affected. ANP regulates the import and export of LNG and the transportation and distribution of natural gas activities, including Hygo's downstream distribution business. ANTAQ regulates and oversees port activities in Brazil.

In addition, both the implementation of Hygo's strategy for growth and its ordinary business may be adversely affected by governmental actions such as changes to current legislation, the termination of federal and state concession programs, creation of more rigid criteria for qualification in public energy auctions, or a delay in the revision and implementation of new annual tariffs.

If regulatory changes require Hygo to conduct its business in a manner substantially different from its current operations, Hygo's operations, financial results and its capacity to fulfill its contractual obligations may be adversely affected

CELSE and CELBA could be penalized by ANEEL for failing to comply with the terms of their respective authorizations and applicable legislation and CELSE and CELBA may not recover the full value of their respective investments if such authorizations are terminated.

CELSE and CELBA will carry out their respective power generation activities in accordance with the authorizations granted by the Brazilian government through the MME (the "MME Authorizations"). CELSE's authorization expires in November 2050, and CELBA's authorization, which is in the process of being granted, is expected to expire in 2055. ANEEL may impose penalties on CELSE and CELBA if they fail to comply with any provision of the MME Authorizations or with the legislation and regulations applicable to the Brazilian power industry. Depending on the extent of the non-compliance, these penalties could include:

- warnings;
- substantial fines (in some cases up to 2% of gross revenues arising from the generation activity in the 12-month period immediately preceding the assessment);
- prohibition on operations;
- bans on the construction of new facilities or the acquisition of new projects;
- restrictions on the operation of existing facilities and projects; or
- restrictions on operations (including the exclusion from participating in upcoming auctions), temporary suspension of participation in auctions and bidding processes for new concessions and authorizations.

ANEEL may also terminate the MME Authorizations prior to their expiration in the event that CELSE or CELBA fails to comply with the provisions of the MME Authorizations, is declared bankrupt or is dissolved. In the event of non-compliance by CELSE and/or CELBA, ANEEL may also impose certain of the penalties (in particular, bans and restrictions) on affiliates of CELSE and CELBA.

CELSE and CELBA are subject to extensive legislation and regulations imposed by the Brazilian government and ANEEL, and cannot predict the effect of any changes to the legislation or regulations currently in force regarding their respective businesses.

The implementation of Hygo's business strategy and its ability to carry out its activities may be adversely affected by certain governmental actions.

Hygo may be subject to new regulations enacted by the Brazilian government that could retroactively affect the rules for renewal of its concessions and authorizations.

The non-renewal of any of Hygo's authorizations, as well as the non-renewal of its energy supply contracts, could have a material adverse effect on its financial condition, results of operations and Hygo's capacity to fulfill its contractual obligations.

The regulatory framework under which Hygo operates is subject to legal challenge.

The Brazilian government implemented fundamental changes in the regulation of the power industry in legislation passed in 2004 known as the Lei do Novo Modelo do Setor Elétrico, or New Regulatory Framework. Challenges to the constitutionality of the New Regulatory Framework are still pending before the Brazilian Federal Supreme Court (Supremo Tribunal Federal), although preliminary injunctions have been dismissed. It is not possible to estimate when these proceedings will be finally decided. If all or part of the New Regulatory Framework were held to be unconstitutional, there would be uncertain consequences for the validity of existing regulation and the further development of the regulatory framework. The outcome of the legal proceedings is difficult to predict, but it could have an adverse impact on the entire energy sector, including Hygo's business and results of operations. Due to the duration of the lawsuit, it is possible that the Brazilian Federal Supreme Court will not give retroactive effect to its decision, but rather preserve the validity of past acts applying a judicial practice known as modulation of effects.

If the regulatory framework under which Hygo operates is revised in a way that results in Hygo being required to conduct its business in a manner substantially different from its current operations, Hygo's operations, financial results and capacity to fulfill its contractual obligations may be adversely affected.

Commercialization activity is subject to potential losses due to short-term variations in energy prices on the spot market.

Hygo's sales on the spot market are subject to potential differences in the settlement between the energy delivered and the energy sold. The differences are settled by the Câmara de Comercialização de Energia Elétrica (the Electric Energy Trading Chamber) at the spot price, or the PLD. The PLD is based on the energy traded in the spot energy market. It is calculated for each submarket and load level on a weekly basis and is based on the marginal cost of operation. The maximum and the minimum value of the PLD are set every year by ANEEL. Short-term variations in energy prices on the spot energy market may lead to potential losses in Hygo's commercialization activity.

NFE is uncertain as to the review of the Physical Guarantee of its generation power plants.

The "Physical Guarantee" is the amount of power that a plant is expected to contribute to the electricity grid over the life of a PPA. NFE cannot be certain if future events could affect the Physical Guarantee of each of its individual power plants. When the Physical Guarantee of a power plant is decreased, NFE's ability to supply electricity under that plant's PPAs is adversely affected, which can lead to a decrease in NFE's revenues and increase NFE's costs if its generation subsidiaries are required to purchase power elsewhere. Damage to the step up transformer and related equipment at the Sergipe Power Plant in September 2020 and February 2021 is expected to decrease the Sergipe Power Plant's Physical Guarantee by up to 106MW for a 5 year period between 2022-2027. CELSE will need to purchase this capacity on the spot market in order to fulfill its obligations under the PPA and receive capacity payments. Additionally, to the extent CELSE is required to dispatch before repairs to the transformer and related equipment are complete, CELSE could be required to purchase the difference between its committed output and the final available power for delivery to PPA customers for the length of the requested dispatch period.

Hygo is currently highly dependent upon economic, political, regulatory and other conditions and developments in Brazil.

Hygo currently conducts all of its business in Brazil. As a result, Hygo's current business, results of operations, financial condition and prospects are materially dependent upon economic, political and other conditions and developments in Brazil. For example, on July 8, 2019, Petróleo Brasileiro S.A. – Petrobras ("Petrobras") the state-owned oil company in Brazil, entered into an agreement (Termo de Compromisso de Cessão de Prática) with Brazilian antitrust authorities (Conselho Administrativo de Defesa Econômica - CADE) pursuant to which it has agreed to divest its equity participation in the gas pipelines and state gas distribution companies in Brazil by December 31, 2021. Such divestment plan, intended to end Petrobras's monopoly on the distribution of gas in Brazil, will increase competition and may affect Hygo's business.

In particular, the Brazilian economy has been characterized by frequent and occasionally extensive intervention by the Brazilian government and unstable economic cycles. The Brazilian government has often changed monetary, taxation, credit, tariff and other policies to influence the course of Brazil's economy. The Brazilian government's actions to control inflation and implement other policies have at times involved wage and price controls, blocking access to bank accounts, imposing capital controls and limiting imports into Brazil. In addition, Brazilian markets and politics have been characterized by considerable instability in recent years due to uncertainties derived from the ongoing corruption investigations such as Operation Car Wash, the conviction of Former President Luiz Inácio Lula da Silva, the impeachment of Former President Dilma Rousseff and the election of Congressman Jair Bolsonaro. The spread of COVID-19 in Brazil has resulted in heightened uncertainty and political instability as government officials debate appropriate response measures. These uncertainties and any measures adopted by the new administration may increase market volatility and political instability.

Hygo's sale and leaseback agreements contain restrictive covenants that may limit its liquidity and corporate activities, and could have an adverse effect on its financial condition and results of operations.

Hygo's sale and leaseback agreements for the Golar Nanook, Golar Penguin and Golar Celsius contain, and any future sale and leaseback agreements it may enter into are expected to contain, customary covenants and event of default clauses, including cross-default provisions and restrictive covenants and performance requirements that may affect Hygo's operational and financial flexibility. In addition, Hygo also assigns the shares in its subsidiaries which are the charterers of these vessels to the owners/lessors. Such restrictions could affect, and in many respects limit or prohibit, among other things, its ability to incur additional indebtedness, create liens, sell assets, or engage in mergers or acquisitions. These restrictions could also limit Hygo's ability to plan for or react to market conditions or meet extraordinary capital needs or otherwise restrict corporate activities. There can be no assurance that such restrictions will not adversely affect its ability to finance its future operations or capital needs.

Certain of Hygo's sale and leaseback agreements contain cross-default clauses and require it to maintain specified financial ratios, satisfy certain financial covenants and/or assign equity interests in its subsidiaries to third parties, including, among others, the following requirements:

- that Hygo maintains Free Liquid Assets (as defined in the Penguin Leaseback) of at least $50.0 million; and
- that Hygo assigns the shares in each of Golar Hull M2026 Corp., Golar Hull M2023 Corp. and Golar FSRU 8 Corp., its subsidiaries that are the charterers under Hygo's sale and leaseback agreements, to the applicable vessel owners.

As of December 31, 2020, Hygo was in compliance with the consolidated leverage ratio and the minimum free liquidity covenants in its sale and leaseback agreements.

As a result of the restrictions in its sale and leaseback agreements, or similar restrictions in future sale and leaseback agreements, Hygo may need to seek permission from the owners of its leased vessels in order to engage in certain corporate actions. Their interests may be different from Hygo's and Hygo may not be able to obtain their permission when needed. This may prevent Hygo from taking actions that it believes are in its best interest, which may adversely impact Hygo's revenues, results of operations and financial condition.

A failure by Hygo to meet its payment and other obligations, including its financial covenant requirements, could lead to defaults under its sale and leaseback agreements or any future sale and leaseback agreements. If Hygo is not in compliance with its covenants and is not able to obtain covenant waivers or modifications, the current or future owners of its leased vessels, as appropriate, could retake possession of the vessels or require Hygo to pay down its indebtedness to a level at which Hygo is in compliance with its covenants or sell vessels in its fleet. Hygo could lose its vessels if it defaults on its bareboat charters in connection with the sale and leaseback agreements, which would negatively affect Hygo's revenues, results of operations and financial condition.

There are risks and uncertainties relating to Hygo's sale and leaseback transactions.

On closing of its sale and leaseback transactions, Hygo transferred its ownership interests in each of the Golar Nanook, the Golar Penguin and the Golar Celsius. Although the operation of these vessels is expected to continue in the ordinary course, the bareboat charters in connection with the sale and leaseback transactions may, in certain circumstances, be terminated. Any such termination could have a significant adverse effect on Hygo's business, financial condition and results of operations of its vessels. The sale and leaseback agreements will also require significant periodic cash payments in respect of the required rent thereunder, which Hygo has not historically incurred for the Golar Celsius or, prior to December 2019, the Golar Penguin, and other allocated operating and maintenance costs. The increase in Hygo's lease expense may have an adverse impact on its future operations and profitability.

Risks Related to GMLP Business Activities

GMLP currently derives all of its revenue from a limited number of customers. The loss of any of its customers would result in a significant loss of revenues and cash flow, if it is unable to re-charter a vessel to another customer for an extended period of time.

GMLP's fleet consists of six FSRUs, four LNG carriers and an interest in the Hilli. GMLP has derived, and believes that it will continue to derive, all of its revenues and cash flow from a limited number of customers. The majority of its charters have fixed terms, but might nevertheless be lost in the event of unanticipated developments such as a customer's breach. The ability of each of GMLP's customers to perform its respective obligations under a charter with GMLP will depend on a number of factors that are beyond its control and may include, among other things, general economic conditions, the condition of the LNG shipping industry, prevailing prices for natural gas and LNG, the impact of COVID-19 and similar pandemics and epidemics and the overall financial condition of the counterparty. GMLP could also lose a customer or the benefits of a charter if the customer fails to make charter payments because of its financial inability, disagreements with GMLP or otherwise or the customer exercises its right to terminate the charter in certain circumstances.

If GMLP loses any of its charterers and is unable to re-deploy the related vessel for an extended period of time, it will not receive any revenues from that vessel, but it will be required to pay expenses necessary to maintain the vessel in seaworthy operating condition and to service any associated debt. In addition, it is an event of default under the credit facilities related to all of GMLP's vessels if the time charter of any vessel related to any such credit facility is cancelled, rescinded or frustrated and it is unable to secure a suitable replacement charter, post additional security or make certain significant prepayments. Any event of default under GMLP's credit facilities would result in acceleration of amounts due thereunder. Under the sale and leaseback arrangement in respect of the Golar Eskimo, if the time charter pursuant to which the Golar Eskimo is operating is terminated, the owner of the Golar Eskimo (which is a wholly-owned subsidiary of China Merchants Bank Leasing) will have the right to require GMLP to purchase the vessel from it unless GMLP is able to place such vessel under a suitable replacement charter within 24 months of the termination. GMLP may not have, or be able to obtain, sufficient funds to make these accelerated payments or prepayments or be able to purchase the Golar Eskimo. In such a situation, the loss of a charterer could have a material adverse effect on GMLP's business, results of operations and financial condition.

GMLP's business strategy depends on its ability to expand relationships with existing customers and obtain new customers, for which it will face substantial competition.

GMLP's principal strategy is to provide steady and reliable shipping, regasification and liquefaction operations for its customers. The process of obtaining long-term charters for FSRUs and LNG carriers is highly competitive and generally involves an intensive screening process and competitive bids, and often extends for several months. GMLP believes FSRU and LNG carrier time charters are awarded based upon bid price as well as a variety of factors relating to the vessel operator, including:

- its FSRU and LNG shipping experience, technical ability and reputation for operation of highly specialized vessels;
- its shipping industry relationships and reputation for customer service and safety;
- the quality and experience of its seafaring crew;
- its financial stability and ability to finance FSRUs and LNG carriers at competitive rates;
- its relationships with shipyards and construction management experience; and
- its willingness to accept operational risks pursuant to the charter.

GMLP faces substantial competition for providing FSRU and marine transportation services for potential LNG projects from a number of experienced companies, including state-sponsored entities and major energy companies. Many of these competitors have significantly greater financial resources and larger and more versatile fleets than GMLP. GMLP anticipates that an increasing number of marine transportation companies, including many with strong reputations and extensive resources and experience will enter the FSRU market and the LNG transportation market. This increased competition may cause greater price competition for time charters. As a result of these factors, GMLP may be unable to expand its relationships with existing customers or to obtain new customers on a favorable basis, if at all, which would have a material adverse effect on its business, results of operations and financial condition.

GMLP's future long-term charter revenue depends on its competitive position and future hire rates for FSRUs and LNG carriers.

One of GMLP's principal strategies is to enter into new long-term FSRU and LNG carrier time charters and to replace expiring charters with similarly long-term contracts. Most requirements for new LNG projects continue to be provided on a long-term basis, though the level of spot voyages and short-term time charters of less than 12 months in duration together with medium term charters of up to five years has increased in recent years. This trend is expected to continue as the spot market for LNG expands. More frequent changes to vessel sizes and propulsion technology together with an increasing desire by charterers to access modern tonnage could also reduce the appetite of charterers to commit to long-term charters that match their full requirement period. As a result, the duration of long-term charters could also decrease over time.

GMLP may also face increased difficulty entering into long-term time charters upon the expiration or early termination of its contracts. If as a result GMLP contracts its vessels on short-term contracts, its earnings from these vessels are likely to become more volatile. An increasing emphasis on the short-term or spot LNG market may in the future require that GMLP enter into charters based on variable market prices, as opposed to contracts based on a fixed rate, which could result in a decrease in its cash flow in periods when the market price for shipping LNG is depressed or insufficient funds are available to cover its financing costs for related vessels.

Hire rates for FSRUs and LNG carriers may fluctuate substantially. If rates are lower when GMLP is seeking a new charter, its earnings may decline.

Hire rates for FSRUs and LNG carriers fluctuate over time as a result of changes in the supply-demand balance relating to current and future FSRU and LNG carrier capacity. This supply-demand relationship largely depends on a number of factors outside GMLP's control. For example, driven in part by an increase in LNG production capacity, the market supply particularly of LNG carriers has been increasing. As of March 2, 2021, the LNG carrier order book totaled 141 vessels. GMLP believes that this and any future expansion of the global LNG carrier fleet may have a negative impact on charter hire rates, vessel utilization and vessel values, the impact of which could be amplified if the expansion of LNG production capacity does not keep pace with fleet growth. The LNG market is also closely connected to world natural gas prices and energy markets, which it cannot predict. A substantial or extended decline in demand for natural gas or LNG, including as a result of the spread of COVID-19, could adversely affect GMLP's ability to charter or re-charter its vessels at acceptable rates or to acquire and profitably operate new vessels. Accordingly, this could have a material adverse effect on its earnings.

The charterers of two of GMLP's vessels have the option to extend the charter at a rate lower than the existing hire rate. The exercise of these options could have a material adverse effect on its cash flow.

The charterers of the NR Satu and Methane Princess have options to extend their respective existing contracts. If they exercise these options, the hire rate for the NR Satu will be reduced by approximately 12% per day for any day in the extension period falling in 2023, with a further 7% reduction for any day in the extension period falling in 2024 and 2025; and the hire rate for the Methane Princess will be reduced by 37% from 2024. The exercise of these options could have a material adverse effect on GMLP's results of operations and cash flows.

GMLP's equity investment in Golar Hilli LLC may not result in anticipated profitability or generate cash flow sufficient to justify its investment. In addition, this investment exposes GMLP to risks that may harm its business, financial condition and operating results.

In July 2018, GMLP completed an acquisition of 50% of the common units in Hilli LLC (as defined here), the disponent owner of Hilli Corp. (as defined herein), the owner of the Hilli. The acquired interest in Hilli LLC represents the equivalent of 50% of the two liquefaction trains, out of a total of four, that have been contracted to Perenco Cameroon SA ("Perenco") and Société Nationale Des Hydrocarbures ("SNH" and, together with Perenco, the "Customer") pursuant to a Liquefaction Tolling Agreement ("LTA") with an 8 year term. The acquired interest is not exposed to the oil linked pricing elements of the tolling fee under the LTA. However, it exposes us to risks that GMLP may:

- fail to realize anticipated benefits through cash distributions from Hilli LLC;
- fail to obtain the benefits of the LTA if the Customer exercises certain rights to terminate the charter upon the occurrence of specified events of default;
- fail to obtain the benefits of the LTA if the Customer fails to make payments under the LTA because of its financial inability, disagreements with us or otherwise;
- incur or assume unanticipated liabilities, losses or costs;
- be required to pay damages to the Customer or suffer a reduction in the tolling fee in the event that the Hilli fails to perform to certain specifications;
- incur other significant charges, such as asset devaluation or restructuring charges; or
- be unable to re-charter the FLNG on another long-term charter at the end of the LTA.

Due to the sophisticated technology utilized by the Hilli, operations are subject to risks that could negatively affect GMLP's business and financial condition.

FLNG vessels are complex and their operations are technically challenging and subject to mechanical risks and problems. Unforeseen operational problems with the Hilli may lead to Hilli LLC experiencing a loss of revenue or higher than anticipated operating expenses or require additional capital expenditures. Any of these results could harm GMLP's business and financial condition.

GMLP guarantees 50% of Hilli Corp's indebtedness under the Hilli Facility.

Hilli Corp, a wholly owned subsidiary of Hilli LLC, is a party to a Memorandum of Agreement, dated September 9, 2015, with Fortune Lianjiang Shipping S.A., a subsidiary of China State Shipbuilding Corporation ("Fortune"), pursuant to which Hilli Corp has sold to and leased back from Fortune the Hilli under a 10-year bareboat charter agreement (the "Hilli Facility"). The Hilli Facility provided for post-construction financing for the Hilli in the amount of $960 million.

In connection with the closing of the Hilli Acquisition, GMLP agreed to provide a several guarantee (the "GMLP Guarantee") of 50% of the obligations of Hilli Corp under the Hilli Facility pursuant to a Deed of Amendment, Restatement and Accession relating to a guarantee between GLNG, Fortune and GMLP dated July 12, 2018. In the event that Hilli Corp fails to meet its payment obligations under the Hilli Facility or fails to comply with certain other covenants contained therein, GMLP may be required to make payments to Fortune under the GMLP Guarantee, and such payments may be substantial. The Hilli Facility and the GMLP Guarantee contain certain financial restrictions and other covenants that may restrict GMLP's business and financing activities. In connection with the consummation of the GMLP acquisition, NFE will enter into a letter of undertaking pursuant to which we will guarantee GMLP's obligations with respect to its guarantee of Hilli Corp's debt under the Hilli Leaseback to the extent GMLP does not perform thereunder.

GMLP may experience operational problems with its vessels that reduce revenue and increase costs.

FSRUs and LNG carriers are complex and their operations are technically challenging. Marine LNG operations are subject to mechanical risks and problems. GMLP's operating expenses depend on a variety of factors including crew costs, provisions, deck and engine stores and spares, lubricating oil, insurance, maintenance and repairs and shipyard costs, many of which are beyond its control such as the overall economic impacts caused by the global COVID-19 outbreak and affect the entire shipping industry. Factors such as increased cost of qualified and experienced seafaring crew and changes in regulatory requirements could also increase operating expenditures. Future increases to operational costs are likely to occur. If costs rise, they could materially and adversely affect GMLP's results of operations. In addition, operational problems may lead to loss of revenue or higher than anticipated operating expenses or require additional capital expenditures. Any of these results could harm GMLP's business, financial condition and results of operations.

GMLP may be unable to obtain, maintain, and/or renew permits necessary for its operations or experience delays in obtaining such permits, which could have a material effect on its operations.

The design, construction and operation of FSRUs, FLNGs and LNG carriers and interconnecting pipelines require, and are subject to the terms of governmental approvals and permits. The permitting rules, and the interpretations of those rules, are complex, change frequently and are often subject to discretionary interpretations by regulators, all of which may make compliance more difficult or impractical, and may increase the length of time it takes to receive regulatory approval for offshore LNG operations. In the future, the relevant regulatory authorities may take actions to restrict or prohibit the access of FSRUs or LNG carriers to various ports or adopt new rules and regulations applicable to FSRUs and LNG carriers that will increase the time needed or affect GMLP's ability to obtain necessary environmental permits.

A shortage of qualified officers and crew, including due to disruption caused by the outbreak of pandemic diseases, such as COVID-19, could have an adverse effect on GMLP's business and financial condition.

FSRUs, FLNGs and LNG carriers require technically skilled officers and crews with specialized training. As the worldwide FSRU, FLNG and LNG carrier fleet has grown, the demand for technically skilled officers and crews has increased, which could lead to a shortage of such personnel. Increases in GMLP's historical vessel operating expenses have been attributable primarily to the rising costs of recruiting and retaining officers for its fleet. If GMLP's vessel managers are unable to employ technically skilled staff and crew, they will not be able to adequately staff its vessels. A material decrease in the supply of technically skilled officers or an inability of GLNG or its vessel managers to attract and retain such qualified officers could impair its ability to operate or increase the cost of crewing its vessels, which would materially adversely affect GMLP's business, financial condition and results of operations.

In addition, the Golar Winter is employed by Petrobras in Brazil. As a result, GMLP is required to hire a certain portion of Brazilian personnel to crew this vessel in accordance with Brazilian law. Also, the NR Satu is employed by PT Nusantara Regas, in Indonesia. As a result, GMLP is required to hire a certain portion of Indonesian personnel to crew the NR Satu in accordance with Indonesian law. Any inability to attract and retain qualified Brazilian and Indonesian crew members could adversely affect its business, results of operations and financial condition.

Furthermore, should there be an outbreak of COVID-19 on board one of GMLP's vessels, adequate crewing may not be available to fulfill the obligations under its contracts. Due to COVID-19, GMLP could face (i) difficulty in finding healthy qualified replacement officers and crew; (ii) local or international transport or quarantine restrictions limiting the ability to transfer infected crew members off the vessel or bring new crew on board, and (iii) restrictions in availability of supplies needed on board due to disruptions to third-party suppliers or transportation alternatives. Any inability GLNG or its affiliates experiences in the future to attract, hire, train and retain a sufficient number of qualified employees could impair GMLP's ability to manage, maintain and grow its business.

Due to the locations in which GMLP operate, GMLP is subject to political and security risks.

GMLP's operations may be affected by economic, political and governmental conditions in the countries where GMLP is engaged in business or where its vessels are registered. Any disruption caused by these factors could harm its business. In particular:

- GMLP derives a substantial portion of its revenues from shipping LNG from politically unstable regions, particularly the Arabian Gulf, Brazil, Indonesia and West Africa. Past political conflicts in certain of these regions have included attacks on vessels, mining of waterways and other efforts to disrupt shipping in the area. In addition to acts of terrorism, vessels trading in these and other regions have also been subject, in limited instances, to piracy. Future hostilities or other political instability in the regions in which GMLP operates or may operate could have a material adverse effect on the growth of its business, results of operations and financial condition. In addition, tariffs, trade embargoes and other economic sanctions by the United States or other countries against countries in the Middle East, Southeast Asia, Africa or elsewhere as a result of terrorist attacks, hostilities or otherwise may limit trading activities with those countries, which could also harm GMLP's business.

- The operations of Hilli Corp in Cameroon under the LTA are subject to higher political and security risks than operations in other areas of the world. Recently, Cameroon has experienced instability in its socio-political environment. Any extreme levels of political instability resulting in changes of governments, internal conflict, unrest and violence, especially from terrorist organizations prevalent in the region, such as Boko Haram, could lead to economic disruptions and shutdowns in industrial activities. In addition, corruption and bribery are a serious concern in the region. The operations of Hilli Corp in Cameroon are subject to these risks, which could materially adversely affect GMLP's revenues, its ability to perform under the LTA and its financial condition.
- In addition, Hilli Corp maintains insurance coverage for only a portion of the risks incidental to doing business in Cameroon. There also may be certain risks covered by insurance where the policy does not reimburse Hilli Corp for all of the costs related to a loss. For example, any claims covered by insurance will be subject to deductibles, which may be significant. In the event that Hilli Corp incurs business interruption losses with respect to one or more incidents, they could have a material adverse effect on GMLP's results of operations.

Vessel values may fluctuate substantially and, if these values are lower at a time when GMLP is attempting to dispose of vessels, GMLP may incur a loss.

Vessel values can fluctuate substantially over time due to a number of different factors, including:

- prevailing economic conditions in the natural gas and energy markets;
- a substantial or extended decline in demand for LNG;
- increases in the supply of vessel capacity without a commensurate increase in demand;
- the size and age of a vessel; and
- the cost of retrofitting or modifying existing vessels, as a result of technological advances in vessel design or equipment, changes in applicable environmental or other regulations or standards, customer requirements or otherwise.

As GMLP's vessels age, the expenses associated with maintaining and operating them are expected to increase, which could have an adverse effect on its business and operations if GMLP does not maintain sufficient cash reserves for maintenance and replacement capital expenditures. Moreover, the cost of a replacement vessel would be significant.

During the period a vessel is subject to a charter, GMLP will not be permitted to sell it to take advantage of increases in vessel values without the charterers' consent. If a charter terminates, GMLP may be unable to re-deploy the affected vessels at attractive rates and, rather than continue to incur costs to maintain and finance them, GMLP may seek to dispose of them. When vessel values are low, GMLP may not be able to dispose of vessels at a reasonable price when GMLP wish to sell vessels, and conversely, when vessel values are elevated, GMLP may not be able to acquire additional vessels at attractive prices when GMLP wish to acquire additional vessels, which could adversely affect GMLP's business, results of operations, cash flow, and financial condition.

The carrying values of GMLP's vessels may not represent their fair market value at any point in time because the market prices of secondhand vessels tend to fluctuate with changes in charter rates and the cost of new build vessels. GMLP's vessels are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Although GMLP did not recognize an impairment charge on any of its vessels for the year ended December 31, 2020, GMLP cannot assure you that GMLP will not recognize impairment losses on its vessels in future years. Any impairment charges incurred as a result of declines in charter rates could negatively affect GMLP's business, financial condition, or operating results.

GMLP vessels may call on ports located in countries that are subject to restrictions imposed by the U.S. or other governments, which could adversely affect its business.

Although no vessels operated by GMLP have called on ports located in countries subject to comprehensive sanctions and embargoes imposed by the U.S. government or countries identified by the U.S. government as state sponsors of terrorism, in the future GMLP's vessels may call on ports in these countries from time to time on its charterers' instructions. The U.S. sanctions and embargo laws and regulations vary in their application, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or strengthened over time.

Although GMLP believes that it has been in compliance with all applicable sanctions and embargo laws and regulations, and intends to maintain such compliance, there can be no assurance that GMLP will be in compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations. Any such violation could result in fines, penalties or other sanctions that could severely impact GMLP's ability to access U.S. capital markets and conduct its business. In addition, certain financial institutions may have policies against lending or extending credit to companies that have contracts with U.S. embargoed countries or countries identified by the U.S. government as state sponsors of terrorism. Moreover, GMLP charterers may violate applicable sanctions and embargo laws and regulations as a result of actions that do not involve GMLP or its vessels, and those violations could in turn negatively affect GMLP's reputation. In addition, GMLP's reputation may be adversely affected if it engages in certain other activities, such as entering into charters with individuals or entities in countries subject to U.S. sanctions and embargo laws that are not controlled by the governments of those countries, or engaging in operations associated with those countries pursuant to contracts with third parties that are unrelated to those countries or entities controlled by their governments.

Maritime claimants could arrest GMLP's vessels, which could interrupt its cash flow.

If GMLP is in default on certain kinds of obligations, such as those to its lenders, crew members, suppliers of goods and services to its vessels or shippers of cargo, these parties may be entitled to a maritime lien against one or more of GMLP's vessels. In many jurisdictions, a maritime lien holder may enforce its lien by arresting a vessel through foreclosure proceedings. In a few jurisdictions, claimants could try to assert "sister ship" liability against one vessel in GMLP's fleet for claims relating to another of its vessels. The arrest or attachment of one or more of GMLP's vessels could interrupt its cash flow and require it to pay to have the arrest lifted. Under some of GMLP's present charters, if the vessel is arrested or detained (for as few as 14 days in the case of one of our charters) as a result of a claim against it, GMLP may be in default of its charter and the charterer may terminate the charter. This would negatively impact GMLP's revenues and cash flows.

Risks Related to Ownership of Our Class A Common Stock

The Mergers may not be accretive and may cause dilution to our earnings per share, which may negatively affect the market price of our common stock.

Although we currently anticipate that the Mergers will be accretive to earnings per share (on an as adjusted earnings basis that is not pursuant to GAAP) from and after the Mergers, this expectation is based on assumptions about our, Hygo's and GMLP's business and preliminary estimates, which may change materially. As a result, certain other amounts to be paid in connection with the Mergers may cause dilution to our earnings per share or decrease or delay the expected accretive effect of the Mergers and cause a decrease in the market price of our common stock. In addition, we could also encounter additional transaction-related costs or other factors such as the failure to realize all of the benefits anticipated in the Mergers, including cost and revenue synergies. All of these factors could cause dilution to our earnings per share or decrease or delay the expected accretive effect of the Mergers and cause a decrease in the market price of our common stock.

The market price and trading volume of our Class A common stock may be volatile, which could result in rapid and substantial losses for our stockholders.

The market price of our Class A common stock may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume in our Class A common stock may fluctuate and cause significant price variations to occur. If the market price of our Class A common stock declines significantly, you may be unable to resell your shares at or above your purchase price, if at all. The market price of our Class A common stock may fluctuate or decline significantly in the future. Some of the factors that could negatively affect our share price or result in fluctuations in the price or trading volume of our Class A common stock include:

- a shift in our investor base;
- our quarterly or annual earnings, or those of other comparable companies;
- actual or anticipated fluctuations in our operating results;
- changes in accounting standards, policies, guidance, interpretations or principles;
- announcements by us or our competitors of significant investments, acquisitions or dispositions;
- the failure of securities analysts to cover our Class A common stock;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- the operating and share price performance of other comparable companies;
- overall market fluctuations;
- general economic conditions; and
- developments in the markets and market sectors in which we participate.

Stock markets in the United States have experienced extreme price and volume fluctuations. Market fluctuations, as well as general political and economic conditions such as acts of terrorism, prolonged economic uncertainty, a recession or interest rate or currency rate fluctuations, could adversely affect the market price of our Class A common stock.

Furthermore, the market price of our common stock may fluctuate significantly following consummation of the Mergers if, among other things, the combined company is unable to achieve the expected growth in earnings, or if the operational cost savings estimates in connection with the integration of our, Hygo's and GMLP's businesses are not realized, or if the transaction costs relating to the Mergers are greater than expected, or if the financing relating to the transaction is on unfavorable terms. The market price also may decline if the combined company does not achieve the perceived benefits of the Mergers as rapidly or to the extent anticipated by financial or industry analysts or if the effect of the Mergers on the combined company's financial position, results of operations or cash flows is not consistent with the expectations of financial or industry analysts. In addition, the results of operations of the combined company and the market price of our common stock after the completion of the Mergers may be affected by factors different from those currently affecting the independent results of operations of each of our, Hygo's and GMLP's and business.

We are a "controlled company" within the meaning of Nasdaq rules and, as a result, qualify for and intend to rely on exemptions from certain corporate governance requirements.

Affiliates of certain entities controlled by Wesley R. Edens and Randal A. Nardone ("Founder Entities") and affiliates of Fortress Investment Group LLC hold a majority of the voting power of our stock. In addition, pursuant to the Shareholders' Agreement, dated as of February 4, 2019, by and among the Company and the respective parties thereto (the "Shareholders' Agreement"), the Founder Entities currently have the right to nominate a majority of the members of our Board of Directors. Furthermore, the Shareholders' Agreement provides that the parties thereto will use their respective reasonable efforts (including voting or causing to be voted all of the Company's voting shares beneficially owned by each) to cause to be elected to the Board, and to cause to continue to be in office the director nominees selected by the Founder Entities. Affiliates of NFE SMRS Holdings LLC are parties to the Shareholders' Agreement and as of April 23, 2021 hold approximately 16.8% of the voting power of our stock. As a result, we are a controlled company within the meaning of the Nasdaq corporate governance standards. Under Nasdaq rules, a company of which more than 50% of the voting power for the election of directors is held by an individual, a group or another company is a controlled company and may elect not to comply with certain Nasdaq corporate governance requirements, including the requirements that:

- a majority of the board of directors consist of independent directors as defined under the rules of Nasdaq;
- the nominating and governance committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- the compensation committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities.

These requirements will not apply to us as long as we remain a controlled company. A controlled company does not need its board of directors to have a majority of independent directors or to form independent compensation and nominating and governance committees. We intend to utilize some or all of these exemptions. Accordingly, our corporate governance may not afford the same protections as companies that are subject to all of the corporate governance requirements of Nasdaq.

A small number of our original investors have the ability to direct the voting of a majority of our stock, and their interests may conflict with those of our other stockholders.

As of April 23, 2021, affiliates of the Founder Entities own an aggregate of approximately 112,223,619 shares of Class A common stock, representing 54.3% of our voting power. As of April 23, 2021, Wesley R. Edens, Randal A. Nardone and Fortress Investment Group LLC directly or indirectly own 72,627,776 shares, 26,196,526 shares and 13,399,317 shares, respectively, of our Class A common stock, representing 35.1%, 12.7% and 6.5% of the voting power of the Class A common stock, respectively. The beneficial ownership of greater than 50% of our voting stock means affiliates of the Founder Entities are able to control matters requiring stockholder approval, including the election of directors, changes to our organizational documents and significant corporate transactions. This concentration of ownership makes it unlikely that any other holder or group of holders of our Class A common stock will be able to affect the way we are managed or the direction of our business. The interests of the affiliates of the Founder Entities with respect to matters potentially or actually involving or affecting us, such as future acquisitions, financings and other corporate opportunities and attempts to acquire us, may conflict with the interests of our other stockholders, including holders of the Class A common stock.

Given this concentrated ownership, the affiliates of the Founder Entities would have to approve any potential acquisition of us. The existence of a significant stockholder may have the effect of deterring hostile takeovers, delaying or preventing changes in control or changes in management, or limiting the ability of our other stockholders to approve transactions that they may deem to be in the best interests of our company. Moreover, the concentration of stock ownership with affiliates of the Founder Entities may adversely affect the trading price of our securities, including our Class A common stock, to the extent investors perceive a disadvantage in owning securities of a company with a significant stockholder.

Furthermore, in connection with the IPO, we entered into a shareholders' agreement (the "Shareholders' Agreement") with New Fortress Energy Holdings and its affiliates, and in connection with the Exchange Transactions (as defined herein), New Fortress Energy Holdings assigned, pursuant to the terms of the Shareholders' Agreement, to the Founder Entities, New Fortress Energy Holdings' right to designate a certain number of individuals to be nominated for election to our board of directors so long as its assignees collectively beneficially own at least 5% of the outstanding Class A common stock. The Shareholders' Agreement provides that the parties to the Shareholders' Agreement (including certain former members of New Fortress Energy Holdings) shall vote their stock in favor of such nominees. In addition, our Certificate of Incorporation provides the Founder Entities the right to approve certain material transactions so long as the Founder Entities and their affiliates collectively, directly or indirectly, own at least 30% of the outstanding Class A common stock.

Our Certificate of Incorporation and By-Laws, as well as Delaware law, contain provisions that could discourage acquisition bids or merger proposals, which may adversely affect the market price of our Class A common stock and could deprive our investors of the opportunity to receive a premium for their Class A common stock.

Our Certificate of Incorporation and By-Laws authorize our board of directors to issue preferred stock without stockholder approval in one or more series, designate the number of stock constituting any series, and fix the rights, preferences, privileges and restrictions thereof, including dividend rights, voting rights, rights and terms of redemption, redemption price or prices and liquidation preferences of such series. If our board of directors elects to issue preferred stock, it could be more difficult for a third -party to acquire us. In addition, some provisions of our Certificate of Incorporation and By-Laws could make it more difficult for a third -party to acquire control of us, even if the change of control would be beneficial to our securityholders. These provisions include:

- dividing our board of directors into three classes of directors, with each class serving staggered three-year terms;
- providing that all vacancies, including newly created directorships, may, except as otherwise required by law, or, if applicable, the rights of holders of a series of preferred stock, only be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- permitting special meetings of our stockholders to be called only by (i) the chairman of our board of directors, (ii) a majority of our board of directors, or (iii) a committee of our board of directors that has been duly designated by the board of directors and whose powers include the authority to call such meetings;
- prohibiting cumulative voting in the election of directors;
- establishing advance notice provisions for stockholder proposals and nominations for elections to the board of directors to be acted upon at meetings of the stockholders; and
- providing that the board of directors is expressly authorized to adopt, or to alter or repeal our certain provisions of our organizational documents to the extent permitted by law.

Additionally, our Certificate of Incorporation provides that we have opted out of Section 203 of the Delaware General Corporation Law. However, our Certificate of Incorporation includes a similar provision, which, subject to certain exceptions, prohibits us from engaging in a business combination with an "interested stockholder," unless the business combination is approved in a prescribed manner. Subject to certain exceptions, an "interested stockholder" means any person who, together with that person's affiliates and associates, owns 15% or more of our outstanding voting stock or an affiliate or associate of ours who owned 15% or more of our outstanding voting stock at any time within the previous three years, but shall not include any person who acquired such stock from the Founder Entities or NFE SMRS Holdings LLC (except in the context of a public offering) or any person whose ownership of stock in excess of 15% of our outstanding voting stock is the result of any action taken solely by us. Our Certificate of Incorporation provides that the Founder Entities and NFE SMRS Holdings LLC and any of their respective direct or indirect transferees, and any group as to which such persons are a party, do not constitute "interested stockholders" for purposes of this provision.

Our Certificate of Incorporation and By-Laws designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or agents.

Our Certificate of Incorporation and By-Laws provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is, to the fullest extent permitted by applicable law, the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or agents to us or our stockholders, (iii) any action asserting a claim against us or any of our directors, officers or employees arising pursuant to any provision of our organizational documents, the Delaware Limited Liability Company Act or the DGCL, as applicable, or (iv) any action asserting a claim against us or any of our directors, officers or employees that is governed by the internal affairs doctrine, in each such case subject to such Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. Any person or entity purchasing or otherwise acquiring any interest in our stock will be deemed to have notice of, and consented to, the provisions described in the preceding sentence. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it considers more likely to be favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and such persons. Alternatively, if a court were to find these provisions of our organizational documents inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition, results of operations or prospects.

The declaration and payment of dividends to holders of our Class A common stock is at the discretion of our board of directors and there can be no assurance that we will continue to pay dividends in amounts or on a basis consistent with prior distributions to our investors, if at all.

The declaration and payment of dividends to holders of our Class A common stock will be at the discretion of our board of directors in accordance with applicable law after taking into account various factors, including actual results of operations, liquidity and financial condition, net cash provided by operating activities, restrictions imposed by applicable law, our taxable income, our operating expenses and other factors our board of directors deem relevant. There can be no assurance that we will continue to pay dividends in amounts or on a basis consistent with prior distributions to our investors, if at all. Because we are a holding company and have no direct operations, we will only be able to pay dividends from our available cash on hand and any funds we receive from our subsidiaries and our ability to receive distributions from our subsidiaries may be limited by the financing agreements to which they are subject.

The incurrence or issuance of debt which ranks senior to our Class A common stock upon our liquidation, including any debt issued in connection with the financing of the Mergers and future issuances of equity or equity-related securities, which would dilute the holdings of our existing Class A common stockholders and may be senior to our Class A common stock for the purposes of making distributions, periodically or upon liquidation, may negatively affect the market price of our Class A common stock.

We have incurred and may in the future incur or issue debt, including any debt issued in connection with the financing of the Mergers, or issue equity or equity-related securities to finance our operations, acquisitions or investments. Upon our liquidation, lenders and holders of our debt and holders of our preferred stock (if any) would receive a distribution of our available assets before Class A common stockholders. Any future incurrence or issuance of debt would increase our interest cost and could adversely affect our results of operations and cash flows. We are not required to offer any additional equity securities to existing Class A common stockholders on a preemptive basis. Therefore, additional issuances of Class A common stock, directly or through convertible or exchangeable securities (including limited partnership interests in our operating partnership), warrants or options, will dilute the holdings of our existing Class A common stockholders and such issuances, or the perception of such issuances, may reduce the market price of our Class A common stock. Any preferred stock issued by us would likely have a preference on distribution payments, periodically or upon liquidation, which could eliminate or otherwise limit our ability to make distributions to Class A common stockholders. Because our decision to incur or issue debt or issue equity or equity-related securities in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, nature or success of our future capital raising efforts. Thus, Class A common stockholders bear the risk that our future incurrence or issuance of debt or issuance of equity or equity-related securities will adversely affect the market price of our Class A common stock.

We may issue preferred stock, the terms of which could adversely affect the voting power or value of our Class A common stock.

Our Certificate of Incorporation and By-Laws authorize us to issue, without the approval of our stockholders, one or more classes or series of preferred stock having such designations, preferences, limitations and relative rights, including preferences over our Class A common stock in respect of dividends and distributions, as our board of directors may determine. The terms of one or more classes or series of preferred stock could adversely impact the voting power or value of our Class A common stock. For example, we might grant holders of preferred stock the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we might assign to holders of preferred stock could affect the residual value of the Class A common stock.

Sales or issuances of our Class A common stock could adversely affect the market price of our Class A common stock.

Sales of substantial amounts of our Class A common stock in the public market, or the perception that such sales might occur, could adversely affect the market price of our Class A common stock. The issuance of our Class A common stock in connection with property, portfolio or business acquisitions or the exercise of outstanding options or otherwise could also have an adverse effect on the market price of our Class A common stock.

An active, liquid and orderly trading market for our Class A common stock may not be maintained and the price of our Class A common stock may fluctuate significantly.

Prior to January 2019, there was no public market for our Class A common stock. An active, liquid and orderly trading market for our Class A common stock may not be maintained. Active, liquid and orderly trading markets usually result in less price volatility and more efficiency in carrying out investors' purchase and sale orders. The market price of our Class A common stock could vary significantly as a result of a number of factors, some of which are beyond our control. In the event of a drop in the market price of our Class A common stock, you could lose a substantial part or all of your investment in our Class A common stock.

We recently ceased to be an emerging growth company, and now are required to comply with certain heightened reporting requirements, including those relating to auditing standards and disclosure about our executive compensation.

The Jumpstart Our Business Startups Act of 2012, or "JOBS Act", contains provisions that, among other things, relax certain reporting requirements for "emerging growth companies," including certain requirements relating to auditing standards and compensation disclosure. Prior to September 2, 2020, we were classified as an emerging growth company. As an emerging growth company, we were not required to, among other things, (i) provide an auditor's attestation report on management's assessment of the effectiveness of our system of internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act and (ii) comply with any new requirements adopted by the PCAOB requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer, (iii) provide certain disclosures regarding executive compensation required of larger public companies or (iv) hold nonbinding advisory votes on executive compensation. When we were an emerging growth company, we followed the exemptions described above. We also elected to use the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards under Section 102(b)(2) of the JOBS Act. This election allowed us to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies. As a result, our financial statements may not have been comparable to companies that comply with public company effective dates, and our stockholders and potential investors may have difficulty in analyzing our historical operating results if comparing us to such companies. In addition, because we relied on exemptions available to emerging growth companies, our historical public filings contained less information about our executive compensation and internal control over financial reporting than issuers that are not emerging growth companies.

We expect to incur additional costs associated with the heightened reporting requirements described above, including the requirement to provide auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act, as well as additional audit costs resulting from PCAOB requirements. In addition, our auditors may identify control deficiencies of varying degrees of severity, and we may incur significant costs to remediate those deficiencies or otherwise improve our internal controls. As a public company, we are required to report any control deficiencies that constitute a "material weakness" in our internal control over financial reporting, and doing so could impair our ability to raise capital and otherwise adversely affect the value of our securities.

If we fail to develop or maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud. As a result, current and potential stockholders could lose confidence in our financial reporting, which would harm our business and the trading price of our Class A common stock.

Effective internal controls are necessary for us to provide reliable financial reports, prevent fraud and operate successfully as a publicly traded company. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results would be harmed. We cannot be certain that we will be able to maintain adequate controls over our financial processes and reporting in the future or that we will be able to comply with our obligations under Section 404 of the Sarbanes-Oxley Act. Any failure to develop or maintain effective internal controls, or difficulties encountered in implementing or improving our internal controls, could harm our operating results or cause us to fail to meet our reporting obligations. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which would likely have a negative effect on the trading price of our Class A common stock.

The requirements of being a public company, including compliance with the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the requirements of the Sarbanes-Oxley Act, may strain our resources, increase costs and distract management, and we may be unable to comply with these requirements in a timely or cost-effective manner.

As a public company with stock listed on Nasdaq, we are subject to an extensive body of regulations, including certain provisions of the Sarbanes-Oxley Act, the Dodd-Frank Act, regulations of the SEC and Nasdaq requirements. Compliance with these rules and regulations increases our legal, accounting, compliance and other expenses. For example, as a result of becoming a public company, we added independent directors and created additional board committees. We entered into an administrative services agreement with FIG LLC, an affiliate of Fortress Investment Group (which currently employs Messrs. Edens, our chief executive officer and chairman of our Board of Directors, and Nardone, one of our Directors), in connection with the IPO, pursuant to which FIG LLC provides us with certain back-office services and charges us for selling, general and administrative expenses incurred to provide these services. In addition, we may incur additional costs associated with our public company reporting requirements and maintaining directors' and officers' liability insurance. It is possible that our actual incremental costs of being a publicly traded company will be higher than we currently estimate, and the incremental costs may have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

If securities or industry analysts do not publish research or reports about our business, if they adversely change their recommendations regarding our Class A common stock or if our operating results do not meet their expectations, our share price could decline.

The trading market for our Class A common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose viability in the financial markets, which in turn could cause our share price or trading volume to decline.

We may fail to realize the anticipated benefits of the Exchange Transactions and the Conversion or those benefits may take longer to realize than expected or may not offset the costs of the Exchange Transactions and the Conversion, which could have an adverse impact on the trading price of our Class A common stock.

We expect the Exchange Transactions and the Conversion will confer several significant benefits to us. Most notably, we expect that the Exchange Transactions will significantly reduce our future tax distribution obligations to the members of NFI, which will enable us to instead invest those funds to develop projects that we expect will increase our returns for all stockholders, enhance our liquidity, improve our credit profile and potentially lower our cost of capital.

We may fail to realize the anticipated benefits of the Exchange Transactions and the Conversion or those benefits may take longer to realize than we expect. Moreover, there can be no assurance that the anticipated benefits of the Exchange Transactions and the Conversion will offset their costs. Our failure to achieve the anticipated benefits of the Exchange Transactions and the Conversion at all or in a timely manner, or a failure of any benefits realized to offset its costs, could have an adverse impact on the trading price of our Class A common stock.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Not applicable.

Item 6. Exhibits.

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated as of January 13, 2021, by and among NFE, GMLP Merger Sub, GP Buyer, GMLP and the General Partner (incorporated by reference to Exhibit 2.1 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on January 20, 2021).
2.2	Transfer Agreement, dated as of January 13, 2021, by and among GP Buyer, GLNG and the General Partner (incorporated by reference to Exhibit 2.2 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on January 20, 2021).
2.3	Agreement and Plan of Merger, dated as of January 13, 2021, by and among NFE, Hygo Merger Sub, Hygo and the Hygo Shareholders (incorporated by reference to Exhibit 2.3 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on January 20, 2021).
3.1	Certificate of Formation of New Fortress Energy LLC (incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-1 (File No. 333-228339), filed with the SEC on November 9, 2018)
3.2	Certificate of Amendment to Certificate of Formation of New Fortress Energy LLC (incorporated by reference to Exhibit 3.2 to the Registrant's Registration Statement on Form S-1 (File No. 333-228339), filed with the SEC on November 9, 2018)
3.3	First Amended and Restated Limited Liability Company Agreement of New Fortress Energy LLC, dated February 4, 2019 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
3.4	Certificate of Conversion of New Fortress Energy Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed with the SEC on August 7, 2020).
3.5	Certificate of Incorporation of New Fortress Energy Inc. (incorporated by reference to Exhibit 3.2 to the Registrant's Form 8-K filed with the SEC on August 7, 2020).
3.6	Bylaws of New Fortress Energy Inc. (incorporated by reference to Exhibit 3.3 to the Registrant's Form 8-K filed with the SEC on August 7, 2020).
10.1	Contribution Agreement, dated February 4, 2019, by and among New Fortress Energy LLC, New Fortress Intermediate LLC, New Fortress Energy Holdings LLC, NFE Atlantic Holdings LLC and NFE Sub LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).

10.2	Amended and Restated Limited Liability Company Agreement of New Fortress Intermediate LLC, dated February 4, 2019 (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
10.3†	New Fortress Energy LLC 2019 Omnibus Incentive Plan (incorporated by reference to Exhibit 4.4 to the Registrant's Registration Statement on Form S-8 (File No. 333-229507), filed with the SEC on February 4, 2019).
10.4†	Form of Director Restricted Share Unit Award Agreement (incorporated by reference to Exhibit 10.4 to the Registrant's Registration Statement on Form S-1/A (File No. 333-228339), filed with the SEC on December 24, 2018).
10.5†	Form of Employee Restricted Share Unit Award Agreement (incorporated by reference to Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q (File No. 001- 38790), filed with the Commission on May 15, 2019).
10.6	Shareholders' Agreement, dated February 4, 2019, by and among New Fortress Energy LLC, New Fortress Energy Holdings LLC, Wesley R. Edens and Randal A. Nardone (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
10.7	Administrative Services Agreement, dated February 4, 2019, by and between New Fortress Intermediate LLC and FIG LLC (incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
10.8†	Indemnification Agreement (Edens) (incorporated by reference to Exhibit 10.4 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).

10.9†	Indemnification Agreement (Guinta) (incorporated by reference to Exhibit 10.5 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
10.10†	Indemnification Agreement (Catterall) (incorporated by reference to Exhibit 10.7 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
10.11†	Indemnification Agreement (Grain) (incorporated by reference to Exhibit 10.8 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
10.12†	Indemnification Agreement (Griffin) (incorporated by reference to Exhibit 10.9 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
10.13†	Indemnification Agreement (Mack) (incorporated by reference to Exhibit 10.10 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
10.14†	Indemnification Agreement (Nardone) (incorporated by reference to Exhibit 10.11 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
10.15†	Indemnification Agreement (Wanner) (incorporated by reference to Exhibit 10.12 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
10.16†	Indemnification Agreement (Wilkinson) (incorporated by reference to Exhibit 10.13 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
10.17	Amendment Agreement dated as February 11, 2019 to Credit Agreement, dated as of August 15, 2018 and as amended and restated as of December 31, 2018, among New Fortress Intermediate LLC, NFE Atlantic Holdings LLC, the subsidiary guarantors from time to time party thereto, lenders parties thereto and Morgan Stanley Senior Funding, Inc., as administrative agent (incorporated by reference to Exhibit 10.25 to the Registrant's Annual Report on Form 10-K, filed with the SEC on March 26, 2019).
10.18	Second Amendment Agreement, dated as of March 13, 2019 to the Credit Agreement, dated as of August 15, 2018 and as amended and restated as of December 31, 2018, and as amended as of February 11, 2019, among New Fortress Intermediate LLC, NFE Atlantic Holdings LLC, the subsidiary guarantors from time to time party thereto, lenders parties thereto and Morgan Stanley Senior Funding, Inc., as administrative agent (incorporated by reference to Exhibit 10.26 to the Registrant's Annual Report on Form 10-K, filed with the SEC on March 26, 2019).
10.19	Engineering, Procurement and Construction Agreement for the Marcellus LNG Production Facility I, dated January 8, 2019, by and between Bradford County Real Estate Partners LLC and Black & Veatch Construction, Inc. (incorporated by reference to Exhibit 10.17 to the Registrant's Registration Statement on Form S-1/A (File No. 333-228339), filed with the SEC on January 25, 2019).
10.20†	Indemnification Agreement, dated as of March 17, 2019, by and between New Fortress Energy LLC and Yunyoung Shin (incorporated by reference to Exhibit 10.29 to the Registrant's Annual Report on Form 10-K, filed with the SEC on March 26, 2019).
10.21	Letter Agreement, dated as of December 3, 2019, by and between NFE Management LLC and Yunyoung Shin. (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q, filed with the SEC on May 6, 2020)
10.22	Indenture, dated September 2, 2020, by and among the Company, the subsidiary guarantors from time to time party thereto, and U.S. Bank National Association, as trustee and as notes collateral agent (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on September 2, 2020).
10.23	Pledge and Security Agreement, dated September 2, 2020, by and among the Company, the subsidiary guarantors from time to time party thereto, and U.S. Bank National Association, as notes collateral agent (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on September 2, 2020).

10.24	First Supplemental Indenture, dated December 17, 2020, by and among the Company, the subsidiary guarantors from time to time party thereto and U.S. Bank National Association, as trustee and as notes collateral agent (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on December 18, 2020).
10.25	Support Agreement, dated as of January 13, 2021, by and among NFE, GMLP, GLNG and the General Partner (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on January 20, 2021)
10.26	Indenture, dated April 12, 2021, by and among the Company, the subsidiary guarantors from time to time party thereto, and U.S. Bank National Association, as trustee and as notes collateral agent (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on April 12, 2021).

10.27	Pledge and Security Agreement, dated April 12, 2021, by and among the Company, the subsidiary guarantors, from time to time party thereto, and U.S. Bank National Association, as notes collateral agent (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on April 12, 2021).
10.28	Shareholders' Agreement, dated as of April 15, 2021, by and among the Company, GLNG, and Stonepeak (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on April 21, 2021).
10.29	Credit Agreement, dated as of April 15, 2021, by and among the Company, as the borrower, the guarantors from time to time party thereto, the several lenders and issuing banks from time to time party thereto, and Morgan Stanley Senior Funding, Inc,. as administrative agent and collateral agent (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on April 21, 2021).
10.30	Omnibus Agreement, dated as of April 15, 2021, by and among the Company, GLNG and certain other parties thereto (incorporated by reference to Exhibit 10.30 to the Registrant's Quarterly Report on Form 10-Q, filed with the SEC on May 7, 2021).
10.31	Indemnity Agreement, dated as of April 15, 2021, by and among the Company, GLNG, and certain affiliates of Stonepeak (incorporated by reference to Exhibit 10.31 to the Registrant's Quarterly Report on Form 10-Q, filed with the SEC on May 7, 2021).
10.32	Omnibus Agreement, dated as of April 15, 2021, by and among the Company, GMLP, GLNG and certain parties thereto (incorporated by reference to Exhibit 10.32 to the Registrant's Quarterly Report on Form 10-Q, filed with the SEC on May 7, 2021).
10.33	Indemnification Agreement, dated as of April 15, 2021, by and between NFE International and GLNG (incorporated by reference to Exhibit 10.33 to the Registrant's Quarterly Report on Form 10-Q, filed with the SEC on May 7, 2021).
10.34	Facility Agreement, dated September 18, 2021, by and among Golar Partners Operating LLC as the Borrower, Golar LNG Partners LP and certain subsidiaries of the Borrower, with (i) Citibank N.A. and the lenders from time to time party thereto; (ii) Citigroup Global Markets Limited, Morgan Stanley Senior Funding, Inc. and HSBC Bank USA, N.A. as mandated lead arrangers; (iii) Goldman Sachs Bank USA as arranger; (iv) Citigroup Global Markets Limited and Morgan Stanley Senior Funding, Inc. as bookrunners; (v) Citigroup Global Markets Limited and Morgan Stanley Senior Funding, Inc. as co-ordinators, (vi) Citibank Europe Plc, UK Branch as agent and (vii) Citibank, N.A., London Branch as security agent.
31.1*	Certification by Chief Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a) of the Exchange Act Rules, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification by Chief Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a) of the Exchange Act Rules, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certifications by Chief Executive Officer pursuant to Title 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes-Oxley Act of 2002.
32.2**	Certifications by Chief Financial Officer pursuant to Title 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Schema Document
101.CAL*	XBRL Calculation Linkbase Document
101.LAB*	XBRL Label Linkbase Document

101.PRE*	XBRL Presentation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
104*	Cover Page Interactive Data File, formatted in Inline XBRL and contained in Exhibit 101

* Filed as an exhibit to this Quarterly Report
** Furnished as an exhibit to this Quarterly Report
† Compensatory plan or arrangement

SIGNATURES

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.

NEW FORTRESS ENERGY INC.

Date: November 3, 2021

By: /s/ Wesley R. Edens

Name: Wesley R. Edens

Title: Chief Executive Officer and Chairman

(Principal Executive Officer)

Date: November 3, 2021

By: /s/ Christopher S. Guinta

Name: Christopher S. Guinta

Title: Chief Financial Officer

(Principal Financial Officer)

Date: November 3, 2021

By: /s/ Yunyoung Shin

Name: Yunyoung Shin

Title: Chief Accounting Officer

(Principal Accounting Officer)

Exhibit 10.34

Private & Confidential

Execution Version
RYYS/RJXH/1001144942

Dated 18 September 2021

GOLAR PARTNERS OPERATING LLC
as Borrower

arranged by

CITIGROUP GLOBAL MARKETS LIMITED
MORGAN STANLEY SENIOR FUNDING, INC.
HSBC BANK USA, N.A.
as Mandated Lead Arrangers

GOLDMAN SACHS BANK USA
as Arranger

CITIGROUP GLOBAL MARKETS LIMITED
MORGAN STANLEY SENIOR FUNDING, INC.
as Bookrunners

CITIGROUP GLOBAL MARKETS LIMITED
MORGAN STANLEY SENIOR FUNDING, INC.
as Co-ordinators

CITIBANK EUROPE PLC, UK BRANCH
as Agent

and

CITIBANK, N.A., LONDON BRANCH
as Security Agent

FACILITY AGREEMENT

for

UP TO $725,000,000 SENIOR SECURED AMORTISING TERM LOAN FACILITY

NORTON ROSE FULBRIGHT

Contents

THIS AGREEMENT is dated 2021 and made between:

(1) **GOLAR PARTNERS OPERATING LLC** (the **Borrower**);

(2) **GOLAR LNG PARTNERS LP** (the **Parent**);

(3) **THE ENTITIES** listed in Schedule 1 as original guarantors (the **Original Guarantors**);

(4) **CITIGROUP GLOBAL MARKETS LIMITED**, **MORGAN STANLEY SENIOR FUNDING, INC. and HSBC Bank USA, N.A.** as mandated lead arrangers (the **Mandated Lead Arrangers**);

(5) **GOLDMAN SACHS BANK USA** as arranger (together with the Mandated Lead Arrangers, the **Arrangers**);

(6) **THE FINANCIAL INSTITUTIONS** listed in Schedule 1 as lenders (the **Original Lenders**);

(7) **THE FINANCIAL INSTITUTIONS** listed in Schedule 1 as hedging providers (the **Hedging Providers**);

(8) **CITIGROUP GLOBAL MARKETS LIMITED** and **MORGAN STANLEY SENIOR FUNDING, INC.** as co-ordinators (the **Co-ordinators**);

(9) **CITIGROUP GLOBAL MARKETS LIMITED** and **MORGAN STANLEY SENIOR FUNDING, INC.** as bookrunners (the **Bookrunners**);

(10) **CITIBANK EUROPE PLC, UK BRANCH** as agent of the other Finance Parties (the **Agent**); and

(11) **CITIBANK, N.A., LONDON BRANCH** as security agent of the Finance Parties (the **Security Agent**).

IT IS AGREED as follows:

Section 1 - Interpretation

1 Definitions and interpretation

1.1 Definitions

In this Agreement and (unless otherwise defined in the relevant Finance Document) the other Finance Documents.

Accession Letter means a document substantially in the form set out in Schedule 12.

Accordion Lender has the meaning given to that term in clause 2.3(b) (*Ship H*).

Account means any bank account, deposit or certificate of deposit opened, made or established in accordance with clause 27 (*Bank accounts*).

Account Bank means, in relation to any Account other than a Brazilian Account, Nordea Bank Abp, filial i Norge or, as the case may, Citibank N.A., London Branch in accordance with clause 4.7 (*Conditions subsequent*), and in relation to any Brazilian Account, Citibank Rio de Janeiro.

Account Holder(s) means, in relation to any Account, each Obligor in whose name that Account is held.

Account Security means, in relation to an Account, a deed or other instrument by the relevant Account Holder(s) in favour of the Security Agent in an agreed form conferring a Security Interest over that Account.

Accounting Reference Date means 31 December or such other date as may be approved by the Lenders.

Additional Advance means, subject to clause 2.4 (*Additional Advances*), each borrowing of an Advance of the Total Commitments up to the aggregate amount of $170,000,000 and **Additional Advances** means any or all of them.

Additional Business Day means any day specified as such in the Compounded Rate Terms.

Additional Guarantor means the Golar Eskimo Lessee referred to in Schedule 13 *(Additional Guarantor and Ship H)* which becomes an additional guarantor in accordance with clause 34.2.

Advance means each borrowing of a portion of the Total Commitments by the Borrower or (as the context may require) the outstanding principal amount of such borrowing.

Affiliate means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

Agent includes any person who may be appointed as such under the Finance Documents.

Annex VI means Annex VI of the Protocol of 1997 (as subsequently amended from time to time) to amend the International Convention for the Prevention of Pollution from Ships 1973 (Marpol), as modified by the Protocol of 1978 relating thereto.

Applicable Fraction means a fraction having (a) a numerator equal to the Vessel Value of the relevant Ship plus the firm remaining EBITDA (applicable to the relevant Owner and Bareboat Charterer instead of the Group) of such Ship up to the Final Repayment Date and (b) a denominator equal to the Vessel Value of all of the Ships plus the firm remaining EBITDA (applicable to the relevant Owners and Bareboat Charterers instead of the Group) of all of the Ships up to the Final Repayment Date.

Approved Commercial Manager means Golar Management Ltd or another commercial manager approved by the Majority Lender, such approval not to be unreasonably withheld.

Approved Flag State means the Marshall Islands or any other international flag reasonably acceptable to all the Lenders.

Approved Technical Manager means Golar Management Norway AS (and Wilhelmsen Ship Management AS as sub-manager) or another technical manager approved by the Majority Lenders, such approval not to be unreasonably withheld.

Article 55 BRRD means Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

Assignment Deed means:

(a) in relation to a Ship which is not subject to a Time Charter or a Bareboat Charter, a first assignment deed in respect of that Ship executed or (as the context may require) to be executed by the Owner in favour of the Security Agent in the agreed form pursuant to which the Owner assigns its rights in the Earnings, the Insurances and the Requisition Compensation of that Ship;

(b) in relation to a Ship which is subject to a Time Charter only, a first assignment deed in respect of that Ship executed or (as the context may require) to be executed by the Owner in favour of the Security Agent in the agreed form pursuant to which:

(i) the Owner assigns its rights in the Earnings, the Insurances and the Requisition Compensation of that Ship; and

(ii) the Owner assigns its interest in the Time Charter in respect of that Ship and any other Charter Documents in respect of that Ship to which it is a party; and

(c) in relation to a Ship which is subject to a Bareboat Charter and a Time Charter, a first assignment deed in respect of that Ship executed or (as the context may require) to be executed by the Owner and the Bareboat Charterer (but excluding for the avoidance of doubt the NFE Bareboat Charterer) in favour of the Security Agent in the agreed form pursuant to which:

(i) the Owner and the Bareboat Charterer assign their respective rights in the Earnings, the Insurances and the Requisition Compensation of that Ship;

(ii) the Owner assigns its interest in the Bareboat Charter in respect of that Ship and any other Charter Documents in respect of that Ship to which it is a party; and

(iii) the Bareboat Charterer assigns its interest in the Time Charter in respect of that Ship and any other Charter Documents in respect of that Ship to which it is a party.

Auditors mean Ernst & Young or any other firm appointed to act as statutory auditors of the Group which has been notified to the Agent.

Available Facility means, at any relevant time, such part of the Total Commitments (drawn and undrawn) which is available for borrowing under this Agreement at such time in accordance with clause 4 (*Conditions of Utilisation*) to the extent that such part of the Total Commitments is not cancelled or reduced under this Agreement.

Backstop Rate Switch Date means the date specified as such in the Compounded Rate Terms or any other date agreed as such between the Agent, the Lenders and the Borrower.

Bail-In Action means the exercise of any Write-down and Conversion Powers.

Bail-In Legislation means:

(a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time;

(b) in relation to any state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation; and

(a) in relation to the United Kingdom, the UK Bail-In Legislation.

Bareboat Charter means, in relation to a Ship, the bareboat charter commitment for that Ship as at the date of this Agreement details of which are provided in Schedule 2 (*Ship information)* (other than the NFE Bareboat Charter).

Bareboat Charterer means, in relation to a Ship, the bareboat charterer named in Schedule 2 (*Ship information*) as the bareboat charterer of that Ship (other than the NFE Bareboat Charterer).

Bareboat Charterer Earnings Accounts means each of the interest bearing dollar accounts of a Bareboat Charterer with the Account Bank designated as an "**Earnings Account**" under clause 27 (*Bank accounts*).

Basel II Accord means the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 as updated prior to, and in the form existing on, the date of this Agreement, excluding any amendment thereto arising out of the Basel III Accord or Reformed Basel III.

Basel II Approach means, in relation to any Finance Party, either the Standardised Approach or the relevant Internal Ratings Based Approach (each as defined in the Basel II Regulations applicable to such Finance Party) adopted by that Finance Party (or any of its Affiliates) for the purposes of implementing or complying with the Basel II Accord.

Basel II Increased Cost means an Increased Cost which is attributable to the implementation or application of or compliance with any Basel II Regulation in force as at the date hereof (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).

Basel II Regulation means:

(a) any law or regulation in force as at the date hereof implementing the Basel II Accord, (including the relevant provisions of CRD IV and CRR) to the extent only that such law or regulation re-enacts and/or implements the requirements of the Basel II Accord but excluding any provision of such law or regulation implementing the Basel III Accord; and

(b) any Basel II Approach adopted by a Finance Party or any of its Affiliates.

Basel III Accord means, together:

(a) the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;

(b) the rules for global systemically important banks contained in “Global systemically important banks: assessment methodology and the additional loss absorbency requirement - Rules text” published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and

(c) any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III”

other than, in each such case, the agreements, rules, guidance and standards set out in Reformed Basel III as amended, supplemented or restated after the date of this Agreement.

Basel III Increased Cost means an Increased Cost which is attributable to the implementation or application of or compliance with any Basel III Regulation (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).

Basel III Regulation means any law or regulation implementing the Basel III Accord (including the relevant provisions of CRD IV and CRR) save to the extent that such law or regulation re-enacts a Basel II Regulation and excluding any such law or regulation which implements Reformed Basel III.

Beneficial Ownership Certification means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

Beneficial Ownership Regulation means 31 C.F.R. § 1010.230.

Borrower means the company described as such in Schedule 1 *(The original parties)*.

Borrower Earnings Accounts means each of the interest bearing dollar accounts of the Borrower with the Account Bank designated as an "**Earnings Account**" under clause 27 (*Bank accounts*).

Brazilian Account means the Brazilian real account of Golar Serviços de Operação de Embarcações Limitada with the Citibank Rio de Janeiro with account number 37295080 in respect of Ship F or such replacement account number as notified by the Borrower to the Agent.

Break Costs means, in respect of any Term Rate Loan, the amount (if any) by which:

(a) the interest (excluding the Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in the Loan or the relevant part of it or Unpaid Sum to the last day of the current Interest Period in respect of the Loan or the relevant part of it or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

(b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

Business Day means:

(a) a day (other than a Saturday or Sunday) on which banks are open for general business in London and New York; and

(b) in relation to:

(i) any date for payment or purchase of an amount relating to a Compounded Rate Loan; or

(ii) the determination of the first day or the last day of an Interest Period for a Compounded Rate Loan, or otherwise in relation to the determination of the length of such an Interest Period,

which is an Additional Business Day relating to that Loan or Unpaid Sum.

Central Bank Rate has the meaning given to that term in the Compounded Rate Terms.

Central Bank Rate Adjustment has the meaning given to that term in the Compounded Rate Terms.

Change of Control occurs if:

(a) the Borrower ceases to be a direct wholly owned Subsidiary of the Parent;

(b) the Borrower ceases to indirectly or directly wholly own each Owner and each Bareboat Charterer of the Ships;

(c) NFE ceases to own and control indirectly or directly 100 per cent. of the Parent (excluding any preferred stock held by third parties)

and for the purpose of this definition:

(a) **control** means:

(i) the ownership of the voting and/or ordinary shares and/or limited liability company interests of an entity; or

(ii) the power to direct the management and policies of an entity (including, but not limited to, the composition of the majority of the board of directors (or equivalent)), whether through the ownership of voting capital, by contract or otherwise; and

(b) two or more persons are **acting in concert** if pursuant to an agreement or understanding (whether formal or informal) they actively co-operate, through the acquisition (directly or indirectly) of shares in the Parent by any of them, either directly or indirectly to obtain or consolidate control of the Parent.

Charged Property means all of the assets of the Obligors which from time to time are, or are expressed or intended to be, the subject of the Security Documents.

Charter Documents means, in relation to a Ship, any Time Charter, Bareboat Charter or other charter commitment permitted under clause 22.9 (*Chartering*) of that Ship, any documents supplementing any Time Charter, Bareboat Charter or other charter commitment and any guarantee or security given by any person for the relevant Time Charterer's, Bareboat Charterer's or other charterer's (as applicable) obligations under them.

Classification means, in relation to a Ship, the classification specified in respect of that Ship in Schedule 2 (*Ship information*) or, as the case may be, Schedule 13 *(Additional Guarantor and Ship H)* with the relevant Classification Society or another classification approved by the Majority Lenders as its classification, at the request of the relevant Owner.

Classification Society means, in relation to a Ship, the classification society specified in respect of that Ship in Schedule 2 (*Ship information*) or another classification society approved by the Majority Lenders as its Classification Society, at the request of the relevant Owner.

Code means the US Internal Revenue Code of 1986.

Commitment means:

(a) in relation to an Original Lender, the amount set opposite its name under the heading "Commitment" in Schedule 1 *(The original parties)* and the amount of any other Commitment assigned to it under this Agreement; and

(b) in relation to any other Lender, the amount of any Commitment assigned to it under this Agreement,

to the extent not cancelled, reduced or assigned by it under this Agreement.

Compliance Certificate means a certificate substantially in the form set out in Schedule 7 (*Form of Compliance Certificate*) or otherwise approved.

Compounded Rate Interest Payment means the aggregate amount of interest that:

(a) is, or is scheduled to become, payable under any Finance Document; and

(b) relates to a Compounded Rate Loan.

Compounded Rate Loan means any Loan or, if applicable, Unpaid Sum which is, or becomes, a "Compounded Rate Loan" pursuant to clause 8A (*Rate Switch*).

Compounded Rate Supplement means a document which:

(a) is agreed in writing by the Borrower, the Agent (in its own capacity) and the Agent (acting on the instructions of the Majority Lenders);

(b) specifies the relevant terms which are expressed in this Agreement to be determined by reference to Compounded Rate Terms; and

(c) has been made available to the Borrower and each Finance Party.

Compounded Rate Terms means, in relation to:

(a) a Compounded Rate Loan or, if applicable, an Unpaid Sum;

(b) an Interest Period for such a Loan or Unpaid Sum (or other period for the accrual of commission or fees in a currency); or

(c) any term of this Agreement or any other Finance Document relating to the determination of a rate of interest in relation to such a Loan or Unpaid Sum,

the terms set out in Schedule 10 *(Compounded Rate Terms*) or any Compounded Rate Supplement.

Compounded Reference Rate means, in relation to any RFR Banking Day during the Interest Period of a Compounded Rate Loan, the percentage rate per annum which is the aggregate of:

(a) the Daily Non-Cumulative Compounded RFR Rate for that RFR Banking Day; and

(b) the Credit Adjustment Spread.

Compounding Methodology Supplement means, in relation to the Daily Non-Cumulative Compounded RFR Rate, a document which:

(a) is agreed in writing by the Borrower, the Agent (in its own capacity) and the Agent (acting on the instructions of the Majority Lenders);

(b) specifies a calculation methodology for that rate; and

(c) has been made available to the Borrower and each Finance Party.

Confidential Information means all information relating to an Obligor, the Group, the Finance Documents or the Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or the Facility from either:

(a) any member of the Group or any of its advisers; or

(b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes:

(i) information that:

(A) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of clause 47 *(Confidentiality)*; or

(B) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or

(C) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; and

(ii) any Funding Rate.

Confirmation shall have, in relation to any Hedging Transaction, the meaning given to it in the relevant Hedging Master Agreement.

Constitutional Documents means, in respect of an Obligor, such Obligor's memorandum and articles of association, bye-laws or other constitutional documents including as referred to in any certificate relating to an Obligor delivered pursuant to Schedule 3 (*Conditions precedent*).

Co-ordination Agreements means the agreements in respect of each Ship to be made between the relevant Owner of the Ship, (if applicable) the relevant Bareboat Charterer, Citigroup Global Markets Limited and the Security Agent, in each case in an agreed form and **Co-ordination Agreement** means any of them.

CRD IV means directive 2013/36/EU of the European Union on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.

Credit Adjustment Spread means, in **respect** of any Compounded Rate Loan, any rate which is either:

(a) specified as such in the Compounded Rate Terms; or

(b) determined by the Agent (or by any other Finance Party which agrees to determine that rate in place of the Agent) in accordance with the methodology specified in the Compounded Rate Terms.

CRR means the regulation 575/2013 of the European Union on prudential requirements for credit institutions and investment firms.

Daily Non-Cumulative Compounded RFR Rate means, in relation to any RFR Banking Day during an Interest Period for a Compounded Rate Loan, the percentage rate per annum determined by the Agent (or by any other Finance Party which agrees to determine that rate in place of the Agent) in accordance with the methodology set out in Schedule 11 (*Daily Non-Cumulative Compounded RFR Rate*) or in any Compounding Methodology Supplement.

Daily Rate means the rate specified as such in the Compounded Rate Terms.

Default means an Event of Default or any event or circumstance specified in clause 30 *(Events of Default)* which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of the foregoing) be an Event of Default.

Defaulting Lender means any Lender:

(a) which has failed to make its participation in an Advance available and has not remedied such failure within two Business Days or has notified the Agent that it will not make its participation in an Advance available by the Utilisation Date of that Advance in accordance with clause 5.3 (*Lenders' participation*);

(b) which has otherwise rescinded or repudiated a Finance Document; or

(c) with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Payment Disruption Event; and

payment is made within three Business Days of its due date; or

(ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

Earnings means, in relation to a Ship and a person, all money at any time payable to that person for or in relation to the use or operation of that Ship including freight, hire and passage moneys, money payable to that person for the provision of services by or from that Ship or under any charter commitment, requisition for hire compensation, remuneration for salvage and towage services, demurrage and detention moneys and damages for breach and payments for termination or variation of any charter commitment.

Earnings Accounts means the Borrower Earnings Account, the Owner Earnings Accounts, the Bareboat Charterer Earnings Accounts and any Account designated as an "**Earnings Account**" under clause 27 (*Bank accounts*), and **Earnings Account** means any one of them.

EEA Member Country means any member state of the European Union, Iceland, Liechtenstein and Norway.

Environmental Claims means:

(a) enforcement, clean-up, removal or other governmental or regulatory action or orders or claims instituted or made pursuant to any Environmental Laws or resulting from a Spill; or

(b) any claim made by any other person relating to a Spill.

Environmental Incident means any Spill from any vessel in circumstances where:

(a) any Fleet Vessel or its owner, operator or manager may be liable for Environmental Claims arising from the Spill (other than Environmental Claims arising and fully satisfied before the date of this Agreement); and/or

(b) any Fleet Vessel may be arrested or attached in connection with any such Environmental Claim.

Environmental Laws means all laws, regulations and conventions concerning pollution or protection of human health or the environment.

EU Bail-In Legislation Schedule means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

EU Ship Recycling Regulation means Regulation (EU) No 1257/2013 of the European Parliament and of the Council of 20 November 2013 on ship recycling and amending Regulation (EC) No 1013/2006 and Directive 2009/16/EC (Text with EEA relevance).

Event of Default means any event or circumstance specified as such in clause 30 (*Events of Default*).

Facility means the term loan facility made available under this Agreement as described in clause 2.1 (*The Facility*) and which shall include any increase made pursuant to clauses 2.3 (*Ship H*) and 2.4 (*Additional Advances*).

Facility Office means:

(a) in respect of a Lender, the office or offices notified by that Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days' written notice) as the office through which it will perform its obligations under this Agreement; and

(b) in respect of any other Finance Party, the office in the jurisdiction in which it is resident for tax purposes.

Facility Period means the period from and including the date of this Agreement to and including the date on which the Total Commitments have reduced to zero and all indebtedness of the Obligors under the Finance Documents has been fully paid and discharged.

FATCA means:

(a) sections 1471 to 1474 of the Code or any associated regulations;

(b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

FATCA Application Date means:

(a) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014; or

(b) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraphs (a) or (b) above, the first date from which such payment may become subject to a deduction or withholding required by FATCA.

FATCA Deduction means a deduction or withholding from a payment under a Finance Document required by FATCA.

FATCA Exempt Party means a Party that is entitled to receive payments free from any FATCA Deduction.

Fee Letters means the letters between the Borrower and one or more Finance Parties setting out any of the fees referred to in clause 11 (*Fees*) and **Fee Letter** means any one of them and any letter between the Borrower and one or more Finance Parties setting out the fees related to clauses 2.3 (*Ship H*) and 2.4 (*Additional Advances*).

Final Repayment Date means, subject to clause 39.7 (*Business Days*), the date falling 36 months after the date of this Agreement.

Finance Documents means this Agreement, the Fee Letters, the Security Documents, any Hedging Contracts, any Hedging Master Agreement, any Compounded Rate Supplement, any Compounding Methodology Supplement, any Increase Confirmation and any other document designated as such by the Agent and the Borrower.

Finance Party means the Agent, the Security Agent, the Account Bank, any of the Arrangers, any Hedging Provider, any Bookrunner, any Co-ordinator or a Lender.

Financial Indebtedness means any indebtedness for or in respect of:

(a) moneys borrowed and debit balances at banks or other financial institutions;

(b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);

(c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);

(g) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

(h) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer) before the Final Repayment Date or are otherwise classified as borrowings under GAAP);

(i) any amount of any liability under an advance or deferred purchase agreement if (a) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (b) the agreement is in respect of the supply of assets or services and payment is due more than 180 days after the date of supply;

(j) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back, sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under GAAP; and

(k) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above.

First Repayment Date means subject to clause 39.7 (*Business Days*), the earlier of (i) the date falling three months after the first Utilisation Date and (ii) 31 December 2021.

Flag State means, in relation to a Ship, the country specified in respect of that Ship in Schedule 2 (*Ship information*) or, as the case may be, Schedule 13 *(Additional Guarantor and Ship H)* or such other state or territory as may be approved by the Lenders, at the request of the relevant Owner, as being the "**Flag State**" of that Ship for the purposes of the Finance Documents.

Fleet Vessel means each Ship and any other vessel owned, operated, managed or crewed by any Obligor.

Funding Rate means any individual rate notified by a Lender to the Agent pursuant to clause 10.3 (*Cost of funds*).

GAAP means, as applicable, generally accepted accounting principles in the United Kingdom, generally accepted accounting principles in United States of America or International Accounting Standards, International Financial Reporting Standards and related interpretations as amended, supplemented, issued or adopted from time to time by the International Accounting Standards Board to the extent applicable to the relevant financial statements.

General Partner means Golar GP LLC a limited liability company incorporated in the Marshall Islands with its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960.

Golar Eskimo means the LNG FSRU "Golar Eskimo" with IMO number 9624940.

Golar Eskimo Lease BIMCO BARECON 2001 plus Additional clauses dated 4 November 2015 between Sea 23 Leasing Co Limited as owners and the Golar Eskimo Lessee.

Golar Eskimo Lessee means GOLAR ESKIMO CORPORATION an entity incorporated in the Republic of the Marshall Islands (registered Co. No. 68975) at the registered address Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 and the lessee and operator of the Golar Eskimo.

Group means the Parent and its Subsidiaries for the time being (being the subsidiaries who are, at any relevant time, the then current subsidiaries of the Parent) and, for the purposes of clause 19.2 (*Financial statements*) and clause 20 (*Financial covenants*), any other entity required to be treated as a subsidiary in its consolidated accounts in accordance with GAAP and/or any applicable law.

Group Member means any Obligor and any other entity which is part of the Group.

Guarantors are the Original Guarantors and shall include the Golar Eskimo Lessee from the date it accedes to this Agreement as an Additional Guarantor pursuant to and in accordance with clause 34.2 *(Additional Guarantor)* and **Guarantor** means any one of them. For the avoidance of doubt, the only "Guarantors" as at the date of this Agreement are the Original Guarantors.

Hedging Contract means any Hedging Transaction between the Borrower and any Hedging Provider pursuant to any Hedging Master Agreement and includes any Hedging Master Agreement and any Confirmations from time to time exchanged under it and governed by its terms relating to that Hedging Transaction and any contract in relation to such a Hedging Transaction constituted and/or evidenced by them and **Hedging Contracts** means all of them.

Hedging Contract Security means a deed or other instrument by the Borrower in favour of the Security Agent in the agreed form conferring a Security Interest over any Hedging Contracts.

Hedging Master Agreement means any agreement made or (as the context may require) to be made between the Borrower and a Hedging Provider comprising an ISDA Master Agreement and Schedule thereto in the agreed form.

Hedging Transaction has, in relation to any Hedging Master Agreement, the meaning given to the term "Transaction" in that Hedging Master Agreement.

Hilli Episeyo means the FLNG vessel "Hilli Episeyo" with IMO number 7382720.

Hilli Episeyo Charter means BIMCO Standard BBC with Additional Clauses dated 9 September 2015 between Fortune Lianjiang Shipping S.A. as owner and the Hilli Episeyo Lessee.

Hilli Episeyo Hedge means an interest rate swap transaction entered into between Golar LNG Partners LP and Citigroup Global Markets Limited in respect of the Hilli Episeyo.

Hilli Episeyo Lessee means GOLAR HILLI CORPORATION an entity incorporated in the Republic of the Marshall lslands (registered Co. No. 68975) at the registered address Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 and the lessee and operator of the Hilli Episeyo.

Holding Company means, in relation to a person, any other person in respect of which it is a Subsidiary.

Increase Confirmation means a confirmation certificate substantially in the form as set out in Schedule 14 (*Form of Increase Confirmation*) or any other form agreed between the Agent and the Borrower.

Increased Costs has the meaning given to that term in clause 13.1(b) (*Increased Costs*).

Indemnified Person means:

(a) each Finance Party and each Receiver and any attorney, agent or other person appointed by them under the Finance Documents;

(b) each Affiliate of each Finance Party and each Receiver; and

(c) any officers, employees or agents of each Finance Party and each Receiver.

Insolvency Event in relation to a Finance Party (or, for the purposes of clause 33.2 (*Conditions of Assignment*), a New Lender) means that the Finance Party (or, for the purposes of clause 33.2 (*Conditions of Assignment*), that New Lender):

(a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

(b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;

(c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;

(d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding up or liquidation by it or such regulator, supervisor or similar official;

(e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:

    (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding up or liquidation; or

    (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;

(f) has exercised in respect of it one or more of the stabilisation powers pursuant to Part 1 of the Banking Act 2009 and/or has instituted against it a bank insolvency proceeding pursuant to Part 2 of the Banking Act 2009 or a bank administration proceeding pursuant to Part 3 of the Banking Act 2009;

(g) has a resolution passed for its winding up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(h) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (d) above;

(i) has a secured party take possession of all or substantially all its assets or has a execution, attachment, sequestration or other enforcement action or legal process levied, enforced, taken or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;

(j) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (i) above; or

(k) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

Insurance Notice means, in relation to a Ship, a notice of assignment from that Ship's Owner and (if applicable) the Bareboat Charterer in the form scheduled to that Ship's Assignment Deed or in another approved form.

Insurances means, in relation to a Ship:

(a) all policies and contracts of insurance; and

(b) all entries in a protection and indemnity or war risks or other mutual insurance association

(c) in the name of that Ship's owner or the joint names of its owner and any other person in respect of or in connection with that Ship and/or its owner's Earnings from that Ship and includes all benefits thereof (including the right to receive claims and to return of premiums).

Interbank Market means the London interbank market.

Interest Period means, in relation to the Loan (or any part of the Loan), each period determined in accordance with clause 9 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with clause 8.4 (*Default interest*).

Interpolated Screen Rate means, in relation to LIBOR for an Interest Period with respect to the Loan or any part of it or any Unpaid Sum, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

(a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the relevant Interest Period of the Loan or any part of it or the relevant Unpaid Sum; and

(b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the relevant Interest Period of the Loan or any part of it or the relevant Unpaid Sum,

each as of 11:00 am on the relevant Quotation Day.

Inventory of Hazardous Material means a statement of compliance issued by the relevant Classification Society and which includes a list of any and all materials known to be potentially hazardous utilised in the construction of a Ship and which also may be referred to as a List of Hazardous Material.

Laid Up Ship has the meaning given to it in clause 18.30.

Last Availability Date means, subject to clauses 2.3 (*Ship H*) and 2.4 (*Additional Advances*), in relation to each Advance the date falling 6 months after the first Utilisation (or such later date as may be approved by the Lenders).

Legal Opinion means any legal opinion delivered to the Agent under clause 4 *(Conditions of Utilisation)***.**

Legal Reservations means:

(a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;

(b) the time barring of claims under the Limitation Act 1980 and the Foreign Limitation Periods Act 1984, the possibility that an undertaking to assume liability for, or indemnify a person against, non-payment of UK stamp duty may be void and defences of set-off or counterclaim; and

(c) similar principles, rights and defences under the laws of any Relevant Jurisdiction.

Lender means:

(a) any Original Lender;

(b) any Accordion Lender; and

(c) any bank, financial institution, trust, fund or other entity which has become a Party as a Lender in accordance with clause 33 (*Changes to the Lenders*),

(d) which in each case has not ceased to be a Lender in accordance with the terms of this Agreement.

LIBOR means, in relation to any Term Rate Loan or any part of it or, as applicable, any Unpaid Sum:

(a) the applicable Screen Rate as of 11:00 a.m. on the relevant Quotation Day for a period equal in length to the Interest Period of that Loan or any part of it or Unpaid Sum; or

(b) as otherwise determined pursuant to clause 10.1 (*Unavailability of Screen Rate*),

and if, in either case, that rate is less than zero, LIBOR shall be deemed to be zero.

Loan means the loan made or to be made available under the Facility or the principal amount outstanding for the time being of that loan.

Lookback Period means the number of days specified as such in the Compounded Rate Terms.

Losses means any costs, expenses, payments, charges, losses, demands, liabilities, claims, actions, proceedings, penalties, fines, damages, judgments, orders or other sanctions.

Loss Payable Clauses means, in relation to a Ship, the provisions concerning payment of claims under that Ship's Insurances in the form scheduled to that Ship's Assignment Deed or in another approved form.

Major Casualty means any casualty to a vessel for which the total insurance claim, inclusive of any deductible, exceeds or may exceed the Major Casualty Amount.

Major Casualty Amount means, in relation to a Ship, the amount specified as such in Schedule 2 (*Ship information*) against the name of that Ship or the equivalent in any other currency.

Majority Lenders means:

(a) if no Loan is then outstanding, a Lender or Lenders whose Commitments aggregate more than 66 2/3 per cent of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 66 2/3 per cent of the Total Commitments immediately prior to that reduction); or

(b) at any other time, a Lender or Lenders whose (i) Commitment(s) in the Loan together with (ii) where a Loan has been advanced, such Lender(s) participation in the Loan made, aggregate more than 66 2/3 per cent of the Loan; provided that, for the avoidance of doubt, an entity with a sub-participation is not an Existing Lender or a New Lender under this Agreement.

Manager's Undertaking means, in relation to a Ship, an undertaking by any manager of that Ship to the Security Agent in the agreed form pursuant to clause 22.4 (*Manager*) or clause 26.12 (*Bareboat Charterer's manager*).

Mandatory Repayment Date means in relation to:

(a) a Total Loss of a Ship, the applicable Total Loss Repayment Date; or

(b) a sale of a Ship by the relevant Owner or (subject to release of the applicable Share Security) the sale of all or part of an Owner or a Bareboat Charterer, the date upon which such sale is completed by the transfer of title to the purchaser in exchange for payment of all or part of the relevant purchase price.

Margin means 3 per cent (3.00%) per annum.

Market Rate means, in respect of a charter, terms as to (a) payment which are not materially less beneficial to the relevant Owner, Bareboat Charterer or sub-charterer than the terms which at that time could reasonably be expected to be obtained on the open market for vessels of the same age and type as the relevant Ship under a charter of a similar type and (b) hire which is either (i) at a rate of not less than $25,000 per day or, if more, (ii) at a rate not materially less beneficial to the relevant Owner, Bareboat Charterer or sub-charterer than the terms which at that time could reasonably be expected to be obtained on the open market for vessels of the same age and type as the relevant Ship under a charter of a similar type.

Material Adverse Effect means, in the reasonable opinion of the Majority Lenders, a material adverse effect on:

(a) the business or financial condition of the Group taken as a whole which will, or is reasonably likely to, affect the ability of an Obligor to perform its payment obligations under the Finance Documents; or

(b) the ability of an Obligor to perform its obligations under the Finance Documents; or

(c) the validity or enforceability of, or the effectiveness or ranking of any Security Interest granted or purporting to be granted pursuant to any of, the Finance Documents or the rights or remedies of any Finance Party under any of the Finance Documents.

Minimum Value means, at any time, the amount in dollars which is at that time equal to 115 per cent of the Loan.

Mortgage means, in relation to a Ship, a first mortgage of that Ship in the agreed form by the relevant Owner in favour of the Security Agent.

Mortgage Period means, in relation to a Ship, the period from the date the Mortgage over that Ship is executed and registered until the date such Mortgage is released and discharged or, if earlier, its Total Loss Date.

New Lender has the meaning given to that term in clause 33 (*Changes to the Lenders*).

NFE means New Fortress Energy Inc. a company duly incorporated in Delaware and with its registered office at Corporation Trust Centre, 1209 Orange Street, Wilmington

NFE Bareboat Charter means any sub bareboat charter to NFE or any of its Subsidiaries (other than a Group Member) entity where the Lenders already hold an assignment to the head charter.

NFE Bareboat Charterer means the charterer in respect of any bareboat charter to NFE or any of its Subsidiaries (other than a Group Member) where the Lenders already hold an assignment to the head charter.

Nusantara Regas Satu means the LNG FSRU “Nusantara Regas Satu” with IMO number 7382744.

Nusantara Regas Satu Owner means PT Golar Indonesia, an entity incorporated under the laws of Indonesia and the registered owner of Nusantara Regas Satu.

Obligors mean the Borrower and each Guarantor and **Obligor** means any one of them.

Original Financial Statements means:

(a) the audited consolidated financial statements of NFE and the Parent for its financial year ended 31 December 2020; and

(b) the unaudited consolidated financial statements of NFE and the Parent for its financial quarter ended 31 March 2021.

Original Jurisdiction means, in relation to an Original Obligor, the jurisdiction under whose laws that Obligor is incorporated as at the date of this Agreement or, in the case of any other Obligor, as at the date on which that Obligor becomes an Obligor.

Original Obligors means the Borrower and each Guarantor and **Obligor** means any one of them.

Original Security Documents means:

(a) any Account Security;

(b) the Assignment Deeds in respect of the Ships;

(c) any Hedging Contract Security;

(d) any Manager's Undertaking in relation to a Ship if required under clause 22.4 (*Manager*) or 26.12 (*Bareboat Charterer's manager*);

(e) the Mortgages over each of the Ships;

(f) the Quiet Enjoyment Letters;

(g) any Security Power of Attorney;

(h) the Share Security in relation to each Owner, each Bareboat Charterer and Golar LNG Holding Co.

OSAs means:

(a) the Operation and Services Agreement dated 26 November 2018 (as supplemented and amended from time to time) and entered into between NFE South Holdings Limited and Golar Freeze UK Ltd. in respect of the operation and services to be provided in respect of Ship A; and

(b) the Operation and Services Agreement dated 4 September 2007 (as amended by amendment agreements dated 16 February 2009, 26 March 2011 and 16 January 2012) and entered into between Golar Serviços de Operação de Embarcações Limitada and Petróleo Brasileiro S.A. in respect of the operation and services to be provided in respect of Ship F.

Owner means, in relation to a Ship, the person specified as "Owner" against the name of that Ship in Schedule 2 (*Ship information*) and shall include the Golar Eskimo Lessee from the date the Golar Eskimo Lessee accedes to this Agreement as an Additional Guarantor pursuant to and in accordance with clause 34.2 and **Owners** means any or all of them.

Owner Earnings Accounts means each of the interest bearing dollar accounts of an Owner with the Account Bank designated as an "**Earnings Account**" under clause 27 (*Bank accounts*).

Parent means the company described as such in Schedule 1 (*The original parties*).

Participating Member State means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

Party means a party to this Agreement.

Payment Disruption Event means either or both of:

(a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or

(b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:

(i) from performing its payment obligations under the Finance Documents; or

(ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

(and which (in either such case)) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

Permitted Maritime Liens means, in relation to any Ship:

(a) any lien disclosed in writing to the Agent prior to the date of this Agreement and approved by the Agent;

(b) unless a Default is continuing, any ship repairer's or outfitter's possessory lien in respect of that Ship for an amount not exceeding the Major Casualty Amount;

(c) any lien on that Ship for master's, officer's or crew's wages outstanding in the ordinary course of its trading;

(d) any lien on that Ship for salvage;

(e) any other lien arising by operation of law in the ordinary course of trading (and not as a result of any default or omission by any Owner or Bareboat Charterer); and

(f) in each case (other than (a) above) securing obligations not more than 30 days overdue.

Permitted Security Interests means any Security Interest which is:

(a) granted by the Finance Documents; or

(b) permitted pursuant to clause 28.4 of this Agreement provided that in connection with the Golar Eskimo only, the Golar Eskimo Lessee has not acceded to this Agreement pursuant to clause 34.2;

(c) permitted pursuant to the Finance Documents or the Co-ordination Agreements which as at the first Utilisation Date are those set out in Schedule 8 (*Permitted Security Interests*); or

(d) a Permitted Maritime Lien; or

(e) is approved by the Majority Lenders.

Pollutant means and includes crude oil and its products, any other polluting, toxic or hazardous substance and any other substance whose release into the environment is regulated or penalised by Environmental Laws.

Poseidon Principles means the financial industry framework for assessing and disclosing the climate alignment of ship finance portfolios published on 18 June 2019 as the same may be amended or replaced to reflect changes in applicable law or regulation or the introduction of or changes to mandatory requirements of the International Maritime Organization from time to time.

Pre-Approved New Lender List means the list of entities agreed in writing on or before the date of this Agreement by or on behalf of the Borrower and the Bookrunners.

PSC register means a register of persons with significant control required pursuant to section 790M of the Companies Act 2006.

Quiet Enjoyment Letter means, in respect of a Ship (other than Ship B and Ship D), a letter by the Security Agent addressed to, and acknowledged by, the relevant Owner, Bareboat Charterer and Time Charterer of the Ship in an agreed form.

Quotation Day means, in relation to any period for which an interest rate is to be determined, in respect of a Term Rate Loan or any part of it, two Business Days before the first day of that period unless market practice differs in the Interbank Market for a currency, in which case the Quotation Day for that currency shall be determined by the Agent in accordance with market practice in the Interbank Market (and if quotations would normally be given by leading banks in the Interbank Market on more than one day, the Quotation Day will be the last of those days).

Quoted Tenor means any period for which the Screen Rate is customarily displayed on the relevant page or screen of an information service.

Rate Switch Date means the earlier of:

(a) the Backstop Rate Switch Date; and

(b) any Rate Switch Trigger Event Date.

Rate Switch Trigger Event means:

(a) in relation to the Screen Rate:

(i)

(A) the administrator of the Screen Rate or its supervisor publicly announces that such administrator is insolvent; or

(B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of the Screen Rate is insolvent,

provided that, in each case, at that time, there is no successor administrator to continue to provide the Screen Rate;

(ii) the administrator of the Screen Rate publicly announces that it has ceased or will cease to provide the Screen Rate for the Quoted Tenor for three months LIBOR permanently or indefinitely and, at that time, there is no successor administrator to continue to provide the Screen Rate for that Quoted Tenor;

(iii) the supervisor of the administrator of the Screen Rate publicly announces that the Screen Rate has been or will be permanently or indefinitely discontinued for any Quoted Tenor for three months LIBOR; or

(iv) the administrator of the Screen Rate or its supervisor publicly announces that the Screen Rate for all Quoted Tenors may no longer be used; and

(b) the supervisor of the administrator of the Screen Rate publicly announces or publishes information:

(i) stating that the Screen Rate for the Quoted Tenor for three months LIBOR is no longer, or as of a specified future date will no longer be, representative of the underlying market and the economic reality that it is intended to measure and that such representativeness will not be restored (as determined by such supervisor); and

(ii) with awareness that any such announcement or publication will engage certain triggers for fallback provisions in contracts which may be activated by any such pre-cessation announcement or publication.

Rate Switch Trigger Event Date means:

(a) in the case of an occurrence of a Rate Switch Trigger Event described in paragraph (a) of the definition of "Rate Switch Trigger Event", the date on which the Screen Rate ceases to be published or otherwise becomes unavailable;

(b) in the case of an occurrence of a Rate Switch Trigger Event described in paragraphs (a)(ii) or (a)(iii) of the definition of "Rate Switch Trigger Event", the date on which the Screen Rate for the Quoted Tenor for three months LIBOR ceases to be published or otherwise becomes unavailable;

(c) in the case of an occurrence of a Rate Switch Trigger Event described in paragraphs (a)(ii) of the definition of "Rate Switch Trigger Event", the date on which the Screen Rate for the all Quoted Tenors ceases to be published or otherwise becomes unavailable; and

(d) in the case of an occurrence of a Rate Switch Trigger Event described in paragraph (b) of the definition of "Rate Switch Trigger Event", the date on which the Screen Rate for the Quoted Tenor for three months LIBOR ceases to be representative of the underlying market and the economic reality that it is intended to measure (as determined by the supervisor of the administrator of the Screen Rate).

Receiver means a receiver or a receiver and manager or an administrative receiver appointed in relation to the whole or any part of any Charged Property under any relevant Security Document.

Reformed Basel III means the agreements contained in “Basel III: Finalising post-crisis reforms” published by the Basel Committee on Banking Supervision in December 2017, as amended, supplemented or restated.

Reformed Basel III Increased Cost means an Increased Cost which is attributable to the implementation or application of or compliance with any other law or regulation which implements Reformed Basel III (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates.

Registry means, in relation to each Ship, such registrar, commissioner or representative of the relevant Flag State who is duly authorised and empowered to register the relevant Ship, the relevant Owner's title to that Ship and the relevant Mortgage under the laws of its Flag State.

Related Fund in relation to a fund (the **first fund**), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

Relevant Market means the market specified as such in the Compounded Rate Terms.

Relevant Jurisdiction means, in relation to an Obligor:

(a) its Original Jurisdiction;

(b) any jurisdiction where any Charged Property owned by it is situated;

(c) any jurisdiction where it conducts its business; and

(d) any jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it.

Repayment Date means:

(a) the First Repayment Date;

(b) each of the dates falling at three monthly intervals thereafter up to but not including the Final Repayment Date; and

(c) the Final Repayment Date.

Repeating Representations means each of the representations and warranties set out in clauses 18.2 (*Status*) to 18.11 (*Ranking and effectiveness of security*) except clause 18.9(c) (*Original Financial Statements*), clause 18.23 (*Legal and beneficial ownership*), clause 18.35 (*No corrupt practices*) and clause 18.36 (*Financing of vessels owned by Group Members*).

Representative means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

Requisition Compensation means, in relation to a Ship, any compensation paid or payable by a government entity for the requisition for title, confiscation or compulsory acquisition of that Ship.

Resolution Authority means any body which has authority to exercise any Write-down and Conversion Powers.

Restricted Party means a person, entity or vessel:

(a) that is listed on any Sanctions List or any other sanctions-related list of persons, vessels or entities published by or on behalf of a Sanctions Authority (in each case, whether designated by name or by reason of being included in a class of persons, vessels or entities);

(b) that is domiciled, resident, located, registered as located or having its main place of business in, or is incorporated under the laws of, a country or territory which is, subject to Sanctions Laws;

(c) that is directly or indirectly owned or controlled by, or acting on behalf of, at the direction or for the benefit of (as interpreted under any relevant Sanctions Laws), a person or entity referred to in (a) and/or (b) above; or

(d) that is otherwise identified by a Sanctions Authority to be a subject of or targeted by Sanctions Laws.

Restrictions Notice means a 'restrictions notice' as defined in paragraph 1(2) of Schedule 1B of the Companies Act 2006.

RFR means the rate specified as such in the Compounded Rate Terms.

RFR Banking Day means any day specified as such in the Compounded Rate Terms.

Sanctions Authority means (a) the United Nations, (b) the Norwegian State, (c) the European Union, (d) the United Kingdom, (e) the EEA Member Countries, (f) the United States of America and (g) any other country whose laws or regulations bind any Obligor and any authority acting on behalf of any of them in connection with Sanctions Laws, including but not limited to the Office of Foreign Assets Control of the US Department of Treasury, Her Majesty's Treasury, the US Department of Commerce, the US Department of State, any other agency of the US government, and any authority, official institution or agency acting on behalf of any of them in connection with Sanctions Laws.

Sanctions Event means:

(a) any representation contained in clause 18.33 (*Sanctions*) made or deemed to be made by an Obligor, is or proves to have been incorrect or misleading when made or deemed to be made, or any undertaking in clause 21.2 (*Use of proceeds*) or clause 21.5 (*Sanctions*) is not complied with; and/or

(b) an Obligor and/or any of their Subsidiaries is or becomes a Restricted Party; and/or

(c) an act or omission of an Obligor or any of their Subsidiaries or their respective directors, officers, employees, agents or representatives causes a Lender or any Affiliate of a Lender to be in breach of Sanctions Laws or otherwise results in the Lender or an Affiliate of a Lender becoming a Restricted Party.

Sanctions Laws means any applicable trade, economic or financial sanctions laws and/or any regulations, trade embargoes, prohibitions, restrictive measures, decisions, executive orders or notices from regulators implemented, adapted, imposed, administered, enacted and/or enforced by any Sanctions Authority from time to time.

Sanctions List means any list of persons, vessels or entities published in connection with Sanctions Laws by or on behalf of any Sanctions Authority including, without limitation, the "Specially Designated Nationals and Blocked Persons" issued by the Office of Foreign Assets Control of the US Department of Treasury and the "Consolidated List of Financial Sanctions Targets and Investment Ban List" issued by Her Majesty's Treasury or any similar list issued or maintained or made public by or on behalf of any of the Sanctions Authorities.

Screen Rate means the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for dollars and the relevant period displayed (before any correction, recalculation or republication by the administrator) on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate), or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Borrower and the Lenders.

Security Agent includes any person as may be appointed as such under the Finance Documents and includes any separate trustee or co-trustee appointed under clause 35.33 (*Additional trustees*).

Security Documents means:

(a) the Original Security Documents;

(b) any other document as may be executed to guarantee and/or secure any amounts owing to the Finance Parties under this Agreement or any other Finance Document.

Security Interest means a mortgage, charge, pledge, lien, assignment, trust, hypothecation or other security interest of any kind securing any obligation of any person or any other agreement or arrangement having a similar effect.

Security Value means, at any time, the amount in dollars which, at that time, is the aggregate of (a) the aggregate of the Vessel Values (or, if less in relation to an individual Ship, the maximum amount capable of being secured by the Mortgage of the relevant Ship) of all of the Ships subject to a Mortgage which have not then become a Total Loss and (b) the value of any additional security then held by the Security Agent provided under clause 25 (*Minimum security value*), in each case as most recently determined in accordance with this Agreement.

Selection Notice means a notice substantially in the form set out in Schedule 5 (*Selection Notice*) given in accordance with clause 9 (*Interest Periods*).

Share Security means, in relation to each Owner, each Bareboat Charterer and Golar LNG Holding Co., the document constituting a first Security Interest by the relevant Holding Company of such entity in favour of the Security Agent in the agreed form in respect of all of the shares or limited liability company interests in such entity.

Ship A means the ship described as such in Schedule 2 (*Ship information*).

Ship B means the ship described as such in Schedule 2 (*Ship information*).

Ship C means the ship described as such in Schedule 2 (*Ship information*).

Ship D means the ship described as such in Schedule 2 (*Ship information*).

Ship E means the ship described as such in Schedule 2 (*Ship information*).

Ship F means the ship described as such in Schedule 2 (*Ship information*).

Ship G means the ship described as such in Schedule 2 (*Ship information*).

Ship H means the ship described as such in Schedule 13(*Ship information*).

Ship Representations means each of the representations and warranties set out in clauses 18.30 (*Ship status*) and 18.31 (*Ship's employment*).

Ships means each of the ships described in Schedule 2 (*Ship information*) and shall include Ship H from the date the Golar Eskimo Lessee accedes to this Agreement as an Additional Guarantor pursuant to and in accordance with clause 34.2 and **Ship** means any of them. For the avoidance of doubt, the only "Ships" as at the date of this Agreement are Ship A, Ship B, Ship C, Ship D, Ship E, Ship F and Ship G.

Spill means any actual or threatened spill, release or discharge of a Pollutant into the environment.

Statement of Compliance means a Statement of Compliance related to fuel oil consumption pursuant to regulations 6.6 and 6.7 of Annex VI.

Subsidiary of a person means any other company or entity directly or indirectly controlled by such person and a **wholly owned Subsidiary** of that person means a Subsidiary which has no shareholders or members except such person and that person's wholly owned Subsidiaries and its or their nominees.

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

Term Rate Loan means any Loan or, if applicable, Unpaid Sum which is not a Compounded Rate Loan.

Time Charter means, in relation to a Ship, any time charter commitment to an independent third party for that Ship as at the date of this Agreement in the case of the Ships (other than Ship H) details of which are provided in Schedule 2 (*Ship information*) and as at the date the Golar Eskimo Lessee accedes to this Agreement as an Additional Guarantor in the case of Ship H, details of which are provided in Schedule 13 (*Additional Guarantor and Ship H*).

Time Charterer means, in relation to a Ship, the time charterer in respect of a Time Charter named in Schedule 2 (*Ship information*) and shall include the time charterer of Ship H as set out in Schedule 13 *(Additional Guarantor and Ship H)* from the date the Golar Eskimo Lessee accedes to this Agreement as an Additional Guarantor pursuant to and in accordance with clause 34.2 as time charterer of that Ship.

Total Commitments means the aggregate of the Commitments, being, at the date of this Agreement, the lower of $430,000,000 and an amount equal to 70 per cent. of the aggregate Vessel Value of the Ships subject to a Mortgage, but which, subject to clauses 2.3 (*Ship H*) and 2.4 (*Additional Advances*)., may be increased up to $725,000,000.

Total Loss means, in relation to a vessel, its:

(a) actual, constructive, compromised or arranged total loss; or

(b) requisition for title, confiscation or other compulsory acquisition by a government entity; or

(c) hijacking, theft, condemnation, capture, seizure or detention for more than 30 days.

Total Loss Date means, in relation to the Total Loss of a vessel:

(a) in the case of an actual total loss, the date it happened or, if such date is not known, the date on which the vessel was last reported;

(b) in the case of a constructive, compromised, agreed or arranged total loss, the earliest of:

(i) the date notice of abandonment of the vessel is given to its insurers; or

(ii) if the insurers do not admit such a claim, the date later determined by a competent court of law to have been the date on which the total loss happened; or

(iii) the date upon which a binding agreement as to such compromised or arranged total loss has been entered into by the vessel's insurers;

(c) in the case of a requisition for title, confiscation or compulsory acquisition, the date it happened; and

(d) in the case of hijacking, theft, condemnation, capture, seizure or detention, the date 30 days after the date upon which it happened.

Total Loss Repayment Date means, where a Ship has become a Total Loss, the earlier of:

(a) the date 180 days after its Total Loss Date; and

(b) the date upon which insurance proceeds or Requisition Compensation for such Total Loss are paid by insurers or the relevant government entity.

Transfer Certificate means a certificate substantially in the form set out in Schedule 6 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Borrower.

Transfer Date means, in relation to an assignment, the later of:

(a) the proposed Transfer Date specified in the Transfer Certificate; and

(b) the date on which the Agent executes the Transfer Certificate.

Treasury Transaction means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price. For the avoidance of doubt, Treasury Transactions shall not include derivative transactions entered into by third parties so long as no Group Member bears any economic exposure prior to the Final Repayment Date.

Trust Property means, collectively:

(a) all moneys duly received by the Security Agent under or in respect of the Finance Documents;

(b) any portion of the balance on any Account held by or charged to the Security Agent at any time;

(c) the Security Interests, guarantees, security, powers and rights given to the Security Agent under and pursuant to the Finance Documents including, without limitation, the covenants given to the Security Agent in respect of all obligations of any Obligor;

(d) all assets paid or transferred to or vested in the Security Agent or its agent or received or recovered by the Security Agent or its agent in connection with any of the Finance Documents whether from any Obligor or any other person; and

(e) all or any part of any rights, benefits, interests and other assets at any time representing or deriving from any of the above, including all income and other sums at any time received or receivable by the Security Agent or its agent in respect of the same (or any part thereof).

UK Bail-In Legislation means Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

Unpaid Sum means any sum due and payable but unpaid by an Obligor under the Finance Documents.

US Waters the waters of the United States of America as such term is defined under any applicable laws and regulations.

Utilisation means the making of an Advance.

Utilisation Date means the date on which a Utilisation is made.

Utilisation Request means a notice substantially in the form set out in Schedule 4 (*Utilisation Request*).

VAT means:

(a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and

(b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

Vessel Value means, in respect of a Ship, the value attributed to that Ship in its most recent valuation undertaken in accordance with clause 25 (*Minimum security value*) and **Vessel Values** means the aggregate of the valuations of the Ships.

Warning Notice means a 'warning notice' as defined in paragraph 1(2) of Schedule 1B of the Companies Act 2006.

Write-down and Conversion Powers means:

(a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;

(b) in relation to any other applicable Bail-In Legislation other than the UK Bail-in Legislation:

(i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and

(ii) any similar or analogous powers under that Bail-In Legislation; and

(c) in relation to any UK Bail-In Legislation:

(i) any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers; and

(ii) any similar or analogous powers under that UK Bail-In Legislation.

1.2 Construction

(a) Unless a contrary indication appears, any reference in any of the Finance Documents to:

(i) Sections, clauses and Schedules are to be construed as references to the Sections and clauses of, and the Schedules to, the relevant Finance Document and references to a Finance Document include its Schedules;

(ii) a **Finance Document** or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as it may from time to time be amended, restated, novated or replaced, however fundamentally;

(iii) words importing the plural shall include the singular and vice versa;

(iv) a time of day are to London time;

(v) any person includes its successors in title, permitted assignees or transferees;

(vi) the knowledge, awareness and/or beliefs (and similar expressions) of any Obligor shall be construed so as to mean the knowledge, awareness and beliefs of the director and officers of such Obligor, having made due and careful enquiry;

(vii) **agreed form** means:

(A) where a Finance Document has already been executed by all of the relevant parties, such Finance Document in its executed form;

(B) prior to the execution of a Finance Document, the form of such Finance Document separately agreed in writing between the Agent and the Borrower as the form in which that Finance Document is to be executed or another form approved at the request of the Borrower or, if not so agreed or approved, is in the form specified by the Agent;

(viii) **approved by the Majority Lenders** or **approved by the Lenders** means approved in writing by the Agent acting on the instructions of the Majority Lenders or, as the case may be, all of the Lenders (on such conditions as they may respectively impose) and otherwise (1) **approved** means approved in writing by the Agent (on such conditions as the Agent may impose) and **approval** and **approve** shall be construed accordingly and (2) **agreed** means, when used with respect to the Agent agreeing with the Borrower and unless otherwise set out expressly therein or in clause 45.2 (*All Lender Matters*), agreed in writing by the Agent (acting on the instructions of the Majority Lenders and on such conditions as the Majority Lenders may instruct the Agent to impose) and agree shall be construed accordingly

(ix) **assets** includes present and future properties, revenues and rights of every description;

(x) an **authorisation** means any authorisation, consent, concession, approval, resolution, licence, exemption, filing, notarisation or registration;

(xi) **charter commitment** means, in relation to a vessel, any charter or contract for the use, employment or operation of that vessel or the carriage of people and/or cargo or the provision of services by or from it and includes any agreement for pooling or sharing income derived from any such charter or contract;

(xii) **control** of an entity means (except when used in the definition of Change of Control in clause 1.1 (*Definitions*)):

(A) the power (whether by way of ownership of shares or limited liability company interests, proxy, contract, agency or otherwise) to:

(1) cast, or control the casting of, more than 50 per cent of the maximum number of votes that might be cast at a general meeting of that entity; or

(2) appoint or remove all, or the majority, of the directors or other equivalent officers of that entity; or

(3) give directions with respect to the operating and financial policies of that entity with which the directors or other equivalent officers of that entity are obliged to comply; and/or

(B) the holding beneficially of more than 50 per cent of the issued share capital of that entity (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital) (and, for this purpose, any Security Interest over share capital shall be disregarded in determining the beneficial ownership of such share capital);

and **controlled** shall be construed accordingly;

(xiii) the term **disposal** or **dispose** means a sale, transfer or other disposal (including by way of lease or loan but not including by way of loan of money) by a person of all or part of its assets, whether by one transaction or a series of transactions and whether at the same time or over a period of time, but not the creation of a Security Interest;

(xiv) **$**, **USD** and **dollar**s denote the lawful currency of the United States of America;

(xv) the **equivalent** of an amount specified in a particular currency (the **specified currency amount**) shall be construed as a reference to the amount of the other relevant currency which can be purchased with the specified currency amount in the London foreign exchange market at or about 11 a.m. on the date the calculation falls to be made for spot delivery, as conclusively determined by the Agent (with the relevant exchange rate of any **such** purchase being the **Agent's spot rate of exchange**);

(xvi) a **government entity** means any government, state or agency of a state;

(xvii) a **group of Lenders** includes all the Lenders;

(xviii) a **guarantee** means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;

(xix) **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(xx) **month** means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month or the calendar month in which it is to end, except that:

(A) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that month (if there is one) or on the immediately preceding Business Day (if there is not); and

(B) if there is no numerically corresponding day in that month, that period shall end on the last Business Day in that month

and the above rules in paragraphs (i) to (ii) will only apply to the last month of any period;

(xxi) an **obligation** means any duty, obligation or liability of any kind;

(xxii) something being in the **ordinary course of business** of a person means something that is in the ordinary course of that person's current day-to-day operational business (and not merely anything which that person is entitled to do under its Constitutional Documents);

(xxiii) **pay** or **repay** in clause 28 (*Business restrictions*) includes by way of set-off, combination of accounts or otherwise;

(xxiv) a **person** includes any individual, firm, company, corporation, government entity or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);

(xxv) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation and, in relation to any Lender, includes (without limitation) any Basel II Regulation or Basel III Regulation or any law or regulation which implements Reformed Basel III, in each case which is applicable to that Lender;

(xxvi) **right** means any right, privilege, power or remedy, any proprietary interest in any asset and any other interest or remedy of any kind, whether actual or contingent, present or future, arising under contract or law, or in equity;

(xxvii) **trustee**, **fiduciary** and **fiduciary duty** has in each case the meaning given to such term under applicable law;

(xxviii) (i) the **liquidation**, **winding up**, **dissolution**, or **administration** of a person or (ii) a **receiver** or **administrative receiver** or **administrator** in the context of insolvency proceedings or security enforcement actions in respect of a person shall be construed so as to include any equivalent or analogous proceedings or any equivalent and analogous person or appointee (respectively) under the law of the jurisdiction in which such person is established or incorporated or any jurisdiction in which such person carries on business including (in respect of proceedings) the seeking or occurrences of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors;

(xxix) a provision of law is a reference to that provision as amended or re-enacted; and

(xxx) any applicable law or regulation which is a regulation or directive of the EU or which is an EU Treaty (as such expression is defined in the European Communities Act 1972) and which is given effect in the United Kingdom under the European Communities Act 1972 includes a reference to any other applicable law or regulation in force in the United Kingdom at any time after the repeal of the European Communities Act 1972 which is intended to give effect to the provisions of such regulation, directive of the EU or EU Treaty.

(b) Where in this Agreement a provision includes a monetary reference level in one currency, unless a contrary indication appears, such reference level is intended to apply equally to its equivalent in other currencies as of the relevant time for the purposes of applying such reference level to any other currencies.

(c) Section, clause and Schedule headings are for ease of reference only.

(d) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

(e) A Default (other than an Event of Default) is **continuing** if it has not been remedied or waived and an Event of Default is **continuing** if it has not been waived.

(f) Unless a contrary indication appears, in the event of any inconsistency between the terms of this Agreement and the terms of any other Finance Document when dealing with the same or similar subject matter, the terms of this Agreement shall prevail.

(g) A Compounded Rate Supplement overrides anything in:

(i) Schedule 10 (*Compounded Rate Terms*); or

(ii) any earlier Compounded Rate Supplement.

(h) A Compounding Methodology Supplement overrides anything in:

(i) Schedule 11 (*Daily Non-Cumulative Compounded RFR Rate*); or

(ii) any earlier Compounding Methodology Supplement.

(i) In respect of the liability of the Security Agent under this Agreement or any other Finance Document only, where the Security Agent is referred to in this Agreement or any other Finance Document as acting "reasonably" or in a "reasonable" manner or as coming to an opinion or determination that is "reasonable" (or any similar or analogous wording is used including any obligation not to be unreasonable or act unreasonably) or acting or exercising any discretion (or refraining from acting or exercising any discretion) this shall mean that the Security Agent shall be acting or exercising any discretion (or refraining from the same) or coming to an opinion or determination on the instructions of the Agent on behalf of the Majority Lenders or any other applicable group of Lenders acting reasonably and that the Security Agent shall be under no obligation to determine the reasonableness or unreasonableness of such instructions from Agent on behalf of the Majority Lenders or any other applicable group of Lenders or whether in giving such instructions, the Agent on behalf of the Majority Lenders or any other applicable group of Lenders are acting in a reasonable or unreasonable manner.

1.3 Third party rights

(a) Unless expressly provided to the contrary in a Finance Document for the benefit of a Finance Party or another Indemnified Person, a person who is not a party to a Finance Document has no right under the Contracts (Rights of Third Parties) Act 1999 (the **Third Parties Act**) to enforce or enjoy the benefit of any term of the relevant Finance Document.

(b) Any Finance Document may be rescinded or varied by the parties to it without the consent of any person who is not a party to it (unless otherwise provided by this Agreement).

(c) An Indemnified Person who is not a party to a Finance Document may only enforce its rights under that Finance Document through a Finance Party and if and to the extent and in such manner as the Finance Party may determine.

1.4 Finance Documents

Where any other Finance Document provides that this clause 1.4 shall apply to that Finance Document, any other provision of this Agreement which, by its terms, purports to apply to all or any of the Finance Documents and/or any Obligor shall apply to that Finance Document as if set out in it but with all necessary changes.

1.5 Conflict of documents

The terms of the Finance Documents (other than as relates to the creation and/or perfection of security) are subject to the terms of this Agreement and, in the event of any conflict between any provision of this Agreement and any provision of any Finance Document (other than in relation to the creation and/or perfection of security) the provisions of this Agreement shall prevail.

2 The Facility

2.1 The Facility

Subject to the terms of this Agreement, the Lenders make available to the Borrower a term loan facility in an amount equal to the Total Commitments as at the date of this Agreement. The Total Commitments may be increased by amounts equal to the Commitment for Ship H and the Additional Advances in accordance with clauses 2.3 (*Ship H*) and 2.4 (*Additional Advances*).

2.2 Finance Parties' rights and obligations

(a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.

(b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor is a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (c) below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and, for the avoidance of doubt, any part of the Loan or any other amount owed by an Obligor which relates to a Finance Party's participation in a Facility or its role under a Finance Document (including any such amount payable to the Agent on its behalf) is a debt owing to that Finance Party by that Obligor.

(c) A Finance Party may, except as specifically provided in the Finance Documents (including, without limitation, clauses 35.27 (*All enforcement action through the Security Agent*)) and 37.2 (*Finance Parties acting together*), separately enforce its rights under or in connection with the Finance Documents.

2.3 Ship H

(a) The Commitment for Ship H identified in clause 5.3(c) (*Currency and amount*) may only be borrowed under this Agreement if:

(i) no Event of Default has occurred and is continuing or would result from making such Commitment including, without limitation, compliance with clause 20 (*Financial Covenants*) and clause 25 (*Minimum security value*);

(ii) the Borrower has requested the Total Commitments to be increased to an amount of up to such Commitment for Ship H;

(iii) one or more of the Original Lenders or, as the case may be, Accordion Lenders have agreed to increase the Total Commitments by the amount of up to such Commitment for Ship H and the Agent shall have notified the Borrower accordingly and the Borrower has provided such know-your-customer documentation to the Agent of the nature set out in clause 19.12 ("Know your customer" checks) as the Agent may require to carry out and satisfy its “Know your customer” checks in relation to such Accordion Lender;

(b) No Original Lender shall be obliged to participate in any Commitment for Ship H and such Commitment for Ship H shall be subject to agreement with the Borrower on any fees payable with respect to such Commitment for Ship H and such other terms and conditions (if any) required by any Original Lender that participates in such Commitment for Ship H and any new Lender that participates in such Commitment for Ship H (or the Additional Advances) (an **Accordion Lender**) in each case, on no better economic terms than are applicable to the Original Lenders prior to the date of such Commitment for Ship H.

(c) Subject to clauses 2.3(a) and (b) inclusive, the Borrower may increase the Total Commitments by delivering an Increase Confirmation to the Agent not later than five Business Days prior to the relevant increase date (being a date not later than six months after the first Utilisation) (the **Increase Date**). An Increase Confirmation is irrevocable. Each Lender irrevocably authorises the Agent to sign an Increase Confirmation pursuant to this clause.

(d) On the date that any Commitment for Ship H is made:

(i) the amount of the participations of each Original Lender and/or Accordion Lender which participates in the Commitment for Ship H will be as set out in the relevant Increase Confirmation;

(ii) each relevant Accordion Lender shall become a Party as a Lender;

(iii) each of the Obligors and each Lender which participates in the Commitment for Ship H shall assume obligations towards one another and/or acquire rights against one another as they would have acquired or assumed had each Lender which participates in the Commitment for Ship H been an Original Lender with the rights and obligations acquired and assumed by it as a result of providing its participation in the Commitment for Ship H; and

(iv) the Finance Parties and the Accordion Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the Accordion Lenders been Original Lenders with the rights and obligations acquired and assumed by them as a result of their participation in the Commitment for Ship H.

2.4 Additional Advances

(a) One or more Additional Advances up to the amount identified in clause 5.3(d) (*Currency and amount*) may only be borrowed under this Agreement if:

(i) no Event of Default has occurred and is continuing or would result from making such Commitment including, without limitation, compliance with clause 20 (*Financial Covenants*) and clause 25 (*Minimum security value*);

(ii) the Borrower has requested the Total Commitments to be increased to an amount of up to each such Additional Advance;

(iii) one or more of the Original Lenders or, as the case may be, Accordion Lenders have agreed to increase the Total Commitments by the amount of the relevant Additional Advance and the Agent shall have notified the Borrower accordingly and the Borrower has provided such know-your-customer documentation to the Agent of the nature set out in clause 19.12 (*"Know your customer" checks*) as the Agent may require to carry out and satisfy its "Know your customer" checks in relation to such Accordion Lender;

(b) No Original Lender shall be obliged to participate in any Additional Advance and each such Additional Advance shall be subject to agreement with the Borrower on any fees payable with respect to each such Additional Advance and such other terms and conditions (if any) required by any Original Lender that participates in each such Additional Advance and any Accordion Lender that participates in each such Additional Advance, in each case, on no better economic terms than are applicable to the Original Lenders prior to the date of such Additional Advance.

(c) Subject to clauses 2.4(a) and (b) inclusive, the Borrower may increase the Total Commitments by delivering an Increase Confirmation to the Agent not later than five Business Days prior to the relevant Increase Date (being a date not later than six months after the first Utilisation). An Increase Confirmation is irrevocable. Each Lender irrevocably authorises the Agent to sign Increase Confirmations pursuant to this clause.

(d) On the date that any Additional Advance is made:

(i) the amount of the participations of each Original Lender and/or Accordion Lender which participates in any Additional Advance will be as set out in the relevant Increase Confirmation;

(ii) each relevant Accordion Lender shall become a Party as a Lender;

(iii) each of the Obligors and each Lender which participates in any Additional Advance shall assume obligations towards one another and/or acquire rights against one another as they would have acquired or assumed had each Lender which participates in any Additional Advance been an Original Lender with the rights and obligations acquired and assumed by it as a result of providing its participation in any Additional Advance; and

(iv) the Finance Parties and the Accordion Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the Accordion Lenders been Original Lenders with the rights and obligations acquired and assumed by them as a result of their participation in any Additional Advance.

3 Purpose

3.1 Purpose

The Borrower shall apply all amounts borrowed under the Facility in accordance with this clause 3.

3.2 General corporate purposes and refinancing of Golar Eskimo

The Commitments shall be made available solely for general corporate purposes of the Obligors including payment of dividends or equity contributions to NFE.

3.3 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4 Conditions of Utilisation

4.1 Initial conditions precedent

The Lenders will only be obliged to comply with clause 5.3 *(Lenders' participation)* in relation to any Utilisation if on or before the Utilisation Date for that Utilisation, the Agent, or its duly authorised representative, has received or is satisfied that it will receive on the date that the relevant Commitments are made available all of the documents and other evidence listed in Part 1 of Schedule 3 (*Conditions precedent to any Utilisation*) in form and substance satisfactory to the Agent.

4.2 Ship and security conditions precedent

(a) The Commitments relative to the first Utilisation shall only become available for borrowing under this Agreement if the Agent, or its duly authorised representative, has received all of the documents and evidence listed in Part 2 of Schedule 3 (Ship and security conditions precedent) in form and substance satisfactory to the Agent.

(b) Subject to the satisfaction of the conditions set out in clause 2.4 (Additional Advances), each Additional Advance can be borrowed if the Agent, or its duly authorised representative, has received evidence of the registration of a mortgage amendment in favour of the Security Agent in respect of all of the Ships which are subject to a Mortgage in a form and substance acceptable to the Agent and all of the documents and evidence listed in paragraphs 1, 5 and 8 of Part 2 of Schedule 3 (Ship and security conditions precedent) relative to such mortgage amendments in form and substance satisfactory to the Agent.

4.3 Golar Eskimo and security conditions precedent

The Commitment for Ship H shall only become available for borrowing under this Agreement if the Agent, or its duly authorised representative, has received all of the documents and evidence listed in Part 3 of Schedule 3 *(Conditions Precedent required to be delivered by the Additional Guarantor)* and Part 4 of Schedule 3 (*Ship and security conditions precedent*) in form and substance satisfactory to the Agent.

4.4 Notice to Lenders

The Agent shall notify the Lenders and the Borrower promptly upon receipt and being satisfied with all of the documents and evidence referred to in this clause 4 in form and substance satisfactory to it. Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives any such notification, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

4.5 Further conditions precedent

The Lenders will only be obliged to comply with clause 5.3 (*Lenders' participation*) if:

(a) on the date of the Utilisation Request and on the proposed Utilisation Date, no Default is continuing or would result from the proposed Utilisation;

(b) on the date of the Utilisation Request and on the proposed Utilisation Date, the Repeating Representations are true and, in relation to the first Utilisation, all of the other representations set out in clause 18 (*Representations*) (other than the Ship Representations) are true; and

(c) where the proposed Utilisation Date is to be the first day of the Mortgage Period for a Ship, the Ship Representations for that Ship are true on the proposed Utilisation Date.

4.6 Waiver of conditions precedent

The conditions in this clause 4 are inserted solely for the benefit of the Finance Parties and may be waived on their behalf in whole or in part and with or without conditions by the Agent acting on the instructions of the Majority Lenders.

4.7 Conditions subsequent

The Borrower shall provide to the Agent:

(a) within thirty days of the date of this Agreement and only with respect to the first Utilisation, the compliance certificate referred to under paragraph 3(f) of Part 1 of Schedule 3 (*Conditions precedent to any Utilisation*);

(b) evidence of the service on any relevant charterers of the notices of assignment required under paragraph 2(c) of Part 2 of Schedule 3 (*Ship and security conditions precedent*) (except in respect of Ship F) within ten Business Days of the relevant Utilisation Date (and the Borrower and relevant assignor shall exercise commercially reasonable efforts to obtain the acknowledgments to such notices of assignment);

(c) if Quiet Enjoyment Letters are required by the relevant Time Charterer pursuant to the terms of the relevant Time Charter, originals of the duly executed and dated Quiet Enjoyment Letters as soon as practicable after signing thereof by the relevant Time Charterer;

(d) the documents and evidence set out in paragraphs 2(a), (b), (c), (d), 4 and 11 of Part 2 of Schedule 3 (*Ship and security conditions precedent*) with respect to Ship F as soon as practicable after signing of any required Quiet Enjoyment Letter in respect of Ship F pursuant to clause 4.7(b);

(e) the documents and evidence set out in (i) paragraph 3(b) of Part 1 of Schedule 3 (*Conditions precedent to any Utilisation*) and (ii) paragraph 10 of Part 2 of Schedule 3 (*Ship and security conditions precedent*) and any legal opinion with respect to the jurisdiction in which an Obligor is incorporated (with reference to the Account Security) or in which an Account is opened, in each case within ten Business Days of the first Utilisation Date. For the avoidance of doubt, no Accounts are anticipated being opened with respect to the Bareboat Charterer of Ship A or the Owner and Bareboat Charterer of Ship B for the purposes of this condition subsequent; and

(f) evidence that any Account required to be established under clause 27 (*Bank accounts*) with Citibank N.A., London Branch has been opened and established, that any Account Security in respect of each such Account (other than relative to Ship H) has been executed and delivered by the relevant Account Holder in favour of the Security Agent and that any notice required to be given to the Account Bank under that Account Security has been given to it and acknowledged by it in the manner required by that Account Security and that an amount has been credited to it, in each case, within 90 days of the first Utilisation Date.

For the avoidance of doubt, (other than clause 4.7(a) which shall only apply in respect of the first Utilisation) the conditions subsequent listed in this clause 4.7 shall not be required as conditions precedent to any Utilisation.

Section 3 - Utilisation

5 Utilisation

5.1 Delivery of a Utilisation Request

The Borrower may utilise the Facility by delivery to the Agent of a duly completed Utilisation Request not later than 11 a.m. three Business Days before the proposed Utilisation Date **it being acknowledged that,** for the first Utilisation only, a duly completed Utilisation Request may be submitted one Business Day before the proposed Utilisation Date.

5.2 Completion of a Utilisation Request

(a) A Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

(i) the proposed Utilisation Date is a Business Day falling on or before the Last Availability Date;

(ii) the currency and amount of the Utilisation comply with clause 5.3 (*Currency and amount*);

(iii) the proposed Interest Period complies with clause 9 (*Interest Periods*); and

(iv) it identifies the purpose for the Utilisation and that purpose complies with clause 3 (*Purpose*).

(b) Only one Advance may be requested in each Utilisation Request.

5.3 Currency and amount

(a) The currency specified in a Utilisation Request must be dollars.

(b) The amount of the first proposed Advance shall, subject to the terms of this Agreement, not exceed the lower of (i) $430,000,000 and (ii) such amount as shall equal 70% of the aggregate Vessel Values of the Ships subject to a Mortgage.

(c) Subject to clause 2.3 (*Ship H*), the amount of the proposed Advance in respect of Ship H shall, subject to the terms of this Agreement, not exceed the lower of (i) $155,000,000 and (ii) such amount as shall when aggregated with the Loan equal 70% of the Vessel Values of the Ships subject to a Mortgage.

(d) Subject to clause 2.4 (*Additional Advances*), the amount of the proposed Additional Advance shall, subject to the terms of this Agreement, not exceed the lower of (i) $135,000,000 less any previous Additional Advances which have been borrowed and (ii) such amount as shall when aggregated with the Loan equal 70% of the Vessel Values of the Ships subject to a Mortgage.

(e) The amount of each proposed Advance must not exceed (when aggregated with the outstanding Loan) the Total Commitments (as the same may be increased in accordance with clauses 2.3 (*Ship H*) and 2.4 (*Additional Advances*).

5.4 Lenders' participation

(a) If the conditions set out in this Agreement have been met and subject to clause 6 *(Repayment)*, each Lender shall make its participation in each Advance available by the relevant Utilisation Date through its Facility Office.

(b) The amount of each Lender's participation in an Advance will be equal to the proportion borne by its undrawn Commitment to the undrawn Total Commitments immediately prior to making such Advance.

(c) The Agent shall promptly notify each Lender of the amount of each Advance and the amount of its participation in such Advance and, if different, the amount of that participation to be made available in accordance with clause 39.1 *(Payments to the Agent)*, in each case by 11:00 a.m. on the Quotation Day. The amount of each proposed Advance must not exceed (when aggregated with the outstanding Loan) the Total Commitments.

(d) The Agent shall pay all amounts received by it in respect of each Advance (and its own participation in it, if any) to the Borrower or for its account in accordance with the instructions contained in the relevant Utilisation Request.

Section 4 - Repayment, Prepayment and Cancellation

6 Repayment

6.1 Repayment

The Borrower shall on each Repayment Date repay such part of the Loan as is required to be repaid by clause 6.2 (*Scheduled repayment of Facility*).

6.2 Scheduled repayment of Facility

(a) To the extent not previously reduced, the Loan shall be repaid by instalments on each Repayment Date by the amount specified for such Repayment Date below (as may be revised by clause 6.3 (*Adjustment of scheduled repayments*)):

Repayment Date	Amount ($)
First to Twelfth	15,357,142.86

(b) Subject to clauses 2.3 (*Ship H*) and 2.4 (*Additional Advances*), the Borrower and the Agent shall agree a replacement repayment schedule in clause 6.2(a) in the relevant Increase Confirmation, which replacement repayment schedule shall reflect a straight line amortisation profile of the Loan (as so increased) to zero seven years after the first Utilisation Date.

(c) A balloon repayment in an amount equal to the amount of the Loan less the amount of the instalments referred to in clause 6.2(a) above shall be payable together with the final instalment.

(d) On the Final Repayment Date (without prejudice to any other provision of this Agreement), the Loan and all other amounts owing under this Agreement and any of the other Finance Documents shall be repaid in full.

6.3 Adjustment of scheduled repayments

If the Total Commitments have been partially reduced under this Agreement and/or any part of the Loan is prepaid (other than under clause 6.2 (*Scheduled repayment of Facility*)) before any Repayment Date, then the amount of the instalment by which the Loan shall be repaid under clause 6.2 (*Scheduled repayment of Facility*) on any such Repayment Date (as reduced by any earlier operation of this clause 6.3) shall be reduced pro rata (including any balloon instalment) to such reduction in the Total Commitments.

7 Illegality, prepayment and cancellation

7.1 Illegality

If, in any applicable jurisdiction, it becomes unlawful or contrary to any Sanctions Laws (other than as a result of a Sanctions Event, in which case clause 7.2 (*Sanctions Event*) shall apply) for any Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in the Loan or it becomes unlawful or contrary to any Sanctions Laws (other than as a result of a Sanctions Event, in which case clause 7.2 (*Sanctions Event*) shall apply) for any Affiliate of a Lender for that Lender to do so:

(a) that Lender shall promptly notify the Agent (if applicable, providing reasonable detail of the relevant Sanctions Laws, to the extent permitted by law and regulation) upon becoming aware of that event;

(b) upon the Agent notifying the Borrower, the Commitment of that Lender will be immediately cancelled and the Total Commitments shall be reduced rateably; and

(c) to the extent that the Lender's participation has not been assigned pursuant to clause 7.7 (*Right of replacement or cancellation and prepayment in relation to a single Lender*), the Borrower shall prepay that Lender's participation in the Loan on the last day of the Interest Period for the Loan occurring after the Agent has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law).

7.2 Sanctions Event

If a Sanctions Event occurs:

(a) the Obligors shall promptly notify the Agent of that Sanctions Event, and the Agent shall then notify each Lender thereof; and

(b) each Lender may (regardless of whether it has received any notice) cancel its Commitment with immediate effect (and the Total Commitments shall be reduced rateably) and demand that the Borrower prepay that Lender's participation in the Loan on the date specified by that Lender in a notice to the Borrower, such date being not less than three Business Days after that Lender's notice to the Borrower or, if earlier, the date required by the relevant Sanctions Laws and/or Sanctions Authority.

7.3 Expropriation

If the authority or ability of any Obligor to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation or nationalisation in relation to any Ship owned by an Obligor and such curtailment is not remedied within 30 days, the Total Commitments shall be reduced by the Applicable Fraction of the Total Commitments and the Borrower shall prepay the Applicable Fraction of the Loan on the date of the expiry of such 30 day period.

7.4 Change of control

(a) The Borrower shall promptly notify the Agent upon any Obligor becoming aware of a Change of Control.

(b) If there is a Change of Control, the Agent shall cancel the Total Commitments and the Borrower shall prepay the Loan in full together with any other amounts owing under this Agreement or any of the other Finance Documents, on or prior to the date which is 30 days after the date on which the Change of Control occurred.

7.5 Voluntary cancellation

The Borrower may, if it gives the Agent not less than ten Business Days' (or such shorter period as the Agent and the Majority Lenders may agree) prior notice, cancel the whole or any part (being a minimum amount of $5,000,000) of the Facility. Upon any such cancellation the Total Commitments shall be reduced by the same amount and the relevant Commitments of the Lenders reduced pro rata.

7.6 Voluntary prepayment

The Borrower may, if it gives the Agent (in its own capacity in the case of a prepayment of the whole or any part of a Compounded Rate Loan) not less than ten Business Days' prior written notice, prepay the whole or any part of the Loan (but if in part, being an amount that reduces the amount of the Loan by a minimum amount of $5,000,000 and is a multiple of $5,000,000), on the last day of an Interest Period in respect of the amount to be prepaid. No more than four prepayments may be made in a calendar year.

7.7 Right of replacement or cancellation and prepayment in relation to a single Lender

(a) If:

(i) any sum payable to any Lender by an Obligor is required to be increased under clause 12.2 (*Tax gross-up*);

(ii) any Lender claims indemnification from the Borrower under clause 12.3 (*Tax indemnity*) or clause 13 (*Increased Costs*); or

(iii) any Lender becomes a Defaulting Lender,

the Borrower may, whilst the circumstance giving rise to the requirement for that increase or indemnification continues or whilst the relevant Lender continues to be a Defaulting Lender, give the Agent notice of cancellation of the Commitments of that Lender and its intention to procure the repayment of that Lender's participation in the Loan or give the Agent notice of its intention to replace that Lender in accordance with clause 7.7(d).

(b) On receipt of a notice referred to in clause 7.7(a) above, the Commitments of that Lender shall immediately be reduced to zero and (unless the Commitments of the relevant Lender are replaced in accordance with clause 7.7(d)) the Total Commitments shall be reduced accordingly. The Agent shall as soon as practicable after receipt of a notice referred to in clause 7.7(a)(iii) above, notify all the Lenders.

(c) On the last day of each Interest Period which ends after the Borrower has given notice under clause 7.7(a) above in relation to a Lender (or, if earlier, the date specified by the Borrower in that notice), the Borrower shall repay that Lender's participation in the Loan and that Lender's corresponding Commitment shall be immediately cancelled in the amount of the participations repaid.

(d) The Borrower may, in the circumstances set out in clause 7.7(a), on 15 Business Days' prior notice to the Agent and that Lender or in the circumstances set out in clause 7.1 (*Illegality*), on 15 Business Days' prior notice to the Agent and that Lender (subject to such period not extending beyond the earlier of the dates referred to in clause 7.1(c) (*Illegality*)), replace that Lender by requiring that Lender to assign (and, to the extent permitted by law, that Lender shall assign) pursuant to clause 33 (*Changes to the Lenders*) all (and not part only) of its rights under this Agreement to a Lender or other bank, financial institution or fund selected by the Borrower which confirms its willingness to undertake and does undertake all the obligations of the assigning Lender in accordance with clause 33 (*Changes to the Lenders*) for a purchase price in cash or other cash payment payable at the time of the assignment equal to the aggregate of:

(i) the outstanding principal amount of such Lender's participation in the Loan;

(ii) all accrued interest owing to such Lender;

(iii) the Break Costs which would have been payable to such Lender pursuant to clause 10.5 (*Break Costs*) had the Borrower prepaid in full that Lender's participation in the Loan on the date of the assignment; and

(iv) all other amounts payable to that Lender under the Finance Documents on the date of the assignment.

(e) The replacement of a Lender pursuant to clause 7.7(d) shall be subject to the following conditions:

(i) the Borrower shall have no right to replace the Agent;

(ii) neither the Agent nor any Lender shall have any obligation to find a replacement Lender;

(iii) in no event shall the Lender replaced under clause 7.7(d) be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents; and

(iv) the Lender shall only be obliged to assign its rights pursuant to clause 7.7(d) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that assignment.

(f) A Lender shall perform the checks described in clause 7.7(e)(iv) above as soon as reasonably practicable following delivery of a notice referred to in clause 7.7(d) above and shall notify the Agent and the Borrower when it is satisfied that it has complied with those checks.

7.8 Sale or Total Loss

(a) If a Ship becomes a Total Loss before the Total Commitments have become available for borrowing under this Agreement, the Total Commitments shall immediately be reduced by the Applicable Fraction of the Total Commitments, provided that Ship F shall be disregarded from this clause until the condition subsequent set out in clause 4.7(c) (*Condition subsequent*) has been satisfied.

(b) On a Mandatory Repayment Date in relation to any of the Ships:

(i) the Total Commitments will be reduced by the Applicable Fraction of the Total Commitments; and

(ii) the Borrower shall prepay the Applicable Fraction of the Loan,

and in the case of the sale of all or part of an Owner, a Bareboat Charterer, the Applicable Fraction shall relate to the Ship which is owned or chartered by such Owner or Bareboat Charterer, provided that Ship F shall be disregarded from this clause until the condition subsequent set out in clause 4.7(c) (*Condition subsequent*) has been satisfied.

7.9 Unsecured Indebtedness

If the Parent or any other Group Member raises any unsecured indebtedness, the Borrower shall apply such proceeds in part prepayment of the Loan within ten Business Days of the date of such financing.

7.10 Sale or transfer of equity in Hilli Episeyo Lessee or sale of Hilli Episeyo

If the Parent sells or transfers any of the issued share capital or voting rights (or equivalent) in the Hilli Episeyo Lessee which it directly or indirectly owns or if the Hilli Episeyo is sold, the Borrower shall, on the date upon which such sale is completed by the transfer of title to the purchaser or transferee in exchange for payment of all or part of the relevant purchase price or other consideration, prepay the Loan in an amount of:

(a) if such sale occurs on or before the second anniversary of the date of this Agreement, not less than $100,000,000; or

(b) if such sale occurs after the second anniversary and on or before the third anniversary of the date of this Agreement, not less than $75,000,000.

7.11 Termination of Hilli Episeyo Charter

If the Hilli Episeyo Charter is terminated, the Borrower shall, on the date on which such termination occurs, prepay the Loan in an amount of:

(a) if such termination occurs on or before the second anniversary of the first Utilisation Date, not less than $100,000,000; or

(b) if such termination occurs after the second anniversary and on or before the Final Repayment Date, not less than $75,000,000.

7.12 Sale or transfer of Nusantara Regas Satu or Golar Eskimo

(a) If the Nusantara Regas Satu is sold or the Parent sells or transfers any of the issued share capital or voting rights (or equivalent) in the Nusantara Regas Satu Owner which it directly or indirectly owns, the Borrower shall:

(i) on the date upon which any such sale or transfer is completed by the transfer of title to the purchaser in exchange for payment of all or part of the relevant purchase price or other consideration, prepay the Loan in an amount equal to the amount by which the sale proceeds for that vessel, shares, or voting rights exceed any outstanding Financial Indebtedness secured over the relevant vessel; or

(ii) with the approval of all the Lenders (such approval not to be unreasonably withheld or delayed), apply the amount by which the sale proceeds for that vessel, shares, or voting rights exceed any outstanding Financial Indebtedness secured over the relevant vessel towards replacement assets to grow the Group's business.

(b) For the purposes of clause 7.12(a), if the consideration received for any sale or transfer of the vessel or shares described in clause 7.12(a) is not cash, such consideration shall be valued in accordance with a method, and by valuers (appointed by the Agent (at the cost of the Borrower)), approved by the Lenders and the Borrower, and such amount shall be deemed to be the "sale proceeds" for the purposes of calculating the amount of the Loan to be prepaid by the Borrower.

(c) If the Golar Eskimo is sold (other than to the Golar Eskimo Lessee) or the Parent sells or transfers any of the issued share capital or voting rights (or equivalent) in the Golar Eskimo Lessee which it directly or indirectly owns, the Commitments relative to the second Advance of up to $150,000,000 shall automatically be cancelled.

7.13 Arrest of Ship

If any Ship is arrested in exercise or purported exercise of any possessory lien or other claim and the relevant Owner fails to procure the release of that Ship within a period of 15 days thereafter (or such longer period as may be approved), the Total Commitments will be reduced by the Applicable Fraction of the Total Commitments and the Borrower shall prepay the Applicable Fraction of the Loan upon the expiry of such 15 day period.

7.14 Ship registration

Except with approval of the Lenders, if the registration of any Ship under the laws and flag of its Flag State is:

(a) cancelled or terminated or, where applicable, not renewed and such registration is not reinstated or renewed (within 30 days provided there is no breach of IMO regulations); or

(b) only provisionally registered on the date of its Mortgage and that Ship is not permanently registered under such laws within 90 days of such date,

the Total Commitments will be reduced by the Applicable Fraction of the Total Commitments and the Borrower shall prepay the Applicable Fraction of the Loan upon expiry of such 30 days' period in the case of (a) above provided there is no breach of IMO regulations and otherwise on the date of such cancellation, termination or, non-renewal or, upon the expiry of such 90 days' period in the case of (b) above.

7.15 Political risk

If the Flag State of any Ship becomes involved in hostilities or civil war or there is a seizure of power in the Flag State or any such Relevant Jurisdiction by unconstitutional means if, in any such case, such event or circumstance, in the reasonable opinion of the Agent (acting on the instructions of the Lenders), has or is reasonably likely to have, a Material Adverse Effect and, within 30 days of notice from the Agent to do so, such action as the Agent (acting on the instructions of the Lenders) may require to ensure that such event or circumstance will not have such an effect has not been taken by the Borrower, the Total Commitments will be reduced by the Applicable Fraction of the Total Commitments and the Borrower shall prepay the Applicable Fraction of the Loan upon the expiry of such 30 days' period.

7.16 Automatic cancellation

Any part of the Total Commitments which has not become available by, or which is undrawn on, the Last Availability Date shall be automatically cancelled at close of business on the Last Availability Date. For the avoidance of doubt, no commitment commission shall be payable on the cancelled amount in these circumstances unless the Last Availability Date has been extended with approval and any part of the Total Commitments remains undrawn at the end of that period of extension.

7.17 Restrictions

(a) Any notice of cancellation or prepayment given by any Party under this clause 7 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.

(b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs for that Interest Period, without premium or penalty.

(c) The Borrower may not reborrow any part of the Facility which is prepaid or repaid.

(d) The Borrower shall not repay or prepay all or any part of the Loan or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

(e) No amount of the Commitments cancelled under this Agreement may be subsequently reinstated.

(f) If the Agent receives a notice under this clause 7 it shall promptly forward a copy of that notice to either the Borrower or the affected Lender, as appropriate.

(g)

(i) Any prepayment required as a result of a cancellation in full of an individual Lender's Commitment under clause 7.1 (*Illegality*) or clause 7.7 (*Right of cancellation and prepayment in relation to a single Lender*) shall be applied in prepaying the relevant Lender's participation in the Loan.

(ii) Any other prepayment shall be applied pro rata to each Lender's participation in the Loan.

(h) Any prepayment under this Agreement shall be made together with payment to any Hedging Provider, of any amount falling due to the relevant Hedging Provider under a Hedging Contract as a result of the termination or close out of that Hedging Contract or any Hedging Transaction under it in accordance with clause 29.3 (*Unwinding of Hedging Contracts*) in relation to that prepayment.

8A Rate Switch

8A.1 Switch to Compounded Reference Rate

Subject to clause 8A.2 (*Delayed switch for the Term Rate Loans*), on and from the Rate Switch Date:

(a) use of the Compounded Reference Rate will replace the use of LIBOR for the calculation of interest for the Loan; and

(b) each Loan and any Unpaid Sum shall be a "Compounded Rate Loan" and clause 8.2 (*Calculation of interest – Compounded Rate Loan*) shall apply to each such Loan or Unpaid Sum.

8A.2 Delayed switch for the Term Rate Loans

If the Rate Switch Date falls before the last day of an Interest Period for a Term Rate Loan:

(a) that Loan shall continue to be a Term Rate Loan for that Interest Period and clause 8.1 (*Calculation of interest – Term Rate Loans*) shall continue to apply to that Loan for that Interest Period;

(b) any provision of this Agreement which is expressed to relate to a Compounded Rate Loan shall not apply in relation to that Loan for that Interest Period; and

(c) on and from the first day of the next Interest Period (if any) for that Loan:

(i) that Loan shall be a "Compounded Rate Loan"; and

(ii) clause 8.2 (*Calculation of interest – Compounded Rate Loans*) shall apply to that Loan.

8A.3 Early termination of Interest Periods for existing Term Rate Loans

If:

(a) an Interest Period for a Term Rate Loan would otherwise end on a day which falls after the Rate Switch Date; and

(b) prior to the date of selection of that Interest Period:

(i) the Backstop Rate Switch Date was scheduled to occur during that Interest Period; or

(ii) notice of a Rate Switch Trigger Event Date falling during that Interest Period had been given pursuant to clause 8A.4(a)(ii) (*Notifications by Agent*),

that Interest Period will instead end on the Rate Switch Date.

8A.4 Notifications by Agent

(a) Following the occurrence of a Rate Switch Trigger Event, the Agent shall:

(i) promptly upon becoming aware of the occurrence of that Rate Switch Trigger Event, notify the Borrower and the Lenders of that occurrence; and

(ii) promptly upon becoming aware of the date of the Rate Switch Trigger Event Date applicable to that Rate Switch Trigger Event, notify the Borrower and the Lenders of that date.

(b) The Agent shall, promptly upon becoming aware of the occurrence of the Rate Switch Date, notify the Borrower and the Lenders of that occurrence.

(c) The Parties agree that the FCA Cessation Announcement constitutes a Rate Switch Trigger Event in relation to the events described in paragraphs (a)(ii), (iii) and (iv) and (b) of the definition of Rate Switch Trigger Event, that the Rate Switch Trigger Event Date applicable to such Rate Switch Trigger Event will be 1 July 2023 and that the Agent is not under any obligation under paragraph 8A.4(a) above to notify any Party of such Rate Switch Trigger Event or Rate Switch Trigger Event Date resulting from the FCA Cessation Announcement.

(d) For the purposes of clause 8A.4(c) above, the **FCA Cessation Announcement** means the announcement on 5 March 2021 by the UK's Financial Conduct Authority that all LIBOR settings will, as of certain specified future dates, either cease to be provided by any administrator or no longer be representative of the market and economic reality that they are intended to measure and that such representativeness will not be restored.

8 Interest

8.1 Calculation of interest – Term Rate Loans

The rate of interest on each Term Rate Loan (or any relevant part of it for which there is a separate Interest Period) for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

(a) Margin; and

(b) LIBOR.

8.2 Calculation of interest – Compounded Rate Loans

(a) The rate of interest on each Compounded Rate Loan (or any relevant part of it for which there is a separate Interest Period) for any day during an Interest Period is the percentage rate per annum which is the aggregate of the applicable:

(i) Margin; and

(ii) Compounded Reference Rate for that day.

(b) If any day during an Interest Period for a Compounded Rate Loan is not an RFR Banking Day, the rate of interest on that Compounded Rate Loan for that day will be the rate applicable to the immediately preceding RFR Banking Day.

8.3 Payment of interest

The Borrower shall pay accrued interest on the Loan on the last day of each Interest Period (and, if (other than for a Compounded Rate Loan) the Interest Period is longer than three months, on the dates falling at three monthly intervals after the first day of the Interest Period).

8.4 Default interest

(a) If an Obligor fails to pay any amount payable by it under a Finance Document (other than a Hedging Contract) on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to clause 8.4(b) below, is 2 per cent per annum higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted the Loan for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this clause 8.4 shall be immediately payable by the Obligor on demand by the Agent.

(b) If any overdue amount consists of all or part of a Term Rate Loan (or any relevant part of it) which became due on a day which was not the last day of an Interest Period relating to that Loan or the relevant part of it:

(i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and

(ii) the rate of interest applying to the overdue amount during that first Interest Period shall be 2 per cent per annum higher than the rate which would have applied if the overdue amount had not become due.

(c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

8.5 Notification of rates of interest

(a) The Agent shall promptly notify the Lenders and the Borrower of the determination of a rate of interest under this Agreement relating to a Term Rate Loan.

(b) The Agent shall promptly upon a Compounded Rate Interest Payment being determinable notify:

(i) the Borrower of that Compounded Rate Interest Payment;

(ii) each Lender of the proportion of that Compounded Rate Interest Payment which relates to that Lender's participation in the relevant Compounded Rate Loan; and

(iii) the Lenders and the Borrower of each applicable rate of interest relating to the determination of that Compounded Rate Interest Payment.

(c) The Agent shall promptly notify the Borrower of each Funding Rate relating to the Loan (or any relevant part of it).

(d) This clause 8.5 shall not require the Agent to make any notification to any Party on a day which is not a Business Day.

9 Interest Periods

9.1 Selection of Interest Periods

(a) The Borrower may select an Interest Period for the first Advance in the Utilisation Request for that Advance and (after the first Advance has been borrowed) may select an Interest Period for the Loan in a Selection Notice.

(b) The first Interest Period for the Loan shall start on the first Utilisation Date, the first Interest Period for any subsequent Advance, shall start on the relevant Utilisation Date and end on the last day of the then current Interest Period for the balance of the Loan and each subsequent Interest Period for the Loan shall start on the last day of its preceding Interest Period.

(c) Each Selection Notice is irrevocable and must be delivered to the Agent by the Borrower not later than 11:00 a.m. four Business Days before the last day of the then current Interest Period.

(d) If the Borrower fails to deliver a Selection Notice to the Agent in accordance with clause 9.1(a), the relevant Interest Period will, subject to clause 9.2 (*Interest Periods overrunning Repayment Dates*), be three months.

(e) Subject to this clause 9, the Borrower may select an Interest Period of three or six months or any other period agreed between the Borrower, the Agent and all of the Lenders.

(f) No Interest Period for a Compunded Rate Loan shall be longer than six months or shorter than one month.

(g) No Interest Period shall extend beyond the Final Repayment Date.

9.2 Interest Periods overrunning Repayment Dates

If the Borrower selects an Interest Period for the Loan which would overrun any later Repayment Date for the Loan, the Loan shall be divided into parts corresponding to the amounts by which the Loan is scheduled to be repaid under clause 6.2 (*Scheduled repayment of Facility*) on each of the Repayment Dates falling during such Interest Period (each of which shall have a separate Interest Period ending on the relevant Repayment Date) and to the balance of the Loan (which shall have the Interest Period selected by the Borrower).

9.3 Non-Business Days

(a) Other than where paragraph (b) below applies, if an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

(b) If the Loan is, or an Unpaid Sum is in respect of, a Compounded Rate Loan and there are rules specified as "Business Day Conventions" in the Compounded Rate Terms, those rules shall apply to each Interest Period for that Loan or Unpaid Sum.

10 Changes to the calculation of interest

10.1 Unavailability of Screen Rate prior to Rate Switch Date

(a) If no Screen Rate is available for LIBOR for an Interest Period, LIBOR shall be the Interpolated Screen Rate for a period equal in length to that Interest Period.

(b) If clause 10.1(a) above applies but no Interpolated Screen Rate is available for dollars or the relevant Interest Period, LIBOR shall be the most recent applicable Screen Rate for dollars and for a period equal in length to the Interest Period of that Loan (a **Historic Screen Rate**);

(c) If clause 10.1(b) above applied, but the Historic Screen Rate is not available for dollars or for a period equal in length to the Interest Period of that Loan, LIBOR shall be the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

(i) the most recent applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the relevant Interest Period of the Loan or the relevant Unpaid Sum; and

(ii) the most recent applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the relevant Interest Period of the Loan or the relevant Unpaid Sum

(the **Historic Interpolated Screen Rate**); and

(d) If clause 10.1(c) applies but it is not possible to calculate the Historic Interpolated Screen Rate, there shall be no LIBOR for that Interest Period and clause 10.3(a) (*Cost of funds*) shall apply for that Interest Period.

10.2 Market disruption

In the case of a Term Rate Loan, if before close of business in London on the Quotation Day for an Interest Period the Agent receives notifications from a Lender or Lenders (whose participations in the Loan or relevant part of it exceed 35 per cent of the Loan or relevant part of it) that the cost to it of funding its participation in the Loan from whatever source it may reasonably select would be in excess of LIBOR then clause 10.3(a) *(Cost of funds)* shall apply to the Loan or relevant part of it for the relevant Interest Period.

10.3 Cost of funds

(a) If this clause 10.3 applies to a Term Rate Loan for an Interest Period, the rate of interest on each Lender's share of that Loan or relevant part of it for that Interest Period shall be the sum of:

(i) the Margin; and

(ii) the weighted average (by reference to the Loans then outstanding of each Lender) of each rate notified to the Agent by each Lender as soon as practicable, and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in that Loan from whatever source it may reasonably select, provided that in respect of any rate not so notified to the Agent, such Lender's proportion of the Loans then outstanding shall be disregarded for the purposes of calculation of the weighted average of all rates above.

(b) If this clause 10.3 applies and the Agent or the Borrower so require, the Agent and the Borrower shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest.

(c) Any alternative basis agreed pursuant to clause 10.4(b) above shall, with the prior consent of all the Lenders and the Borrower, be binding on all Parties.

(d) If this clause 10.3 applies pursuant to clause 10.2 (*Market disruption*) and:

(i) a Lender's Funding Rate is less than LIBOR; or

(ii) a Lender does not supply a quotation by the time specified in clause 10.3(a)(a)(ii) above,

the cost to that Lender of funding its participation in the Loan or relevant part of it for that Interest Period shall be deemed, for the purposes of clause 10.3(a) above, to be LIBOR.

(e) For the avoidance of doubt, this clause shall not apply to in respect of a Compounded Rate Loan.

10.4 Notification to Borrower

If clause 10.3 *(Cost of funds)* applies, the Agent shall, as soon as is practicable, notify the Borrower.

10.5 Break Costs

(a) The Borrower shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of the Term Rate Loan or relevant part of it or Unpaid Sum being paid by the Borrower on a day other than the last day of an Interest Period for the Term Rate Loan or relevant part of it or Unpaid Sum.

(b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

11 Fees

11.1 Commitment commission

(a) The Borrower shall pay to the Agent (for the account of each Lender) a fee in dollars computed at the rate of 40 per cent of the Margin per annum on the undrawn and uncancelled portion of that Lender's Commitments calculated on a daily basis from the date of this Agreement (the **start date**) until the Last Availability Date .

(b) The Borrower shall pay the accrued commitment commission on the Last Availability Date unless the Last Availability Date is extended by the Lenders in which case the accrued commitment commission shall be payable on the last day of the period of one month commencing on the start date and on the last day of each successive period of one month. If the Commitments are cancelled in full, the Borrower shall pay accrued commitment commission on the cancelled amount of the Commitments at the time the cancellation is effective. For the avoidance of doubt, if the Commitments are drawn in full on or prior to the Last Availability Date (without extension) then no commitment commission is payable.

11.2 Fees

The Borrower shall pay any fees set out in a Fee Letter in the amount and at the times agreed in the applicable Fee Letter.

12 Tax gross-up and indemnities

12.1 Definitions

(a) In this Agreement:

Protected Party means a Finance Party which is or will be subject to any liability, or required to make any payment, for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

Tax Credit means a credit against, relief or remission for, or repayment of any Tax.

Tax Deduction means a deduction or withholding for or on account of Tax from a payment under a Finance Document (other than a Hedging Contract), other than a FATCA Deduction.

Tax Payment means either the increase in a payment made by an Obligor to a Finance Party under clause 12.2 (*Tax gross-up*) or a payment under clause 12.3 (*Tax indemnity*).

Unless a contrary indication appears, in this clause 12.1 a reference to **determines** or **determined** means a determination made in the absolute discretion of the person making the determination.

12.2 Tax gross-up

(a) Each Obligor shall make all payments to be made by it under any Finance Document without any Tax Deduction, unless a Tax Deduction is required by law.

(b) The Borrower shall, promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction), notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Borrower and that Obligor.

(c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor under the relevant Finance Document shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

(d) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(e) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

(f) This clause 12.2 shall not apply in respect of any payments under any Hedging Contract, where the gross-up provisions of the relevant Hedging Master Agreement itself shall apply.

12.3 Tax indemnity

(a) The Borrower shall (within three Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document.

(b) Clause 12.3(a) above shall not apply:

(i) with respect to any Tax assessed on a Finance Party:

(A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or

(B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or

(ii) to the extent a loss, liability or cost:

(A) is compensated for by an increased payment under clause 12.2 (*Tax gross-up*);

(B) is compensated for by an increased payment under clause 12.5 (*Indemnities on after Tax basis*); or

(C) relates to a FATCA Deduction required to be made by a Party or any Obligor which is not a Party.

(c) A Protected Party making, or intending to make a claim under clause 12.3(a) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Borrower.

(d) A Protected Party shall, on receiving a payment from an Obligor under this clause 12.3, notify the Agent.

12.4 Tax Credit

(a) If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

(i) a Tax Credit is attributable (A) to an increased payment of which that Tax Payment forms part, (B) to that Tax Payment or (C) to a Tax Deduction in consequence of which that Tax Payment was required; and

(ii) that Finance Party has obtained and utilised that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

12.5 Indemnities on after Tax basis

(a) If and to the extent that any sum (the **Indemnity Sum**) constituting (directly or indirectly) an indemnity to any Protected Party but paid by the Borrower to any person other than that Protected Party, shall be treated as taxable in the hands of the Protected Party, the Borrower shall pay to that Protected Party such sum (the **Compensating Sum**) as (after taking into account any Tax suffered by that Protected Party on the Compensating Sum) shall reimburse that Protected Party for any Tax suffered by it in respect of the Indemnity Sum.

(b) For the purposes of this clause 12.5 a sum shall be deemed to be taxable in the hands of a Protected Party if it falls to be taken into account in computing the profits or gains of that Protected Party for the purposes of Tax and, if so, that Protected Party shall be deemed to have suffered Tax on the relevant sum at the rate of Tax applicable to that Protected Party's profits or gains for the period in which the payment of the relevant sum falls to be taken into account for the purposes of such Tax.

12.6 FATCA Information

(a) Subject to clause 12.6(c) below, each Party shall, within ten Business Days of a reasonable request by another Party:

(i) confirm to that other Party whether it is:

(A) a FATCA Exempt Party; or

(B) not a FATCA Exempt Party;

(ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and

(iii) supply to that other Party such forms, documentation and other information relating to its status as the other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.

(b) If a Party confirms to another Party pursuant to clause 12.6(a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

(c) Clause 12.6(a) above shall not oblige any Finance Party to do anything and clause 12.6(a)(iii) above shall not oblige any Party to do anything which would or might in its reasonable opinion constitute a breach of:

(i) any law or regulation;

(ii) any fiduciary duty; or

(iii) any duty of confidentiality.

If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with clause 12.6(a) above (including, for the avoidance of doubt, where clause 12.6(c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments made under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

12.7 FATCA Deduction

(a) Each Party may make any FATCA Deduction it is required to make by FATCA and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

(b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction) notify the Party to whom it is making the payment and, in addition, shall notify the Borrower and the Agent and the Agent shall notify the other Finance Parties.

12.8 Stamp taxes

(a) The Borrower shall pay and, within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

(b) Unless an Event of Default has occurred and is continuing, paragraph (a) above shall not apply in respect of any stamp duty, registration or other similar Taxes which are payable in respect of an assignment, transfer or other alienation of any kind by a Finance Party of any of its rights and/or obligations under a Finance Document.

12.9 Value added tax

(a) All amounts expressed in a Finance Document to be payable by any party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to clause 12.9(b) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any party under a Finance Document, and such Finance Party is required to account to the relevant tax authority for the VAT, that party must pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Finance Party must promptly provide an appropriate VAT invoice to that party).

(b) If VAT is or becomes chargeable on any supply made by any Finance Party (the **Supplier**) to any other Finance Party (the **Recipient**) under a Finance Document, and any party to a Finance Document other than the Recipient (the **Subject Party**) is required by the terms of any Finance Document to pay an amount equal to the consideration for such supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):

(i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Subject Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this paragraph (a) applies) promptly pay to the Subject Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and

(ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Subject Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.

(c) Where a Finance Document requires any party to it to reimburse or indemnify a Finance Party for any cost or expense, that party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment of in respect of such VAT from the relevant tax authority.

(d) Any reference in this clause 12.9 to any Party shall, at any time when such Party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term "representative member" to have the same meaning as in the Value Added Tax Act 1994).

(e) In relation to any supply made by a Finance Party to any party under a Finance Document, if reasonably requested by such Finance Party, that party must promptly provide such Finance Party with details of that party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

13 Increased Costs

13.1 Increased Costs

(a) Subject to clause 13.3 (*Exceptions*), the Borrower shall, within three Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Cost incurred by that Finance Party or any of its Affiliates which:

(i) arises as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (ii) compliance with any law or regulation made after the date of this Agreement; and/or

(ii) is a Basel III Increased Cost.

(b) In this Agreement **Increased Costs** means:

(i) a reduction in the rate of return from the Facility or on a Finance Party's (or its Affiliate's) overall capital;

(ii) an additional or increased cost; or

(iii) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitments or funding or performing its obligations under any Finance Document.

13.2 Increased Cost claims

(a) A Finance Party intending to make a claim pursuant to clause 13 (*Increased Costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Borrower.

(b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs and setting forth the basis of the computation of such amount but not including any matters which such Lender or its Holding Company regards as confidential.

13.3 Exceptions

(a) Clause 13 (*Increased Costs*) does not apply to the extent any Increased Cost is:

(i) attributable to a Tax Deduction required by law to be made by an Obligor;

(ii) compensated for by clause 12.5 (*Indemnities on after Tax basis*) or clause 12.3 (*Tax indemnity*) (or would have been compensated for under clause 12.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in clause 12.3(b) applied);

(iii) attributable to a FATCA Deduction required to be made by a Party; or

(iv) a Basel II Increased Cost or is attributable to the implementation or application or compliance with any other law or regulation which implements the Basel II Accord (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates); or

(v) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation.

(b) In this clause 13.3, a reference to a **Tax Deduction** has the same meaning given to the term in clause 12.1 (*Definitions*).

14 Other indemnities

14.1 Currency indemnity

(a) If any sum due from an Obligor under the Finance Documents (a **Sum**), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the **First Currency**) in which that Sum is payable into another currency (the **Second Currency**) for the purpose of:

(i) making or filing a claim or proof against that Obligor; and/or

(ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall, as an independent obligation, within three Business Days of demand by a Finance Party, indemnify each Finance Party to whom that Sum is due against any Losses arising out of or as a result of the conversion including any discrepancy between (i) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (ii) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

14.2 Other indemnities

(a) The Borrower shall (or shall procure that another Obligor will), within three Business Days of demand by a Finance Party, indemnify each Finance Party against any and all Losses properly incurred by that Finance Party as a result of:

(i) the occurrence of any Event of Default or Sanctions Event;

(ii) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any and all Losses arising as a result of clause 38 (*Sharing among the Finance Parties*);

(iii) any claim, action, civil penalty or fine against, any settlement, and any other kind of loss or liability, and all reasonable costs and expenses (including reasonable counsel fees and disbursements) incurred by any Finance Party whether in respect of investigating or making an enquiry or otherwise as a result of conduct of any Obligor or Affiliates of the Obligors or any of their directors, officers or employees that violates any Sanctions Laws if such loss or liability or cost and expense would not have been, or been capable of being, made or asserted against the relevant Finance Party if it had not entered into any of the Finance Documents and/or exercised any of its rights, powers and discretions thereby conferred and/or performed any of its obligations thereunder and/or been involved in any of the transactions contemplated by the Finance Documents and any reasonable counsel fees and disbursements incurred by any Finance Party as a result of a Finance Party investigating or making any enquiry relating to a possible or alleged violation of any Sanctions Laws by an Obligor or any of their directors, officers or employees where it is reasonable for a Finance Party to investigate or make enquires in relation to any such possible or alleged violation and the Borrower has either requested that a Finance Party undertakes such investigation or makes such enquiries or has approved any such investigation or enquiries (such approval not to be unreasonably withheld or delayed);

(iv) funding, or making arrangements to fund, its participation in the Loan requested by the Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or

(v) the Loan (or part of the Loan) not being prepaid in accordance with a notice of prepayment given by the Borrower.

14.3 Indemnity to the Agent and the Security Agent

(a) The Borrower shall promptly indemnify the Agent and the Security Agent against:

(i) any and all Losses properly incurred by the Agent or the Security Agent (acting reasonably) as a result of:

(A) investigating any event which it reasonably believes is a Default or Sanctions Event;

(B) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;

(C) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under this Agreement; or

(D) any action taken by the Agent or the Security Agent or any of its or their representatives, agents or contractors in connection with any powers conferred by any Security Document to remedy any breach of any Obligor's obligations under the Finance Documents, and

(ii) any cost, loss or liability (including, without limitation, in respect of liability for negligence or any other category of liability whatsoever) properly incurred by the Agent or the Security Agent (otherwise than by reason of the Agent's or the Security Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to clause 39.10 (*Disruption to payment systems etc.)* notwithstanding the Agent's or the Security Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent in acting as Agent or the Security Agent under the Finance Documents.

14.4 Indemnity concerning security

(a) The Borrower shall (or shall procure that another Obligor will) promptly indemnify, on an after-Tax basis, each Indemnified Person against any and all Losses properly incurred by it in connection with:

(i) any failure by the Borrower to comply with its obligations under clause 16 *(Costs and expenses*) or any corresponding provisions in any other Finance Document;

(ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;

(iii) the taking, holding, protection or enforcement of the Security Documents;

(iv) the exercise or purported exercise of any of the rights, powers, discretions, authorities and remedies vested in the Security Agent and/or any other Finance Party and each Receiver by the Finance Documents or by law;

(v) any breach by an Obligor of the Finance Documents;

(vi) any claim (whether relating to the environment or otherwise) made or asserted against the Indemnified Person which would not have arisen but for the execution or enforcement of one or more Finance Documents (unless and to the extent it is caused by the gross negligence or wilful misconduct of that Indemnified Person as determined in a final and non-appealable judgment in a court of competent jurisdiction); or

(vii) (in the case of the Security Agent and/or any other Finance Party and any Receiver) acting as Security Agent and/or as holder of any of the Security Interests under the Security Documents or Receiver under the Finance Documents or which otherwise relates to the Charged Property.

(b) The Security Agent may, in priority to any payment to the other Finance Parties, indemnify itself, on an after-Tax basis, out of the Trust Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this clause 14.4 and shall have a lien on the Security Documents and the proceeds of the enforcement of those Security Documents for all moneys payable to it.

14.5 Continuation of indemnities

The indemnities by the Borrower in favour of the Indemnified Persons contained in this Agreement shall continue in full force and effect notwithstanding any breach by any Finance Party or the Borrower of the terms of this Agreement, the repayment or prepayment of the Loan, the cancellation of the Total Commitments or the repudiation by any Finance Party or the Borrower of this Agreement or the resignation or termination of the appointment of the Security Agent.

14.6 Third Parties Act

Each Indemnified Person may rely on the terms of clause 14.4 *(Indemnity concerning security)* and clauses 12 *(Tax gross-up and indemnities)* and 14.7 *(Interest)* insofar as it relates to interest on, or the calculation of, any amount demanded by that Indemnified Person under clause 14.4 *(Indemnity concerning security)*, subject to clause 1.3 (*Third party rights*) and the provisions of the Third Parties Act.

14.7 Interest

Moneys becoming due by the Borrower to any Indemnified Person under the indemnities contained in this clause 14 *(Other indemnities)* or elsewhere in this Agreement shall be paid on demand made by such Indemnified Person and shall be paid together with interest on the sum demanded from the date of demand therefor to the date of reimbursement by the Borrower to such Indemnified Person (both before and after judgment) at the rate referred to in clause 8.4 *(Default interest)*.

14.8 Exclusion of liability

No Indemnified Person will be in any way liable or responsible to any Obligor (whether as mortgagee in possession or otherwise) who is a Party or is a party to a Finance Document to which this clause applies for any loss or liability arising from any act, default, omission or misconduct of that Indemnified Person, except to the extent caused by its own gross negligence or wilful misconduct. Any Indemnified Person may rely on this clause 14.8 subject to clause 1.3 (*Third party rights*) and the provisions of the Third Parties Act.

15 Mitigation by the Lenders

15.1 Mitigation

(a) Each Finance Party shall, in consultation with the Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in the Facility ceasing to be available or any amount becoming payable under or pursuant to, or cancelled pursuant to, any of clause 7.1 (*Illegality*), clause 12 (*Tax gross-up and indemnities*) or clause 13 (*Increased Costs)* including (but not limited to) assigning its rights or transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.

(b) Clause 15.1(a) does not in any way limit the obligations of any Obligor under the Finance Documents.

15.2 Limitation of liability

(a) The Borrower shall promptly indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under clause 15.1 (*Mitigation*).

(b) A Finance Party is not obliged to take any steps under clause 15.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

16 Costs and expenses

16.1 Transaction expenses

(a) The Borrower shall promptly within five Business Days of demand pay the Agent, the Arrangers, the Hedging Providers and the Security Agent the amount of all costs and expenses (including fees, costs and expenses of legal advisers, insurance and other consultants and advisers) properly incurred by any of them (and by any Receiver) in connection with the negotiation, preparation, printing, execution, syndication, registration and perfection and any release, discharge or reassignment of:

(i) this Agreement, the Hedging Master Agreements and any other documents referred to in this Agreement and the Original Security Documents;

(ii) any other Finance Documents executed or proposed to be executed after the date of this Agreement including any executed to provide additional security under clause 25 (*Minimum security value*); or

(iii) any Security Interest expressed or intended to be granted by a Finance Document.

16.2 Amendment costs

If an Obligor requests an amendment, waiver or consent or an amendment or waiver is required pursuant to clause 45.5 or as a result of a Rate Switch Trigger Event, the Borrower shall, within five Business Days of demand by the Agent, reimburse the Agent for the amount of all costs and expenses (including fees, costs and expenses of legal advisers and insurance and other consultants and advisers) properly incurred by the Agent and the Security Agent (and by any Receiver) in responding to, evaluating, negotiating or complying with that request or requirement.

16.3 Enforcement, preservation and other costs

The Borrower shall, on demand by a Finance Party, pay to each Finance Party the amount of all costs and expenses (including fees, costs and expenses of legal advisers and insurance and other consultants, brokers, surveyors and advisers) incurred by that Finance Party in connection with;

(a) the enforcement of, or the preservation of any rights under, any Finance Document and any proceedings initiated by or against any Indemnified Person and as a consequence of holding the Charged Property or enforcing those rights and any proceedings instituted by or against any Indemnified Person as a consequence of taking or holding the Security Documents or enforcing those rights;

(b) any valuation carried out under clause 25 (*Minimum security value*); or

(c) any inspection carried out under clause 23.9 (*Inspection and notice of dry-dockings*) or any survey carried out under clause 23.17 (*Survey report*)

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Section 7 - Guarantee

17 Guarantee and indemnity

17.1 Guarantee and indemnity

Each Guarantor irrevocably and unconditionally jointly and severally:

(a) guarantees to the Security Agent (as trustee for the Finance Parties) and the other Finance Parties punctual performance by each other Obligor of all such Obligor's obligations under the Finance Documents;

(b) undertakes with the Security Agent (as trustee for the Finance Parties) and the other Finance Parties that whenever another Obligor does not pay any amount when due under or in connection with any Finance Document, it shall immediately on demand pay that amount as if it was the principal obligor; and

(c) agrees with the Security Agent (as trustee for the Finance Parties) and the other Finance Parties that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of the Borrower not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by the Borrower under any Finance Document on the date when it would have been due. The amount payable by each Guarantor under this indemnity will not exceed the amount it would have had to pay under this clause 17.1 if the amount claimed had been recoverable on the basis of a guarantee.

For the avoidance of doubt, the Additional Guarantor shall only become liable under this clause 17.1 immediately following the delivery of an Accession Letter to the Agent in accordance with clause 34.2 but in any event prior to the execution and registration of the Mortgage of Ship H in favour of the Security Agent.

17.2 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

17.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Guarantor under this clause 17 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

17.4 Waiver of defences

The obligations of each Guarantor under this clause 17 will not be affected by an act, omission, matter or thing (whether or not known to it or any Finance Party) which, but for this clause, would reduce, release or prejudice any of its obligations under this clause 17 including (without limitation):

(a) any time, waiver or consent granted to, or composition with, any Obligor or other person;

(b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any other Obligor;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the shareholders or members or status of an Obligor or any other person;

(e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or

(g) any insolvency or similar proceedings.

17.5 Guarantor Intent

Without prejudice to the generality of clause 17.4 (*Waiver of defences*), each Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents.

17.6 Immediate recourse

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from each Guarantor under this clause 17. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

17.7 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

(a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and

(b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this clause 17.

17.8 Deferral of Guarantor's rights

(a) Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this clause 17:

(i) to be indemnified by another Obligor;

(ii) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents;

(iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;

(iv) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Guarantor has given a guarantee, undertaking or indemnity under clause 17 (*Guarantee and indemnity*);

(v) to exercise any right of set-off against any other Obligor; and/or

(vi) to claim or prove as a creditor of any other Obligor in competition with any Finance Party.

(b) If a Guarantor receives any benefit, payment or distribution in relation to such rights it will promptly pay an equal amount to the Agent for application in accordance with clause 39 (*Payment mechanics*). This only applies until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full.

17.9 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

17.10 Reservation of rights

No failure or delay on the part of the Agent to exercise any power, right or remedy under this guarantee shall operate as a waiver thereof, nor shall any single or partial exercise by the Agent of any power, right or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The remedies provided in this guarantee are cumulative and are not exclusive of any remedies provided by law.

17.11 Assignment

The Guarantors shall maintain this guarantee regardless of any assignment, novation or any other transfer of any of the Obligors' obligations under the Finance Documents or any rights arising for the Security Agent (as trustee for the Finance Parties) under the Finance Documents.

Section 8 - Representations, Undertakings and Events of Default

18 Representations

18.1 The Borrower and each Guarantor makes and repeats the representations and warranties set out in this clause 18 to each Finance Party at the times specified in clause 18.41 (*Times when representations are made*).

18.2 Status

(a) Each Obligor (except the Parent) is a limited liability company or corporation, duly incorporated or formed and validly existing under the law of its Original Jurisdiction.

(b) The Parent is duly formed and validly existing under the law of its Original Jurisdiction.

(c) Each Obligor has power and authority to carry on its business as it is now being conducted and to own its property and other assets.

18.3 Binding obligations

Subject to the Legal Reservations, the obligations expressed to be assumed by each Obligor in each Finance Document and any Charter Document to which it is, or is to be, a party are or, when entered into by it, will be legal, valid, binding and enforceable obligations and each Security Document to which an Obligor is, or will be, a party, creates or will create the Security Interests which that Security Document purports to create and those Security Interests are or will be valid and effective.

18.4 Power and authority

(a) Each Obligor has power to enter into, perform and deliver and comply with its obligations under, and has taken all necessary action to authorise its entry into, each Finance Document and any Charter Document to which it is, or is to be, a party and each of the transactions contemplated by those documents.

(b) No limitation on any Obligor's powers to borrow, create security or give guarantees will be exceeded as a result of any transaction under, or the entry into of, any Finance Document or any Charter Document to which such Obligor is, or is to be, a party.

18.5 Non-conflict

(a) The entry into and performance by each Obligor of, and the transactions contemplated by the Finance Documents and the Charter Documents and the granting of the Security Interests purported to be created by the Security Documents do not and will not conflict with:

(i) any law or regulation applicable to any Obligor;

(ii) the Constitutional Documents of any Obligor; or

(iii) any agreement or other instrument binding upon any Obligor or its assets,

or constitute a default or termination event (however described) under any such agreement or instrument or result in the creation of any Security Interest (save for a Permitted Maritime Lien or under a Security Document) on any Group Member's assets, rights or revenues.

18.6 Validity and admissibility in evidence

(a) All authorisations required or desirable:

(i) to enable each Obligor lawfully to enter into, exercise its rights and comply with its obligations under each Finance Document and any Charter Document to which it is a party;

(ii) to make each Finance Document and any Charter Document to which it is a party admissible in evidence in its Relevant Jurisdiction; and

(iii) to ensure that each of the Security Interests created under the Security Documents has the priority and ranking contemplated by them,

have been obtained or effected and are in full force and effect except any authorisation or filing referred to in clause 18.13 (*No filing or stamp taxes*), which authorisation or filing will be promptly obtained or effected within any applicable period.

(b) All authorisations necessary for the conduct of the business, trade and ordinary activities of each Obligor have been obtained or effected and are in full force and effect if failure to obtain or effect those authorisations might have a Material Adverse Effect.

18.7 Governing law and enforcement

(a) Subject to Legal Reservations, the choice of English law or any other applicable law as the governing law of any Finance Document and any Charter Document will be recognised and enforced in each Obligor's Relevant Jurisdictions.

(b) Subject to Legal Reservations, any judgment obtained in England in relation to an Obligor will be recognised and enforced in each Obligor's Relevant Jurisdictions.

18.8 Information

(a) Any Information is true and accurate in all material respects at the time it was given or made.

(b) There are no facts or circumstances or any other information which could make the Information incomplete, untrue, inaccurate or misleading in any material respect.

(c) The Information does not omit anything which could make the Information incomplete, untrue, inaccurate or misleading in any material respect.

(d) All opinions, projections, forecasts or expressions of intention contained in the Information and the assumptions on which they are based have been arrived at after due and careful enquiry and consideration and were believed to be reasonable by the person who provided that Information as at the date it was given or made.

(e) For the purposes of this clause 18.8, **Information** means: any information provided by any Obligor or any other Group Member to any of the Finance Parties in connection with the Finance Documents or any Charter Document or the transactions referred to in them.

18.9 Original Financial Statements

(a) The Original Financial Statements were prepared in accordance with GAAP consistently applied.

(b) The audited Original Financial Statements give a true and fair view of the financial condition and results of operations of the relevant Obligors and the Group (consolidated in the case of the Group) during the relevant financial period.

(c) There has been no material adverse change in its assets, business or financial condition (or the assets, business or consolidated financial condition of the Group, in the case of the Parent) since the date of the Original Financial Statements.

18.10 Pari passu ranking

Each Obligor's payment obligations under the Finance Documents to which it is, or is to be, a party rank at least pari passu with all its other present and future unsecured and unsubordinated payment obligations, except for obligations mandatorily preferred by law applying to companies generally.

18.11 Ranking and effectiveness of security

Subject to the Legal Reservations and any filing, registration or notice requirements which is referred to in any Legal Opinion delivered to the Agent under clause 4.1 (*Initial conditions precedent*), the security created by the Security Documents has (or will have when the Security Documents have been executed) the priority which it is expressed to have in the Security Documents, the Charged Property is not subject to any Security Interest other than Permitted Security Interests and such security will constitute perfected security on the assets described in the Security Documents.

18.12 No insolvency

No corporate action, legal proceeding or other procedure or step described in clause 30.11 (*Insolvency proceedings*) or creditors' process described in clause 30.12 (*Creditors' process*) has been taken or, to the knowledge of any Obligor, threatened in relation to a Group Member and none of the circumstances described in clause 30.10 (*Insolvency*) applies to any Group Member.

18.13 No filing or stamp taxes

Other than in respect of the Mortgages and any Finance Documents executed by an Obligor incorporated in the United Kingdom which will need to be registered at Companies House, under the laws of each Obligor's Relevant Jurisdictions it is not necessary that any Finance Document or any Charter Document to which it is, or is to be, party be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to any such Finance Document or any Charter Document or the transactions contemplated by the Finance Documents except any filing, recording or enrolling or any tax or fee payable in relation to any Finance Document which is referred to in any Legal Opinion and which will be made or paid promptly after the date of the relevant Finance Document.

18.14 Tax

(a) No Obligor is required to make any Tax Deduction from any payment it may make under any Finance Document to which it is, or is to be, a party and no Owner, Bareboat Charterer or, to the knowledge of any Obligor, Time Charterer is required to make any such Tax Deduction from any payment it may make under any Charter Document.

(b) Other than as specifically stated in any Legal Opinion delivered to the Agent in connection with the Utilisation of the Facility, the execution or delivery or performance by any Party of the Finance Documents will not result in any Finance Party:

(i) having any liability in respect of Tax in any Flag State; or

(ii) having or being deemed to have a place of business in any Flag State or any Relevant Jurisdiction of any Obligor.

18.15 Centre of main interests and establishments

For the purposes of Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) (the **Regulations**), other than the Borrower or any Guarantor incorporated or formed in the Marshall Islands, each Obligor's centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in its Original Jurisdiction and does not have any "establishment" (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction save as may arise through such Obligor's Ship's usual shipping operations.

18.16 No Default

(a) No Default is continuing or might reasonably be expected to result from the making of any Utilisation or the entry into, the performance of, or any transaction contemplated by, any Finance Document or any Charter Document.

(b) No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (however described) under any other agreement or instrument which is binding on any Obligor or to which any Obligor's assets are subject which might have a Material Adverse Effect.

18.17 No proceedings

(a) No litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a Material Adverse Effect has or have (to the best of any Obligor's knowledge and belief (having made due and careful enquiry)) been started or threatened against any Obligor.

(b) No judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body which is reasonably likely to have a Material Adverse Effect has (to the best of any Obligor's knowledge and belief (having made due and careful enquiry)) been made against any Obligor.

18.18 No breach of laws

(a) No Obligor or other Group Member has breached any law or regulation which breach might have a Material Adverse Effect.

(b) No labour dispute is current or, to the best of any Obligor's knowledge and belief (having made due and careful enquiry), threatened against any Obligor or other Group Member which may have a Material Adverse Effect.

18.19 Environmental matters

(a) No Environmental Law applicable to any Fleet Vessel and/or any Obligor or other Group Member has been violated in a manner or circumstances which might have, a Material Adverse Effect.

(b) All consents, licences and approvals required under such Environmental Laws have been obtained and are currently in force.

(c) No Environmental Claim has been made or, to the best of any Obligor's knowledge and belief (having made due and careful enquiry), is threatened or pending against any Group Member or any Fleet Vessel where that claim might have a Material Adverse Effect and there has been no Environmental Incident which has given, or might give, rise to such a claim.

18.20 Tax compliance

(a) No Obligor is materially overdue in the filing of any Tax returns or overdue in the payment of any material amount in respect of Tax.

(b) No claims or investigations are being, or are reasonably likely to be, made or conducted against any Obligor with respect to Taxes such that a liability of, or claim against, any Obligor is reasonably likely to arise for an amount for which adequate reserves have not been provided in the Original Financial Statements and which might have a Material Adverse Effect, except as separately disclosed in writing and agreed by the Agent (acting on the instructions of the Lenders).

(c) Neither the Borrower nor the Parent is resident for Tax purposes in any jurisdiction outside of their Original Jurisdiction.

18.21 Anti-corruption law

Each Group Member has conducted its businesses in compliance with applicable anti-corruption laws and has instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

18.22 Security and Financial Indebtedness

(a) No Security Interest exists over all or any of the present or future assets of any Owner or Bareboat Charterer in breach of this Agreement.

(b) No Owner or Bareboat Charterer has any Financial Indebtedness outstanding in breach of this Agreement.

18.23 Legal and beneficial ownership

Each Obligor is or, on the date the Security Documents to which it is a party are entered into, will be, the sole legal and beneficial owner of the respective assets over which it purports to grant a Security Interest under the Security Documents, to which it is a party.

18.24 Shares

The shares or limited liability company interests of each Owner, Bareboat Charterer and Golar LNG Holding Co. are fully paid and not subject to any option to purchase or similar rights. The Constitutional Documents of each such entity do not and could not restrict or inhibit any transfer of those shares or limited liability company interests on creation or enforcement of the Security Documents. There are no agreements in force which provide for the issue or allotment of, or grant any person the right to call for the issue or allotment of, any share or loan capital of each Owner, Bareboat Charterer and Golar LNG Holding Co. (including any option or right of pre-emption or conversion).

18.25 Accounting Reference Date

The financial year-end of each Obligor and other Group Member is the Accounting Reference Date.

18.26 No adverse consequences

(a) Other than as specifically stated in any Legal Opinion delivered to the Agent in connection with the Utilisation of the Facility, it is not necessary under the laws of the Relevant Jurisdictions of any Obligor:

(i) in order to enable any Finance Party to enforce its rights under any Finance Document to which it is, or is to be, a party; or

(ii) by reason of the execution of any Finance Document or the performance by any Obligor of its obligations under any Finance Document,

that any Finance Party should be licensed, qualified or otherwise entitled to carry on business in any of such Relevant Jurisdictions.

(b) Other than as specifically stated in any Legal Opinion delivered to the Agent in connection with the Utilisation of the Facility, no Finance Party is or will be deemed to be resident, domiciled or carrying on business in any Relevant Jurisdiction by reason only of the execution, performance and/or enforcement of any Finance Document.

18.27 Copies of documents

The copies of the Charter Documents and the Constitutional Documents of the Obligors delivered to the Agent under clause 4 (*Conditions of Utilisation*) will be true, complete and accurate copies of such documents and include all amendments and supplements to them as at the time of such delivery and no other agreements or arrangements exist between any of the parties to those documents which would materially affect the transactions or arrangements contemplated by them or modify or release the obligations of any party under them.

18.28 No breach of any Charter Document

No Obligor nor (so far as the Obligors are aware) any other person is in breach of any material provisions of any Charter Document to which it is a party nor has anything occurred which entitles or may entitle any party to rescind or terminate it or decline to perform their material obligations under it.

18.29 No immunity

No Obligor or any of its assets is immune to any legal action or proceeding.

18.30 Ship status

Each Ship will on the first day of the relevant Mortgage Period be:

(a) registered in the name of the relevant Owner through the relevant Registry as a ship under the laws and flag of the relevant Flag State;

(b) operationally seaworthy and in every way fit for service, other than, if and for so long as it remains in lay-up, Ship E and any other Ship put into lay-up with approval under clause 22.10 (each a **Laid Up Ship**);

(c) classed with the relevant Classification with (i) in the case of each Ship that is not a Laid Up Ship, the highest class free of all overdue requirements and recommendations or adverse notations of the relevant Classification Society, or (ii) in the case of each Laid Up Ship, all certifications to be updated on reactivation; and

(d) insured in the manner required by the Finance Documents, but excluding in the case of any Laid Up Ship insurance against loss of Earnings under clause 24.3(c).

18.31 Ships' employment

Each Ship shall on the first day of the relevant Mortgage Period:

(a) in the case of Ship C, Ship D, Ship F and Ship G, have been delivered, and accepted for service, under (if applicable) its Bareboat Charter and its Time Charter; and

(b) be free of any other charter commitment which, if entered into after that date, would require approval under the Finance Documents.

18.32 Address commission

There are no rebates, commissions or other payments in connection with any Time Charter or Bareboat Charter other than those referred to in it.

18.33 Sanctions

(a) No Obligor, nor any of its Subsidiaries, nor their respective directors, officers or employees or, so far as each Obligor is aware, their agents or representatives:

(i) is or has been a Restricted Party, or is involved in any transaction, activity or conduct through which it will become, or which could be reasonably expected to result in it becoming, a Restricted Party;

(ii) is or ever has been subject to or involved in any inquiry, claim, action, suit, proceeding or investigation by any Sanctions Authority against it with respect to Sanctions Laws;

(iii) is engaging or has engaged in any transaction that evades or avoids, or has the purpose of evading or avoiding, or breaches or attempts to breach, directly or indirectly, any Sanctions Laws; or

(iv) has engaged or is engaging, directly or indirectly, in any trade, business or other activities which is in breach of any Sanctions Laws or has violated or is violating any Sanctions Laws.

(b) The operation of any Ship does not breach Sanctions Laws

18.34 No money laundering

In relation to the borrowing by the Borrower of the Loan, the performance and discharge of the Obligors' obligations and liabilities under the Finance Documents and the transactions and other arrangements effected or contemplated by this Agreement and the Finance Documents, the Obligors are acting for their own account and the foregoing will not involve or lead to a contravention of any law, official requirement or other regulatory measure or procedure which has been implemented by any relevant regulatory authority or otherwise to combat **money laundering** (as defined in Article 1 of the Directive (2005/60/EC) of the European Parliament and of the Council).

18.35 No corrupt practices

(a) The Loan is not used by any Obligor for and no Obligor is engaged in:

(i) Corrupt Practices, Fraudulent Practices, Collusive Practices or Coercive Practices, including the procurement or the execution of any contract for goods or works relating to its functions and each Obligor has instituted and maintains policies and procedures designed to prevent violation of any laws, regulations and rules which prohibit any such Corrupt Practices, Fraudulent Practices, Collusive Practices or Coercive Practices;

(ii) the Financing of Terrorism; and

(iii) activities in breach of Sanctions Laws.

(b) For the purposes of this clause 18.35, the following definitions shall apply:

Collusive Practice means an arrangement between two or more parties without the knowledge, but designed to improperly influence the actions, of another party.

Corrupt Practice means the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to improperly influence the actions of another party or any other activity or conduct which would violate any applicable anti-bribery, anti-corruption or anti-money laundering laws, regulations or rules in any applicable jurisdiction.

Coercive Practice means impairing or harming or threatening to impair or harm, directly or indirectly, any party or its property or to improperly influence the actions of that party.

Financing of Terrorism means the act of providing or collecting funds with the intention that they be used, or in the knowledge that they are to be used, in order to carry out terrorist acts.

Fraudulent Practice means any action, including misrepresentation, to obtain a financial or other benefit or avoid an obligation, by deception.

18.36 Financing of vessels owned by Group Members

No Group Member has entered into any financing arrangement in relation to any vessel owned by any Group Member which contains dividend and distribution provisions which are more restrictive than the provisions contained in clause 28.16 (*Distributions and other payments*) other than in relation to the Hilli Episeyo and the Golar Eskimo.

18.37 People with Significant Control (PSC) Regime

Each Bareboat Charterer represents and warrants that its PSC register is up to date and that no Warning Notices or Restrictions Notices have been issued which have not been complied with or lifted.

18.38 United States Investment Company Act of 1940

Neither the Parent nor any of its Subsidiaries is subject to regulation under the United States Federal Power Act or the United States Investment Company Act of 1940 or under any other United States federal or state statute or regulation which may limit its ability to incur Financial Indebtedness or which may otherwise render all or any portion of the Obligors' obligations under the Finance Documents unenforceable. Neither the Parent nor any of its Subsidiaries is a "registered investment company" or a company "controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the United States Investment Company Act of 1940.

18.39 Margin stock

(a) None of the Parent, the Borrower or any of their Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying margin stock.

(b) No portion of the proceeds of the Facility shall be used in any manner, whether directly or indirectly, that causes or could reasonably be expected to cause, the Facility or the application of such proceeds to violate Regulation T, Regulation U or Regulation X of the Board of Governors of the Federal Reserve System or any other regulation thereof or to violate the United States Exchange Act.

18.40 Beneficial Ownership Certification

As of the date of this Agreement, the information in the Beneficial Ownership Certification is true and correct in all respects.

18.41 Times when representations are made

(a) All of the representations and warranties set out in this clause 18 are deemed to be made on the dates of:

(i) this Agreement;

(ii) each Utilisation Request; and

(iii) each Utilisation.

(b) The Repeating Representations are deemed to be made on the date of issuance of each Compliance Certificate and the first day of each Interest Period.

(c) All of the Ship Representations are deemed to be made on the first day of the Mortgage Period for the relevant Ship.

(d) Each representation or warranty deemed to be made after the date of this Agreement shall be deemed to be made by reference to the facts and circumstances then existing at the date the representation or warranty is deemed to be made.

19 Information undertakings

19.1 Each Borrower undertakes that this clause 19 will be complied with throughout the Facility Period.

19.2 Financial statements

(a) The Borrower shall supply to the Agent as soon as the same become available, but in any event within 180 days after the end of each financial year the audited consolidated financial statements of NFE and the Parent for that financial year together with a reconciliation issued by the Borrower regarding the financial position of the Parent and the Borrower.

(b) The Borrower shall supply to the Agent as soon as the same become available, but in any event within 90 days after the end of each financial quarter of each financial year the unaudited consolidated financial statements of NFE and the Parent for that financial quarter.

(c) The Borrower shall supply to the Agent as soon as they become available, but in any event prior to the beginning of each financial year of the Group, the budget and cash flow projections of the Group.

19.3 Provision and contents of Compliance Certificate

(a) The Borrower shall supply to the Agent, with each set of financial statements delivered pursuant to clause 19.2 (*Financial statements*), a Compliance Certificate setting out (in reasonable detail) computations as to compliance with clause 20 (*Financial covenants*) and clause 25.13 (*Security shortfall*).

(b) Each Compliance Certificate shall be signed by the chief financial officer of the Parent or, in his or her absence, by two directors of the Parent.

19.4 Requirements as to financial statements

(a) Each set of financial statements delivered pursuant to clause 19.2 (*Financial statements*) shall:

(i) be prepared in accordance with GAAP;

(ii) give a true and fair view of (in the case of Annual Financial Statements for any financial year), or fairly represent (in other cases), the financial condition and operations of the Group or (as the case may be) the relevant Obligor as at the date as at which those financial statements were drawn up;

(iii) include a profit and loss account, a balance sheet and, in all cases other than in respect of the Borrower, a cashflow statement;

(iv) in the case of the annual financial statements provided pursuant to clause 19.2(a) (*Financial Statements*), be audited by the Auditors; and

(v) in the case of annual audited financial statements, not be the subject of any qualification in the Auditors' opinion.

(b) The Borrower shall procure that each set of financial statements delivered pursuant to clause 19.2 (*Financial statements*) shall be prepared using GAAP, accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements, unless, in relation to any set of financial statements, the Borrower notifies the Agent that there has been a change in GAAP or the accounting practices and the Borrower delivers to the Agent:

(i) a description of any change necessary for those financial statements to reflect the GAAP or accounting practices and reference periods upon which corresponding Original Financial Statements were prepared; and

(ii) sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Lenders to determine whether clause 20 (*Financial covenants*) has been complied with and to make an accurate comparison between the financial position indicated in those financial statements and the Original Financial Statements.

(c) Any reference in this Agreement to any financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

19.5 Year-end

The Borrower shall procure that each financial year-end of each Obligor and each Group Member falls on the Accounting Reference Date.

19.6 Information: miscellaneous

The Borrower shall deliver to the Agent:

(a) at the same time as they are dispatched, copies of all financial statements, financial forecasts, proxy statements and other material communications and documents dispatched by the Parent or any other Obligor to its shareholders or members or creditors generally (or any class of them);

(b) promptly upon becoming aware of them, the details of any bona fide litigation, arbitration or administrative proceedings which are current, threatened or pending against any Obligor, and which, if adversely determined, might have a Material Adverse Effect;

(c) promptly upon becoming aware of them, the details of any judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body which is made against any Obligor and which is reasonably likely to have a Material Adverse Effect;

(d) promptly upon becoming aware of them, the details of any change of law or regulation which is likely to have a Material Adverse Effect;

(e) promptly, such information as the Agent may reasonably require about the Charged Property and compliance of the Obligors with the terms of any Security Documents;

(f) promptly on request, such further information as the Agent may reasonably request for the purposes of calculating the amount of the Loan to be prepaid by the Borrower pursuant to clause 7.12; and

(g) promptly on request, such further information regarding the financial condition, business, assets and operations of any Obligor as any Finance Party through the Agent may reasonably request provided that the provision of such further information would not breach any obligation of confidentiality.

19.7 Information: Sanctions

The Borrower shall procure that each Obligor shall supply to the Agent:

(a) promptly upon becoming aware of them, the details of (i) any bond fide enquiry or investigation pursuant to Sanctions Laws or (ii) any bona fide claim, action, suit or proceeding pursuant to Sanctions Laws by any Sanctions Authority, in each case against it or any of its Subsidiaries or any of their respective directors, officers or employees, as well as information on what steps are being taken with regards to answer or oppose such;

(b) promptly upon becoming aware of them, notice of any (i) bona fide enquiry or investigation pursuant to Sanctions Laws or (ii) any claim, action, suit or proceeding pursuant to Sanctions Laws by any Sanctions Authority against any of its agents or representatives; and

(c) promptly upon becoming aware, notice that it or any of its Subsidiaries or any of their respective directors, officers, employees, agents or representatives has become or will become a Restricted Party or has violated any Sanctions Laws.

(d) promptly upon becoming aware, notice that it has identified (i) that any representation made or deemed to be made in clause 18.33 (*Sanctions*) is or proves to be incorrect or misleading or (ii) any non-compliance with clause 21.2 (*Use of proceeds*) or clause 21.5 (*Sanctions*).

19.8 Information: US waters

The Borrower shall provide the Agent with at least ten days prior written notice of any Ship entering US Waters together with a confirmation as to how long the relevant Ship will remain in US Waters.

19.9 Notification of Default

The Borrower shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon any Obligor becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).

19.10 Sufficient copies

The Borrower, if so requested by the Agent, shall deliver sufficient copies of each document to be supplied under the Finance Documents to the Agent to distribute to each of the Lenders and the Hedging Providers.

19.11 Direct electronic delivery by Company

The Borrower may satisfy its obligation under this Agreement to deliver any information in relation to a Lender by delivering that information directly to that Lender (including, without limitation, by way of posting to a secure website) in accordance with Clause 41.5 (*Electronic communication*) to the extent that Lender and the Agent agree to this method of delivery.

19.12 "*Know your customer*" checks

(a) If:

(i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;

(ii) any change in the status of an Obligor or the composition of the shareholders or members of an Obligor after the date of this Agreement; or

(iii) a proposed assignment by a Lender or a Hedging Provider of any of its rights under this Agreement or any Hedging Contract to a party that is not already a Lender or a Hedging Provider prior to such assignment,

obliges the Agent, the Security Agent, the relevant Hedging Provider or any Lender (or, in the case of paragraph (c) above, any prospective new Lender or Hedging Provider) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Agent or the Security Agent or any Lender or any Hedging Provider supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender or any Hedging Provider) or the Security Agent or any Lender or any Hedging Provider (for itself or, in the case of the event described in paragraph (c) above, on behalf of any prospective new Lender or Hedging Provider) in order for the Agent, the Security Agent, such Lender or any Hedging Provider or, in the case of the event described in paragraph (c) above, any prospective new Lender or Hedging Provider to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

(b) Each Finance Party shall promptly upon the request of the Agent or the Security Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent or the Security Agent (for itself) in order for it to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

20 Financial covenants

The Borrower undertakes that this clause 20 will be complied with throughout the Facility Period, as tested on a quarterly basis in accordance with clause 20.3 (*Financial testing*).

20.1 Financial definitions

In this clause 20, clause 28.16 (*Distributions and other payments*) and in clause 1.1 (*Definitions*):

Cash means cash in hand.

Cash Equivalents means:

(a) deposits with first class international banks the maturity of which does not exceed twelve months;

(b) bonds, certificates of deposit and other money market instruments or securities issued or guaranteed by the Norwegian or United States Governments; and

(c) any other instrument approved by the Agent, with the authorisation of the Majority Lenders.

Consolidated Debt Service means, for any financial period of the Group, the sum to be the aggregate amount of principal amortisation, interest due and payable thereon and all other amounts which shall fall due and will be paid by each Group Member in such period in respect of Total Indebtedness.

Consolidated Net Worth means, for the Parent (on a consolidated basis), the total value of the stock-holders equity determined in accordance with GAAP as shown on the consolidated balance sheet contained in the then most recent financial statements of the Group delivered pursuant to clause 19 (*Information undertakings*).

EBITDA means, in respect of any period, the consolidated profit on ordinary activities of the Group before taxation for such period:

(a) adjusted to exclude Interest Receivable and Interest Payable and other similar income or costs to the extent not already excluded;

(b) adjusted to exclude any gain or loss realised on the disposal of fixed assets (whether tangible or intangible);

(c) after adding back depreciation and amortisation charged which relates to such period;

(d) adjusted to exclude any exceptional or extraordinary costs or income;

(e) after deducting any profit arising out of the release of any provisions against a liability or charge and adding back any provision relating to long term assets or contracts; and

(f) adjusted to exclude derivative transactions entered into by third parties so long as no Group Member bears any economic exposure prior to the Final Repayment Date.

Free Liquid Assets means Cash or Cash Equivalents freely available for use by the Parent and/or any other Group Member for any lawful purpose without restriction (other than any restriction arising exclusively from any covenant to maintain a minimum level of free Cash or Cash Equivalents similar to that in clause 20.2(a) (*Financial condition*) notwithstanding any Security Interest, right of set-off or agreement with any other party, where:

(a) the value of Cash Equivalents shall be deemed to be their quoted price, as at any date of determination, on any recognised exchange (being an exchange recognised and approved by the Agent) on which the same are listed or any dealing facility through which the same are generally traded; and

(b) any cash or Cash Equivalents denominated in a currency other than dollars shall be deemed to have a value in dollars equal to the dollar equivalent thereof at the rate of exchange published daily by the Agent as at any date of determination.

Interest means, in respect of any specified Financial Indebtedness, all continuing regular or periodic costs, charges and expenses incurred in effecting, servicing or maintaining such Financial Indebtedness including:

(a) gross interest, commitment fees, discount and acceptance fees and guarantee, fronting and ancillary facility fees payable or incurred on any form of such Financial Indebtedness; and

(b) arrangement fees or other upfront fees.

Interest Payable means, in respect of any period, the aggregate (calculated on a consolidated basis for the Group) of:

(a) the amounts charged and posted (or estimated to be charged and posted) as a current accrual accrued during such period in respect of members of the Group by way of Interest on all Financial Indebtedness, but excluding any amount accruing as interest in-kind (and not as cash payment) to the extent capitalised as principal during such period; and

(b) net payments in relation to interest rate or currency hedging arrangements in respect of Financial Indebtedness (after deducting net income in relation to such interest rate or currency hedging arrangements).

Interest Receivable means, in respect of any period, the amount of Interest accrued on cash balances of the Group (including the amount of interest accrued on the Accounts, to the extent that the account holder is entitled to receive such interest) during such period.

Net Debt means, on a consolidated basis, an amount equal to Total Indebtedness minus Free Liquid Assets and cash deposits restricted under the terms of such debt, as evidenced by the consolidated balance sheet for the Group from time to time.

Total Indebtedness means the aggregate debt and capital lease obligations (as such terms are defined in GAAP and presented in the consolidated balance sheet for the Group from time to time) as demonstrated by the then most recent financial statements of the Group delivered pursuant to clause 19 (*Information undertakings*) including negative mark-to-market valuations of any Treasury Transactions (after reducing those negative mark-to-market valuations by netting them with any positive mark-to-market valuations of any Treasury Transactions entered into with the same derivative counterparty) and any transactions which might have the effect of commercial borrowing under GAAP.

20.2 Financial condition

The Borrower and the Parent shall ensure that:

(a) **Free Liquid Assets**: the aggregate value of the Free Liquid Assets of the Group shall be at all times not less than the higher of:

(A) $30,000,000; and

(B) the lower of (x) an amount equal to four per cent. of Total Indebtedness on a consolidated basis minus any debt in relation to Hilli Episeyo and (y) $50,000,000.

(b) **EBITDA to Consolidated Debt Service**: on any financial quarter end date, the ratio of EBITDA (including distributable cash in relation to Hilli Episeyo) to Consolidated Debt Service for the previous twelve months, on a trailing four quarter basis, shall be no less than 1.15:1 **provided that:**

(i) in respect of the unaudited financial statements to be delivered pursuant to clause 19.2 (*Financial Statements*) for the financial period ending 30 June 2021, the ratio of EBITDA (including distributable cash in relation to Hilli Episeyo) to Consolidated Debt Service) shall be calculated for the previous three month period, on a trailing one quarter basis;

(ii) in respect of the unaudited financial statements to be delivered pursuant to clause 19.2 (*Financial Statements*) for the financial period ending 30 September 2021, the ratio of EBITDA (including distributable cash in relation to Hilli Episeyo) to Consolidated Debt Service) shall be calculated for the previous six month period, on a trailing two quarter basis; and

(iii) in respect of the audited financial statements to be delivered pursuant to clause 19.2 (*Financial Statements*) for the financial period ending 31 December 2021, the ratio of EBITDA (including distributable cash in relation to Hilli Episeyo) to Consolidated Debt Service) shall be calculated for the previous nine month period, on a trailing three quarter basis.

(c) **Net Debt to EBITDA**: on any financial quarter end date, the ratio of Net Debt to EBITDA for the previous twelve months, on a trailing four quarter basis, shall be no greater than 6.50:1; and

(d) **Consolidated Net Worth**: at all times the Consolidated Net Worth shall be greater than $250,000,000.

20.3 Financial testing

The financial covenants set out in clause 20.2 (*Financial condition*) shall be calculated in accordance with GAAP and tested by reference to each of the financial statements delivered pursuant to clause 19.2 *(Financial statements)* and/or each Compliance Certificate delivered pursuant to clause 19.3 (*Provision and contents of Compliance Certificate*).

21 General undertakings

21.1 The Borrower and each Guarantor undertakes that this clause 21 will be complied with by and in respect of each Obligor and each other Group Member throughout the Facility Period.

21.2 Use of proceeds

(a) The proceeds of any Utilisation will be used exclusively for the purposes specified in clause 3 (*Purpose*).

(b) No Obligor shall (and each Obligor shall procure that none of its Subsidiaries will) request any Utilisation and, directly or knowingly indirectly, use the proceeds of the Loan (directly or indirectly) or lend, contribute or otherwise make available the proceeds of the Loan to any Subsidiary or other person or entity (whether or not related to any Group Member):

(i) in breach of Sanctions Laws;

(ii) for the purpose of financing the activities of, or business or transactions with, any Restricted Party;

(iii) in any manner that causes (or will cause) a Lender to be in breach of Sanctions Laws;

(iv) in any manner that results, or is likely to result, in it or a Lender becoming a Restricted Party or otherwise a target of Sanctions Laws; or

(v) in any other manner that would result in a violation of Sanctions Laws by any Obligor or other Group Member.

21.3 Authorisations

(a) Each Obligor will promptly:

(i) obtain, comply with and do all that is necessary to maintain in full force and effect; and

(ii) supply certified copies to the Agent of,

any authorisation required under any law or regulation of a Relevant Jurisdiction to:

(A) enable it to perform its obligations under the Finance Documents and the Charter Documents;

(B) ensure the legality, validity, enforceability or admissibility in evidence of any Finance Document or any Charter Document; and

(C) carry on its business where failure to do so has, or is reasonably likely to have, a Material Adverse Effect.

21.4 Compliance with laws

(a) Each Obligor and each other Group Member will comply in all respects with all laws and regulations (including Environmental Laws) to which it may be subject.

(b) The Borrower shall procure that each of Owners and the Bareboat Charterers shall:

(i) comply with all laws or regulations:

(A) applicable to its business; and

(B) applicable to each Ship, its ownership, employment, operation, management and registration,

including the ISM Code, the ISPS Code, all Environmental Laws, the laws of the Flag State and all Sanctions Laws;

(ii) obtain, comply with and do all that is necessary to maintain in full force and effect any consent, authorisation, licence or approval of any governmental or public body or authorities or courts applicable to each Ship or its operation required under any Environmental Law; and

(iii) without limiting clause 21.4(b) above, not employ a Ship nor allow its employment, operation or management in any manner contrary to any law or regulation including but not limited to the ISM Code, the ISPS Code, all Environmental Laws and all Sanctions Laws.

21.5 Sanctions

(a) Each Obligor shall (and shall procure that each of its Subsidiaries and each of its and their directors, officers and employees) comply with Sanctions Laws.

(b) Each Obligor shall (and shall ensure that each of its Subsidiaries shall) maintain in effect policies and procedures designed to ensure compliance by them and their respective directors, officers and employees with all Sanctions Laws and to ensure that none of them engages in any activity that could reasonably be expected to result in any such person being designated as a Restricted Party. Upon request, the Borrower shall provide the Agent with full details of such policies and procedures.

(c) No Obligor shall use any revenue or benefit derived from any activity or dealing with a Restricted Party in discharging any obligation due or owing to the Finance Parties if this shall lead to a breach of Sanctions Laws.

21.6 Anti-corruption law

(a) No Obligor or Group Member will directly or indirectly use the proceeds of the Facility for any purpose which would breach the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 or other similar legislation in other jurisdictions.

(b) Each Obligor shall (and the Borrower shall ensure that each other Group Member will):

(i) conduct its businesses in compliance with applicable anti-corruption laws; and

(ii) maintain policies and procedures designed to promote and achieve compliance with such laws.

21.7 Tax compliance

(a) Each Obligor shall pay and discharge all Taxes imposed upon it or its assets within the time allowed by law without incurring penalties unless and only to the extent that:

(i) such payment is being contested in good faith;

(ii) adequate reserves are being maintained for those Taxes and the costs required to contest them which have been disclosed in its latest financial statements delivered to the Agent under clause 19.2 (*Financial statements*); and

(iii) such payment can be lawfully withheld.

(b) Except as approved by the Majority Lenders, each Bareboat Charterer shall maintain its residence for Tax purposes in the jurisdiction in which it is incorporated and use reasonable efforts to ensure that it is not resident for Tax purposes in any other jurisdiction.

21.8 Change of business

Except as approved by the Lenders, no material change will be made to the general nature of the business of the Obligors or the Group from that carried on at the date of this Agreement.

21.9 Merger and corporate reconstruction

Subject to the proviso set out below, except as approved by the Lenders:

(a) no Obligor will enter into any amalgamation, demerger, merger, consolidation, redomiciliation, legal migration or corporate reconstruction; and

(b) no Obligor will materially change its corporate structure, provided that the Borrower shall be entitled to establish additional Subsidiaries.

21.10 Further assurance

(a) Each Obligor shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent or the Agent may reasonably specify (and in such form as the Security Agent or the Agent may reasonably require):

(i) to perfect the Security Interests created or intended to be created by that Obligor under or evidenced by the Security Documents (which may include the execution of a mortgage, charge, assignment or other security over all or any of the assets which are, or are intended to be, the subject of the Security Documents) or for the exercise of any rights, powers and remedies of the Security Agent provided by or pursuant to the Finance Documents or by law;

(ii) to confer on the Security Agent Security Interests over any property and assets of that Obligor located in any jurisdiction equivalent or similar to the Security Interest intended to be conferred by or pursuant to the Security Documents;

(iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security Documents; and/or

(iv) to facilitate the accession by a New Lender to any Security Document following an assignment in accordance with clause 33.1 (*Assignments by the Lenders*).

(b) Each Obligor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security Interest conferred or intended to be conferred on the Security Agent or the other Finance Parties by or pursuant to the Finance Documents.

21.11 Environmental matters

(a) The Agent will be notified as soon as reasonably practicable of any bona fide Environmental Claim being made against any Group Member or any Fleet Vessel which, if successful to any extent, might have a Material Adverse Effect and of any Environmental Incident which may give rise to such a claim and will be kept regularly and promptly informed in reasonable detail of the nature of, and response to, any such Environmental Incident and the defence to any such claim.

(b) Environmental Laws (and any consents, licences or approvals obtained under them) applicable to Fleet Vessels will not be violated in a way which might have a Material Adverse Effect.

21.12 People with Significant Control (PSC) Regime

(a) Each Obligor shall:

(i) within the relevant timeframe, comply with any notice it receives pursuant to Part 21A of the Companies Act 2006 from each Bareboat Charterer; and

(ii) promptly provide the Agent with a copy of that notice.

(b) Each Bareboat Charterer undertakes that it will use its best endeavours to keep its PSC register up to date and that, if it issues any Restrictions Notices or Warning Notices it will send a copy of these to the Agent at the same time as they are issued.

(c) The Parent will take all steps necessary to ensure that it remains registered in each Bareboat Charterer's PSC register and will:

(i) use its best endeavours to assist each Bareboat Charterer in obtaining any other information each Bareboat Charterer needs in relation to its shares to maintain its PSC register; and

(ii) ensure that updates of any changes to the information relating to the Parent and contained in the PSC register are provided to each Bareboat Charterer promptly.

22 Dealings with the Ships

22.1 The Borrower and each Guarantor (other than the Parent) undertakes that this clause 22 will be complied with in relation to each Ship throughout the relevant Ship's Mortgage Period.

22.2 Ship's name and registration

(a) A Ship's name shall only be changed after prior notice to the Agent and, the Borrower shall promptly take all necessary steps to update all applicable insurance, class and registration documents with such change of name.

(b) Each Ship shall be permanently registered in the name of the relevant Owner with the relevant Registry under the laws of its Flag State. Except with approval of the Lenders, a Ship shall not be registered under any other flag or at any other port or fly any other flag (other than that of its Flag State), provided that no such approval shall be required for the registration of a Ship under the flag of another Approved Flag State as long as replacement Security Interests are granted in respect of that Ship (which are, in the opinion of the Lenders, equivalent to those in place prior to such registration) in favour of the Security Agent immediately following the registration of such ship under the flag of that Approved Flag State. If a registration is for a limited period, it shall be renewed at least 45 days before the date it is due to expire and the Agent shall be notified of that renewal at least 30 days before that date.

(h) Nothing will be done and no action will be omitted if that might result in such registration being forfeited or imperilled or a Ship being required to be registered under the laws of another state of registry.

22.3 Sale or other disposal of a Ship, other vessels or entities

Except with approval of the Lenders or as may be agreed in the Finance Documents, the relevant Owner will not sell, or agree to sell, transfer, abandon or otherwise dispose of the relevant Ship or any share or interest in it, unless the consideration for such sale, transfer or disposal (together with any other unencumbered or unrestricted cash available to the Borrower or to the relevant Owner) shall be sufficient to meet the Borrower’s prepayment obligations under clause 7.8 (*Sale or Total Loss*).

22.4 Manager

Each Ship shall be managed by a technical and commercial manager. A manager of a Ship shall not be appointed unless that manager and the terms of its appointment are approved (such approval not to be unreasonably withheld or delayed) by the Majority Lenders in writing and it has delivered a duly executed Manager's Undertaking. There shall be no change to the terms of appointment of a manager whose appointment has been approved unless such change is also approved (such approval not to be unreasonably withheld or delayed) the Majority Lenders in writing.

22.5 Copy of Mortgage on board

A properly certified copy of the relevant Mortgage shall be kept on board each Ship with its papers and shown to anyone having business with that Ship which might create or imply any commitment or Security Interest over or in respect of that Ship (other than a lien for crew's wages and salvage) and to any representative of the Agent or the Security Agent.

22.6 Inventory of Hazardous Materials

An Inventory of Hazardous Materials shall be maintained in relation to and on board each Ship.

22.7 Notice of Mortgage

(a) A framed printed notice of the Ship's Mortgage shall be prominently displayed in the navigation room and in the Master's cabin of each Ship. The notice must be in plain type and read as follows:

"**NOTICE OF MORTGAGE**

This Ship is subject to a first mortgage in favour of ***[here insert name of mortgagee]*** of ***[here insert address of mortgagee]***. Under the said mortgage and related documents, neither the Owner nor any charterer nor the Master of this Ship has any right, power or authority to create, incur or permit to be imposed upon this Ship any commitments or encumbrances whatsoever other than for crew's wages and salvage".

(b) No-one will have any right, power or authority to create, incur or permit to be imposed upon a Ship any lien whatsoever other than for crew's wages and salvage.

22.8 Conveyance on default

Where a Ship is (or is to be) sold in exercise of any power conferred by the Security Documents, the relevant Owner shall, upon the Agent's request, immediately execute such form of transfer of title to that Ship as the Agent may require.

22.9 Chartering

(a) Except with approval of the Lenders (which approval shall not be unreasonably withheld or delayed) or as permitted without approval by clause 22.9(b) below, the relevant Owner or Bareboat Charterer shall not enter into any charter commitment for a Ship (except for a Ship's Time Charter or Bareboat Charter) which is:

(i) a bareboat or demise charter or passes possession and operational control of that Ship to another person;

(ii) capable of lasting more than 24 calendar months;

(iii) less than Market Rate; or

(iv) to another Obligor.

(b) Notwithstanding clause 22.9(a) above, the following charter commitments for a Ship are permitted without approval:

(i) a bareboat or demise charter or other charter commitment that passes possession and operational control of that Ship to any Subsidiary of NFE or Group Member (except an Obligor), provided that such charter or other charter commitment (A) contains an undertaking from the relevant charterer, enforceable by the relevant Owner or Bareboat Charterer to comply with clauses 22.2 (*Ship's name and registration*), 22.4 (*Manager*) - 22.7 (*Notice of Mortgage*), 22.9 (*Chartering*) and 22.10 (*Lay up*), 23 (*Condition and operation of the Ships*) and 24 (*Insurance*) (except clauses 24.6 (*Mortgagee's insurance*) and 24.18 (*Independent report*) and (B) is:

(A) (in the c) ase of a Group Memberassigned to the Security Agent;

(B) on Market Rate; and

(C) in the case of Ship C, Ship D, Ship F and Ship G:

(1) a charter to NFE Atlantic Holdings LLC or a charter guaranteed to the relevant owner or disponent owner by NFE Atlantic Holdings LLC; and

(2) for a period not ending earlier than 12 months following the Final Repayment Date;

(ii) a time charter capable of lasting 24 calendar months or more to NFE or any Subsidiary of NFE or Group Member (except an Obligor), provided that such charter is:

(A) (in the case of a Group Member) assigned to the Security Agent;

(B) on Market Rate; and

(C) in the case of Ship C, Ship D, Ship F and Ship G:

(1) a charter to NFE Atlantic Holdings LLC or a charter guaranteed to the relevant owner or disponent owner by NFE Atlantic Holdings LLC; and

(2) for a period not ending earlier than 12 months following the Final Repayment Date;

(iii) a time charter that is not capable of lasting more than 24 calendar months to NFE or any Subsidiary of NFE (except an Obligor) or any third party, provided that such charter is:

(A) on Market Rate; and

(B) in the case of Ship C, Ship D, Ship F and Ship G (except where a third party charter complying with clause 26.5 (*Expiry of Time Charter*) has been entered into):

(1) a charter to NFE Atlantic Holdings LLC or a charter guaranteed to the relevant owner or disponent owner by NFE Atlantic Holdings LLC; and

(2) for a period not ending earlier than 12 months following the Final Repayment Date;

(iv) any charter that is entered into pursuant to clause 26.4, clause 26.5 or clause 30.20(b)(ii);

(v) any sub-charter by any sub-charterer of any Ship pursuant to a charter permitted under this clause 22.9 provided such sub-charter complies with this clause 22.9 (for the avoidance of doubt if NFE Atlantic Holdings LLC has either chartered a Ship or provided a guarantee of a charter of a Ship, it will not be required to guarantee any further sub-charters of such Ship to NFE or any of its Subsidiaries, during the subsistence of such charter to, or guarantee from, NFE Atlantic Holdings LLC);

(vi) any extension of a Time Charter at the rates set out in that respective charter or, if at a different rate, provided that the extended Time Charter is on Market Rate.

22.10 Lay up

Save with respect to the current lay up of Ship E, except with approval, (which approval, in relation to a Ship which is subject to a Time Charter, shall not be unreasonably withheld where the request is (i) made by the Time Charterer, (ii) made at a time when the relevant Time Charter has not been terminated, cancelled, rescinded and has not expired and the relevant Ship is continuing in service under the relevant Time Charter and (iii) made at a time when the relevant Time Charterer is not in breach of any of its obligations under the relevant Time Charter), a Ship shall not be laid up or deactivated.

22.11 Sharing of Earnings

Except with approval, neither the relevant Owner nor (if applicable) the relevant Bareboat Charterer shall enter into any arrangement under which its Earnings from a Ship may be shared with anyone else.

22.12 Payment of Earnings

The relevant Owner's and (if applicable) Bareboat Charterer's Earnings from the Ship shall be paid in the way required by the Ship's Assignment Deed, or otherwise in accordance with the provisions of this Agreement.

22.13 Poseidon Principles

The Borrower (on behalf of the relevant Owner) shall, upon the request of the Agent and at the cost of the Borrower, on or before 31 July in each calendar year, supply or procure the supply to the Agent of all information necessary in order for any Lender to comply with its obligations under the Poseidon Principles in respect of the preceding year, including, without limitation, all ship fuel oil consumption data required to be collected and reported in accordance with Regulation 22A of Annex VI and any Statement of Compliance, in each case relating to each Ship for the preceding calendar year provided always that no Lender shall publicly disclose such information with the identity of any Ship without the prior written consent of the Borrower and/or the relevant Owner.
For the avoidance of doubt, such information shall be “Confidential Information” for the purposes of clause 45 (*Confidential Information*) but the Borrower (on behalf of each Owner) acknowledges that, in accordance with the Poseidon Principles, such information will form part of the information published regarding the relevant Lender’s portfolio climate alignment.

23 Condition and operation of the Ships

23.1 The Borrower undertakes that this clause 23 will be complied with in relation to each Ship throughout the relevant Ship's Mortgage Period.

23.2 Defined terms

In this clause 23 and in Schedule 3 *(Conditions precedent)*:
applicable code means any code or prescribed procedures required to be observed by a Ship or the persons responsible for its operation under any applicable law (including but not limited to those currently known as the ISM Code and the ISPS Code).

applicable law means all laws and regulations applicable to vessels registered in a Ship's Flag State or which for any other reason apply to a Ship or to its condition or operation at any relevant time.

applicable operating certificate means any certificates or other document relating to a Ship or its condition or operation required to be in force under any applicable law or any applicable code.

23.3 Repair

Each Ship shall be kept in a good, safe and efficient state of repair, other than any Laid Up Ship which shall be kept in a state of repair appropriate for a vessel of similar type in lay-up. The quality of workmanship and materials used to repair a Ship or replace any damaged, worn or lost parts or equipment shall be sufficient to ensure that that Ship's value is not reduced.

23.4 Modification

Except with approval (which shall not be unreasonably delayed) the structure, type or performance characteristics of a Ship shall not be modified in a way which could or might materially alter that Ship or materially reduce its value.

23.5 Removal of parts

Except with approval, no material part of a Ship or any equipment shall be removed from that Ship if to do so would materially reduce its value (unless at the same time it is replaced with equivalent parts or equipment owned by the relevant Owner free of any Security Interest except under the Security Documents).

23.6 Third party owned equipment

Except with approval, equipment owned by a third party shall not be installed on a Ship if it cannot be removed without causing damage to the structure or fabric of that Ship or incurring significant expense.

23.7 Maintenance of class; compliance with laws and codes

Each Ship's class shall be the relevant Classification. Each Ship and every person who owns, operates or manages each Ship shall comply with all applicable laws and the requirements of all applicable codes and regulations (including, but not limited to, all Environmental Laws and all Sanctions Laws). There shall be kept in force and on board each Ship or in such person's custody any applicable operating certificates which are required by applicable laws or applicable codes to be carried on board that Ship or to be in such person's custody.

23.8 Surveys

Each Ship shall be submitted to continuous surveys and any other surveys which are required for it to maintain the Classification as its class. Copies of reports of those surveys shall be provided promptly to the Agent if it so requests.

23.9 Inspection and notice of dry-dockings

The Agent and/or surveyors or other persons appointed by it for such purpose shall be allowed to board each Ship at all reasonable times to inspect it and given all proper facilities needed for that purpose, which right shall only be exercised once per calendar year in respect of each Ship or, if a Default has occurred, at any further times whilst such Default is continuing. The Agent shall be given reasonable advance notice of any intended dry-docking of each Ship (whatever the purpose of that dry-docking).

23.10 Prevention of arrest

All debts, damages, liabilities and outgoings which have given, or may give, rise to maritime, statutory or possessory liens on, or claims enforceable against, a Ship, its Earnings or Insurances shall be promptly paid and discharged.

23.11 Release from arrest

Each Ship, its Earnings and Insurances shall promptly be released from any arrest, detention, attachment or levy, and any legal process against that Ship shall be promptly discharged, by whatever action is required to achieve that release or discharge.

23.12 Information about a Ship

The Agent shall promptly be given any information which it may reasonably require about each Ship or its employment, position, use or operation, including details of towages and salvages, and copies of all its charter commitments entered into by or on behalf of any Obligor and copies of any applicable operating certificates.

23.13 Notification of certain events

The Agent shall promptly be notified of:

(a) any damage to a Ship where the cost of the resulting repairs may exceed the Major Casualty Amount for that Ship;

(b) any occurrence which may result in a Ship becoming a Total Loss;

(c) any requisition of a Ship for hire;

(d) any Environmental Incident involving a Ship and Environmental Claim being made in relation to such an incident;

(e) any withdrawal or threat to withdraw any applicable operating certificate;

(f) the issue of any operating certificate required under any applicable code;

(g) the receipt of notification that any application for such a certificate has been refused;

(h) any requirement or recommendation made in relation to a Ship by any insurer or that Ship's Classification Society or by any competent authority which is not, or cannot be, complied with in the manner or time required or recommended; and

(i) any arrest or detention of a Ship or any exercise or purported exercise of a lien or other claim on that Ship or its Earnings or Insurances.

23.14 Payment of outgoings

All tolls, dues and other outgoings whatsoever in respect of a Ship and its Earnings and Insurances shall be paid promptly. Proper accounting records shall be kept of each Ship and its Earnings.

23.15 Evidence of payments

The Agent shall be allowed proper and reasonable access to those accounting records when it requests it and, when it requires it, shall be given satisfactory evidence that:

(a) the wages and allotments and the insurance and pension contributions of each Ship's crew are being promptly and regularly paid;

(b) all deductions from its crew's wages in respect of any applicable Tax liability are being properly accounted for; and

(c) each Ship's master has no claim for disbursements other than those incurred by him in the ordinary course of trading on the voyage then in progress.

23.16 Repairers' liens

Save with respect to scheduled periodic dry-docking, except with approval, a Ship shall not be put into any other person's possession for work to be done on that Ship if the cost of that work will exceed or is likely to exceed the Major Casualty Amount for that Ship unless that person gives the Security Agent a written undertaking in approved terms not to exercise any lien on that Ship or its Earnings for any of the cost of such work.

23.17 Survey report

As soon as reasonably practicable after the Agent requests it, the Agent shall be given a report on the seaworthiness and/or safe operation of each Ship, from approved surveyors or inspectors. This right shall only be exercised once per calendar year in respect of each Ship or, if a Default has occurred, at any further times whilst such Default is continuing. If any recommendations are made in such a report they shall be complied with in the way and by the time recommended in the report.

23.18 Lawful use

A Ship shall not be employed:

(a) in any way or in any activity which is unlawful under international law or the domestic laws of any relevant country;

(b) in carrying illicit or prohibited goods;

(c) in a way which may make it liable to be condemned by a prize court or destroyed, seized or confiscated;

(d) in any manner contrary to any Sanctions Laws; or

(e) if there are hostilities in any part of the world (whether war has been declared or not), in carrying contraband goods,

and the persons responsible for the operation of that Ship shall take all necessary and proper precautions to ensure that this does not happen.

23.19 War zones

Except with approval, each Ship shall not enter or remain in any zone which has been declared a war zone by any government entity or that Ship's war risk insurers. If approval is granted for it to do so, any requirements of the Agent and/or that Ship's insurers necessary to ensure that that Ship remains properly insured in accordance with the Finance Documents (including any requirement for the payment of extra insurance premiums) shall be complied with.

23.20 Sustainable and socially responsible dismantling

The Obligors shall ensure that the Ships (whilst they are owned by the Obligors or where such vessels are sold to an intermediary with the intention of being scrapped) are recycled at a recycling yard which conducts its recycling business in a socially and environmentally responsible matter in accordance with the Hong Kong International Convention for the Sale and Environmentally Sound Recycling of 2009 (whether or not in force) or, if applicable, the EU Ship Recycling Regulation.

24 Insurance

24.1 The Borrower undertakes that this clause 24 shall be complied with in relation to each Ship and its Insurances throughout the relevant Ship's Mortgage Period.

24.2 Insurance terms

In this clause 24:

excess risks means the proportion (if any) of claims for general average, salvage and salvage charges not recoverable under the hull and machinery insurances of a vessel in consequence of the value at which the vessel is assessed for the purpose of such claims exceeding its insured value.

excess war risk P&I cover means cover for claims only in excess of amounts recoverable under the usual war risk cover including (but not limited to) hull and machinery, crew and protection and indemnity risks.

hull cover means insurance cover against the risks identified in clause 24.3(a) below.

minimum hull cover means, in relation to a Ship, an amount equal at the relevant time to the higher of (a) the Vessel Value of that Ship; and (b) 120 per cent of such proportion of the Loan as is equal to the proportion which the Vessel Value of that Ship bears to the aggregate of the Vessel Values of all of the Ships.

P&I risks means the usual risks (including liability for oil pollution, excess war risk P&I cover) covered by a protection and indemnity association which is a member of the International Group of protection and indemnity associations (or, if the International Group ceases to exist, any other leading protection and indemnity association or other leading provider of protection and indemnity insurance) (including, without limitation, the proportion (if any) of any collision liability not covered under the terms of the hull cover).

24.3 Coverage required

Each Ship shall at all times be insured:

(a) against fire and usual marine risks (including excess risks) and war risks (including war protection and indemnity risks and terrorism risks, piracy and confiscation risks) on an agreed value basis (which shall include the total insured value of that Ship, including any sum insured under freight interest insurance), for at least its minimum hull cover, provided that, in the event that part of the agreed insurable value of that Ship is insured by way of an increased value policy (or, in the case of cover under the Nordic Marine Insurance Plan, a hull interest policy), the hull and machinery marine risks policy shall be for an amount of not less than 80 per cent of the agreed insurable value, unless the relevant approved brokers or approved insurers have confirmed in writing to the Agent that such hull and machinery marine risks policy provides that the conditions for condemnation will be met when any casualty damage to that Ship is sufficiently extensive that the cost of removing and repairing that Ship exceeds the amount insured under the hull and machinery marine risks policy, in which case the hull and machinery marine risks policy shall be for an amount of not less than 66 2/3 per cent of the agreed insurable value;

(b) against P&I risks for the highest amount then available in the insurance market for vessels of similar age, size and type as that Ship (which, in relation to liability for oil pollution, is currently $1,000,000,000);

(c) against loss of Earnings in any amount and on terms approved by the Agent (this shall only apply in respect of Ship E ten days prior to Ship E becoming operational);

(d) against such other risks and matters which the Agent notifies it that it considers reasonable for a prudent shipowner or operator to insure against at the time of that notice; and

(e) on terms which comply with the other provisions of this clause 24,

it being acknowledged that, for Ship E (which is non-operational and laid up as at the date of this Agreement), (i) the hull cover does not comply with the minimum hull cover required under this clause 24.3 (*Coverage required*) and (ii) there is no loss of Earnings insurance in place. The Borrower undertakes that ten (10) days prior to Ship E becoming operational, it shall provide evidence satisfactory to the Agent (acting on the instructions of the Majority Lenders) that the insurance coverage required by clause 24.3 (*Coverage required*).

24.4 Placing of cover

The insurance coverage required by clause 24.3 (*Coverage required*) shall be:

(a) in the name of a Ship's Owner and (in the case of a Ship's hull cover) no other person (other than the Security Agent if required by it) (unless such other person, if so required by the Agent, has duly executed and delivered a first priority assignment of its interest in that Ship's Insurances to the Security Agent in an approved form and provided such supporting documents and opinions in relation to that assignment as the Agent requires). In the case of any assignment of insurances provided by NFE or any of its Subsidiaries (other than a Group Member) such assignment shall be on a third party basis with recourse limited to the insurance proceeds;

(b) in dollars or another approved currency;

(c) arranged through approved brokers or direct with approved insurers or protection and indemnity or war risks associations; and

(d) on approved terms and with approved insurers or associations.

24.5 Deductibles

The aggregate amount of any excess or deductible under a Ship's hull cover shall not exceed an approved amount.

24.6 Mortgagee's insurance

The Borrower shall promptly reimburse to the Agent the cost (as conclusively certified by the Agent) of taking out and keeping in force in respect of a Ship and the other Ships on approved terms, or in considering or making claims under:

(a) a mortgagee's interest insurance cover for the benefit of the Finance Parties for an aggregate amount up to 120 per cent of the Loan and a mortgagee's additional perils (pollution risks) cover for the benefit of the Finance Parties if a Ship enters US Waters for at least that Ship's minimum hull cover; and

(b) any other insurance cover which the Agent reasonably requires in respect of any Finance Party's interests and potential liabilities (whether as mortgagee of that Ship or beneficiary of the Security Documents), provided that the taking out of such cover is in accordance with the then current market practice within the shipping finance industry for ships of the type of the Ships.

24.7 Fleet liens, set off and cancellations

If a Ship's hull cover also insures other vessels, the Security Agent shall either be given an undertaking in approved terms by the brokers or (if such cover is not placed through brokers or the brokers do not, under any applicable laws or insurance terms, have such rights of set off and cancellation) the relevant insurers that the brokers or (if relevant) the insurers will not:

(a) set off against any claims in respect of that Ship any premiums due in respect of any of such other vessels insured (other than other Ships); or

(b) cancel that cover because of non-payment of premiums in respect of such other vessels,

or the Borrower shall ensure that hull cover for that Ship and any other Ships is provided under a separate policy from any other vessels.

24.8 Payment of premiums

All premiums, calls, contributions or other sums payable in respect of the Insurances shall be paid punctually and the Agent shall be provided with all relevant receipts or other evidence of payment upon request.

24.9 Details of proposed renewal of Insurances

At least seven days before any of a Ship's Insurances are due to expire, the Agent shall be notified of the names of the brokers, insurers and associations proposed to be used for the renewal of such Insurances and the amounts, risks and terms in, against and on which the Insurances are proposed to be renewed.

24.10 Instructions for renewal

At least seven days before any of a Ship's Insurances are due to expire, instructions shall be given to brokers, insurers and associations for them to be renewed or replaced on or before their expiry.

24.11 Confirmation of renewal

Each Ship's Insurances shall be renewed upon their expiry in a manner and on terms which comply with this clause 24 (and Insurances on the same terms and issued by or through the same brokers and/or insurers as the existing Insurances shall be deemed to comply with this clause 24 without any further approval being required) and confirmation of such renewal given by approved brokers or insurers to the Agent at least seven days (or such shorter period as may be approved) before such expiry.

24.12 P&I guarantees

Any guarantee or undertaking required by any protection and indemnity or war risks association in relation to a Ship shall be provided when required by the association.

24.13 Insurance documents

The Agent shall be provided with pro forma copies of all insurance policies and other documentation issued by brokers, insurers and associations in connection with a Ship's Insurances as soon as they are available after they have been placed or renewed and all insurance policies and other documents relating to that Ship's Insurances shall be deposited with any approved brokers or (if not deposited with approved brokers) the Agent or some other approved person.

24.14 Letters of undertaking

Unless otherwise approved where the Agent is satisfied that equivalent protection is afforded by the terms of the relevant Insurances and/or any applicable law and/or a letter of undertaking provided by another person, on each placing or renewal of the Insurances, the Agent shall be provided promptly with letters of undertaking in an approved form (having regard to general insurance market practice and law at the time of issue of such letter of undertaking) from the relevant brokers, insurers and associations.

24.15 Insurance Notices and Loss Payable Clauses

The interest of the Security Agent as assignee of the Insurances shall be endorsed on all insurance policies and other documents by the incorporation of a Loss Payable Clause and an Insurance Notice in respect of each Ship and its Insurances signed by its Owner and Bareboat Charterer and, unless otherwise approved, each other person assured under the relevant cover (other than the Security Agent if it is itself an assured).

24.16 Insurance correspondence

If so required by the Agent, the Agent shall promptly be provided with copies of all written communications between the assureds and brokers, insurers and associations relating to any of a Ship's Insurances as soon as they are available.

24.17 Qualifications and exclusions

All requirements applicable to a Ship's Insurances shall be complied with and that Ship's Insurances shall only be subject to approved exclusions or qualifications.

24.18 Independent report

(a) If the Agent asks the Borrower for a detailed report from an approved independent firm of marine insurance brokers giving their opinion on the adequacy of a Ship's Insurances then the Agent shall be provided promptly with such a report.

(b) The following such reports shall be provided at no cost to the Agent or (if the Agent obtains such a report itself) the Borrower shall reimburse the Agent for the cost of obtaining that report:

(i) as required pursuant to paragraph 6(a) of the conditions precedent set out in Part 2 of Schedule 3 (*Conditions precedent*);

(ii) one further such report following any material change (in the opinion of the Agent acting on the instructions of the Lenders (acting reasonably) or the approved independent firm of marine insurance brokers) to a Ship's Insurances; or

(iii) any further such reports requested at any time during which a Default has occurred and is continuing.

(c) The cost of any reports requested by the Agent under clause 24.18(a) in excess of those for the account of the Borrower under clause 24.18(b) shall be for the account of the Agent but the Borrower shall nonetheless provide the Agent with such information as it requires in order to obtain such a report.

24.19 Collection of claims

All documents and other information and all assistance required by the Agent to assist it and/or the Security Agent in trying to collect or recover any claims under a Ship's Insurances shall be provided promptly.

24.20 Employment of Ship

Each Ship shall only be employed or operated in conformity with the terms of that Ship's Insurances (including any express or implied warranties) and not in any other way (unless the insurers have consented and any additional requirements of the insurers have been satisfied).

24.21 Declarations and returns

If any of a Ship's Insurances are on terms that require a declaration, certificate or other document to be made or filed before that Ship sails to, or operates within, an area, those terms shall be complied with within the time and in the manner required by those Insurances.

24.22 Application of recoveries

All sums paid under a Ship's Insurances to anyone other than the Security Agent shall be applied in repairing the damage and/or in discharging the liability in respect of which they have been paid except to the extent that the repairs have already been paid for and/or the liability already discharged.

24.23 Settlement of claims

Any claim under a Ship's Insurances for a Total Loss or Major Casualty shall only be settled, compromised or abandoned with prior approval of the Lenders (which approval, in the case of a Major Casualty, shall not be unreasonably withheld or delayed).

24.24 Change in insurance requirements

If the Agent gives notice to the Borrower to change the terms and requirements of this clause 24 (which the Agent may only do, in such manner as it considers appropriate, as a result in changes of circumstances or practice after the date of this Agreement and in order to better align the terms and requirements of this clause 24 with the then current market practice within the shipping finance industry for ships of the type of the Ships), this clause 24 shall be modified in the manner so notified by the Agent on the date 14 days after such notice from the Agent is received.

25 Minimum security value

25.1 The Borrower undertakes that this clause 25 will be complied with throughout any Mortgage Period.

25.2 Valuation of Ships

For the purpose of the Finance Documents, the value at any time of any Ship or any other asset over which additional security is provided under this clause 25 will be its value as most recently determined in accordance with this clause 25 or, if no such value has been obtained, its value under any valuation provided pursuant to clause 4 (*Conditions of Utilisation*).

25.3 Valuation frequency

Valuation of each Ship and each such other asset in accordance with this clause 25 may be required by the Agent (acting on the instructions of the Majority Lenders) at any time upon an Event of Default and at all other times the Borrower shall provide one set of valuations of each Ship at six monthly intervals from the first Utilisation Date.

25.4 Expenses of valuation

The Borrower shall bear, and reimburse to the Agent where incurred by the Agent, all costs and expenses of providing:

(a) one set of valuations of each Ship per six months (which shall not include the costs and expenses of providing any valuations required under clause 4 (*Conditions of Utilisation*) which shall also be for the account of the Borrower);

(b) in addition to those referred to in (a) above, any sets of valuations carried out at any time when an Event of Default has occurred and is continuing;

(c) in addition to those referred to in (a) above, any sets of valuations required pursuant to the terms of clause 7.8 (*Sale or Total Loss*) which valuations must be carried out not more than 30 days prior to the relevant event under the terms of clause 7.8 (*Sale or Total Loss*);

(d) in addition to those referred to in (a) above, any sets of valuations required pursuant to the terms of clause 30.20 (*Time Charter termination*), which valuations must be carried out not more than 30 days prior to the relevant event under the terms of clause 30.20 (*Time Charter termination*).

(e) in addition to those referred to in (a) above, any sets of valuations requested by the Agent (acting on the instructions of the Majority Lenders) in connection with any Utilisation and carried out not more than 30 days prior to the Utilisation Date for such Utilisation.

25.5 Valuations procedure

The value of any Ship shall be determined in accordance with, and by valuers approved and appointed in accordance with, this clause 25. Additional security provided under this clause 25 shall be valued in such a way, on such a basis and by such persons (including the Agent itself) as may be approved by the Lenders or as may be agreed in writing by the Borrower and the Agent (on the instructions of the Lenders).

25.6 Currency of valuation

Valuations shall be provided by valuers in dollars or, if a valuer is of the view that the relevant type of vessel is generally bought and sold in another currency, in that other currency. If a valuation is provided in another currency, for the purposes of this Agreement it shall be converted into dollars at the Agent's spot rate of exchange for the purchase of dollars with that other currency as at the date to which the valuation relates.

25.7 Basis of valuation

Each valuation will be addressed to the Agent in its capacity as such and made:

(a) without physical inspection (unless required by the Agent);

(b) on the basis of a sale for prompt delivery for a price payable in full in cash on delivery at arm's length on normal commercial terms between a willing buyer and a willing seller; and

(c) without taking into account the benefit or the burden of any charter commitment.

25.8 Information required for valuation

The Borrower shall promptly provide to the Agent and any such valuer any information which they reasonably require for the purposes of providing such a valuation.

25.9 Approval of valuers

All valuers must have been approved. The Agent may (acting on the instructions of the Majority Lenders) from time to time notify the Borrower of approval of one or more independent ship brokers as valuers for the purposes of this clause 25. The Agent shall (following receipt of instructions of the Majority Lenders) respond promptly to any request by the Borrower for approval of a broker nominated by the Borrower. The Agent may (acting on the instructions of the Majority Lenders) at any time by notice to the Borrower withdraw any previous approval of a valuer for the purposes of future valuations. That valuer may not then be appointed to provide valuations unless it is once more approved. If the Agent has not approved at least three brokers as valuers at a time when a valuation is required under this clause 25, the Agent shall (acting on the instructions of the Majority Lenders) promptly notify the Borrower of the names of at least three valuers which are approved. The approved valuers as at the date of this Agreement are Affinity (Shipping) LLP, Clarkson Valuations Ltd., Poten & Partners Inc., Braemar ACM Valuations Ltd. and Fearnleys AS.

25.10 Appointment of valuers

When a valuation is required for the purposes of this clause 25, the Agent (acting on the instructions of the Majority Lenders) or, if so approved at that time, the Borrower shall promptly appoint approved valuers to provide such a valuation. If the Borrower is approved to appoint valuers but fails to do so promptly, the Agent may appoint approved valuers to provide that valuation.

25.11 Number of valuers

Each valuation must be carried out by two approved valuers nominated by the Borrower. If the Borrower fails promptly to nominate one or both valuers then the Agent may (acting on the instructions of the Majority Lenders) nominate one or both valuers as the case may be.

25.12 Differences in valuations

If valuations provided by individual valuers differ, the value of the relevant Ship for the purposes of the Finance Documents will be the mean average of those valuations. If the higher of the two valuations obtained pursuant to clause 25.11 (*Number of valuers*) is more than 110 per cent of the lower of the two valuations then a third valuation shall be obtained by the Agent (acting on the instructions of the Majority Lenders) from a third approved valuer and the value of the relevant ship for the purposes of the Finance Documents will be the mean average of those three valuations.

25.13 Security shortfall

(a) If at any time the Security Value is less than the Minimum Value, the Agent may, and shall, if so directed by the Majority Lenders, by notice to the Borrower require that such deficiency be remedied. The Borrower shall then, within 30 Business Days of receipt of such notice, ensure that the Security Value equals or exceeds the Minimum Value. For this purpose, the Borrower may:

(i) provide additional security over other assets approved by the Lenders in accordance with this clause 25; and/or

(ii) cancel part of the Total Commitments under clause 7.5 (*Voluntary cancellation*) and prepay on five Business Days' notice a corresponding amount of the Loan.

25.14 Creation of additional security

The value of any additional security which the Borrower offers to provide to remedy all or part of a shortfall in the amount of the Security Value will only be taken into account for the purposes of determining the Security Value if and when:

(a) that additional security, its value and the method of its valuation have been approved by the Lenders;

(b) a Security Interest over that security has been constituted in favour of the Security Agent or (if appropriate) the Finance Parties in a form and manner approved by the Agent;

(c) this Agreement has been unconditionally amended in such manner as the Agent requires in consequence of that additional security being provided; and

(d) the Agent, or its duly authorised representative, has received such documents and evidence it may reasonably require in relation to that amendment and additional security including documents and evidence of the type referred to in Schedule 3 in relation to that amendment and additional security and its execution and (if applicable) registration.

(e) If at any time the Security Agent holds additional security provided under this clause 25 and the Security Value, disregarding the value of that additional security, is equal to or exceeds 120 per cent of the Loan and the Security Value has been determined by reference to valuations provided no more than 90 days previously, the Borrower may, by notice to the Agent, require the release and discharge of that additional security. The Agent shall then promptly direct the Security Agent to release and discharge that additional security if no Event of Default is then continuing or will result from such release and discharge and, upon such release and discharge and, if so required by the Agent, the Borrowers shall reimburse to the Agent and the Security Agent any costs and expenses payable under clause 16.1 *(Transaction expenses)* in relation to that release and discharge.

26 Chartering undertakings

26.1 The Borrower and each Guarantor (other than the Parent), undertakes that this clause 25 will be complied with in relation to each Ship and its Charter Documents and by the relevant Owner and Bareboat Charterer throughout the relevant Ship's Mortgage Period.

26.2 Variations

Except with approval of all the Lenders (such approval not to be unreasonably withheld or delayed), the Charter Documents shall not be varied in any way which would mean that had either (a) the provisions of the Finance Documents existed at the date of signing of such Charter Documents or (b) the amended provisions of the Charter Document existed at the date of signing of such Charter Documents, the Lenders' approval would have been required to the entry into such Charter Documents. The Agent shall, once it has received instructions from the Lenders and at the same time as it notifies the Borrower of any approval or rejection to a variation of the Charter Documents, notify the relevant Bareboat Charterer, the relevant Time Charterer and any other relevant charterer of such approval or rejection.

26.3 Releases and waivers

Except with approval, there shall be no release by the relevant Owner or Bareboat Charterer of any obligation of any other person under a Time Charter or Bareboat Charter (including by way of novation), no waiver of any breach of any such obligation and no consent to anything which would otherwise be such a breach.

26.4 Termination by relevant Owner or Bareboat Charterer

(a) Subject to clause 26.4(b) below, except with approval, the relevant Owner or Bareboat Charterer shall not terminate, cancel or rescind any Charter Document relating to a Time Charter in existence as at the date of this Agreement in respect of the Ships (other than Ship H) and the date of accession of the Additional Guarantor pursuant to clause 34.2 in respect of Ship H or withdraw a Ship from service under the relevant Charter Document or take any similar action.

(b) Notwithstanding paragraph (a), the relevant Owner or Bareboat Charterer may without further approval of the Lenders terminate, cancel or rescind:

(i) a Charter Document described in clause 26.4(a) above or withdraw a Ship from service under such Charter Document if a replacement time charter has been concluded that complies in all respects with clauses 30.20(b)(ii) and/or

(ii) any other Charter Document or withdraw a Ship from service under such Charter Document if within thirty (30) days a replacement time charter has been concluded that complies in all respects with clause 22.9.

26.5 Expiry of Time Charter

If a Time Charter expires by way of effluxion of time prior to the Final Repayment Date and the relevant Owner or Bareboat Charterer has not procured, within 60 days of the date of such expiry (the **Marketing End Date**), a charter commitment for such Ship on Market Rate, the Borrower shall procure that NFE Atlantic Holdings LLC, or any company guaranteed by NFE Atlantic Holdings LLC, shall, from the Marketing End Date, charter the Ship pursuant to a charter permitted under clause 22.9(b) until the earlier of a replacement charter being found at Market Rate, or 12 months after the Final Repayment Date. For the avoidance of doubt, provided such charter complies with the terms of this clause 26.5 no further approvals shall be required from the Lenders to enter into such charter. Any such charter or the hire under such charter shall not be required to be assigned to the Security Agent.

26.6 Charter performance

The relevant Owner or Bareboat Charterer shall perform its obligations under the Charter Documents and use its reasonable endeavours to ensure that each other party to them performs their obligations under the Charter Documents.

26.7 Notice of assignment

The relevant Owner and (if applicable) the relevant Bareboat Charterer shall give notice of assignment of the Charter Documents to the other parties to them in the form specified by the relevant Assignment Deed for that Ship and shall exercise commercially reasonable efforts to ensure that the Agent receives a copy of that notice acknowledged by each addressee in the form specified therein in accordance with clause 4.7 (*Conditions subsequent*).

26.8 Payment of Charter Earnings

All Earnings which the relevant Owner or Bareboat Charterer is entitled to receive under the Charter Documents shall be paid in the manner required by the Security Documents and the provisions of this Agreement and, in the case of the Bareboat Charterer, without any set-off or counter-claim and free and clear of any deductions or withholdings.

26.9 Enforcement of charter assignment

The relevant Bareboat Charterer shall allow the Security Agent to enforce the rights of the relevant Owner under the relevant Bareboat Charter as assignee of those rights under the relevant Assignment Deed.

26.10 Assignment by Bareboat Charterer

Except with approval or, if such charter (as assigned) would be a charter permitted without approval pursuant to clause 22.9, the relevant Bareboat Charterer shall not assign or otherwise dispose of its rights under the relevant Bareboat Charter (which approval shall not be unreasonably withheld or delayed if the Borrower has satisfied the Agent that the relevant Time Charter shall continue in full force and effect following such assignment or disposal and if the assignment or disposal is to another Group Member).

26.11 Sub-chartering

Except with approval or as permitted under clause 22.9(b) (*Chartering*), the relevant Bareboat Charterer shall not enter into any charter commitment for the relevant Ship (other than the relevant Time Charter). If the Security Agent is at any time entitled to enforce its rights as mortgagee of that Ship or otherwise under the terms of any Mortgage, the relevant Bareboat Charterer will exercise its rights under any sub-charter of that Ship in such manner as the Agent may direct.

26.12 Performance of other undertakings

The relevant Bareboat Charterer shall not do anything which would or might prevent the Borrower complying with clauses 22 (*Dealings with the Ships*), 23 (*Condition and operation of the Ships*) or 24 (*Insurance*)) or fail to do anything required by the relevant Bareboat Charter where failure to do so would or might have such an effect.

26.13 Bareboat Charterer's manager

A manager of a Ship shall not be appointed by the relevant Bareboat Charterer unless that manager and the terms of its employment are approved by the Lenders and it has delivered a duly executed Manager's Undertaking.

26.14 Charters with NFE or any of its Subsidiaries

All hire and other payments under any charter commitment for a Ship entered into by an Owner or Bareboat Charterer with NFE or any of its Subsidiaries (other than a member of the Group) pursuant to clause 22.9(b) shall not be overdue by more than 30 days.

27 Bank accounts

27.1 The Borrower undertakes that this clause 27 will be complied with throughout the Facility Period.

27.2 Earnings Accounts

(a) The Borrower, each Owner and each Bareboat Charterer shall be the holder of one or more Accounts with the Account Bank which is designated as an "**Earnings Account**" for the purposes of the Finance Documents.

(b) The Earnings of the Ships (other than amounts in Brazilian real in respect of Ship F paid to the Brazilian Account) and all moneys payable to the relevant Owner and/or (if applicable) the relevant Bareboat Charterer under a Ship's Insurances and any net amount payable to the Borrower under any Hedging Contract shall be paid by the persons from whom they are due or, if applicable, paid by the Owner and/or (if applicable) the relevant Bareboat Charterer or the Borrower receiving the same, to an Earnings Account unless required to be paid to the Security Agent under the relevant Finance Documents.

(c) The relevant Account Holder(s) shall not withdraw amounts standing to the credit of an Earnings Account except as permitted by clauses 27.2(d) and 27.2(e).

(d) Subject to clause 27.2(f), if there is no continuing Default or Event of Default and subject as otherwise prohibited under this Agreement, the Borrower shall be entitled to deal freely with and withdraw amounts standing to the credit of any Earnings Accounts for which it is the Account Holder.

(e) Subject to clause 27.2(f), if there is no continuing Default or Event of Default, the Bareboat Charterers and the Owners may withdraw the following amounts from an Earnings Account:

(i) payments then due to Finance Parties under the Finance Documents (other than payments due in respect of a prepayment unless it is a voluntary prepayment under clause 7.6 (*Voluntary prepayment*) or payments under Hedging Contracts attributable to the partial unwind of any Hedging Contract pursuant to clause 29.3 (*Unwinding of Hedging Contracts*));

(ii) payments then due under Hedging Contracts entered into to protect against the fluctuation in the rate of interest payable under the Finance Documents or the price of goods or services purchased by the relevant Owner for the purpose of operating a Ship;

(iii) payments to another Earnings Account of a Bareboat Charterer or Owner (which shall include, in relation to the Bareboat Charterers, payment of hire under the relevant Bareboat Charter to the relevant Owner);

(iv) payments of the proper costs and expenses of insuring, repairing, operating and maintaining any Ship;

(v) payments to purchase other currencies in amounts and at times required to make payments referred to above in the currency in which they are due; and

(vi) any payments permitted under clauses 28.10 (*Disposals*), 28.14 (*Acquisitions and investments*) and 28.16 (*Distributions and other payments*).

(f) The Borrower shall (without prejudice to the rights of the Finance Parties under this Agreement following or in respect of the termination of any Time Charter) procure that, in respect of each Ship, there is a minimum of $2,000,000 maintained in the relevant Owner Earnings Account relating to that Ship at any time when that Ship is not subject to a Time Charter or the relevant Time Charter has been terminated and has not been replaced by another charter commitment approved by the Lenders.

27.3 The Borrower shall procure that amounts standing to the credit of the Brazilian Account are used (a) if there is no continuing Default or Event of Default, solely for the payment of the proper costs and expenses of repairing, operating and maintaining Ship F and other amounts referred to in clause 27.2(e), or (b) if there is a continuing Default or Event of Default, solely for the payment of the proper costs and expenses of repairing, operating and maintaining Ship F. If an Event of Default has occurred and is continuing and if the Agent so requests, the Borrower shall procure that all amounts standing to the credit of the Brazilian Account are transferred to a Bareboat Charterer Earnings Account held by the Bareboat Charterer in respect of Ship F (as applicable).

27.4 Other provisions

(a) An Account may only be designated for the purposes described in this clause 27 if:

(i) such designation is made in writing by the Agent and acknowledged by the Borrower and specifies the name and address of the Account Bank and the number and any designation or other reference attributed to the Account;

(ii) an Account Security has been duly executed and delivered by the relevant Account Holder in favour of the Security Agent;

(iii) any notice required by the Account Security to be given to the Account Bank has been given to, and acknowledged by, the Account Bank in the form required by the relevant Account Security; and

(iv) the Agent, or its duly authorised representative, has received such documents and evidence it may require in relation to the Account and the Account Security including documents and evidence of the type referred to in Schedule 3 in relation to the Account and the relevant Account Security.

(b) The rates of payment of interest and other terms regulating any Account will be a matter of separate agreement between the relevant Account Holder(s) and the Account Bank. If an Account is a fixed term deposit account, the relevant Account Holder(s) may select the terms of deposits until the relevant Account Security has become enforceable and the Security Agent directs otherwise.

(c) The relevant Account Holder(s) shall not close any Account or alter the terms of any Account from those in force at the time it is designated for the purposes of this clause 27 or waive any of its rights in relation to an Account except with approval (which approval, except in the case of a closure of an Account, shall not be unreasonably withheld or delayed).

(d) The relevant Account Holder(s) shall deposit with or to the order of the Security Agent all certificates of deposit, receipts or other instruments or securities relating to any Account, notify the Security Agent of any claim or notice relating to an Account from any other party and provide the Agent with any other information it may request concerning any Account.

(e) Each of the Agent and the Security Agent agrees that if it is the Account Bank in respect of an Account then there will be no restrictions on creating a Security Interest over that Account as contemplated by this Agreement and it shall not (except with the approval of the Majority Lenders) exercise any right of combination, consolidation or set-off which it may have in respect of that Account in a manner adverse to the rights of the other Finance Parties.

28 Business restrictions

28.1 Except as otherwise approved by the Majority Lenders, the Borrower and each of the Guarantors each undertake that this clause 28 will be complied with by the relevant party throughout the Facility Period.

28.2 General negative pledge

(a) No Obligor (other than the Borrower or the Parent) shall permit any Security Interest to exist, arise or be created or extended over all or any part of its assets and the Borrower shall not permit any Security Interest to exist, arise or be created or extended over any of its shares in the Owners or the Bareboat Charterers**.**

(b) Clause 28.2(a) above does not apply to any Security Interest, listed below:

(i) those granted or expressed to be granted by any of the Security Documents;

(ii) Permitted Security Interests;

(iii) (except in relation to Charged Property) any other lien arising by operation of law in the ordinary course of trading and not as a result of any default or omission by any Obligor.

28.3 Financial Indebtedness

No Owner or Bareboat Charterer shall incur or permit to exist any Financial Indebtedness owed by it to anyone else except:

(a) Financial Indebtedness incurred under the Finance Documents and Hedging Contracts for Hedging Transactions entered into pursuant to clause 29.2 *(Hedging)*;

(b) Financial Indebtedness secured pursuant to the Co-ordination Agreements including, for the avoidance of doubt, any guarantees given by any Owner or Bareboat Charterer in respect of the Hilli Episeyo Hedge;

(c) Financial Indebtedness owed to another Group Member, provided that such Financial Indebtedness is subordinated in a manner acceptable to all of the Lenders;

(d) Financial Indebtedness owed to trade creditors of the Group given in the ordinary course of its business; and

(e) Financial Indebtedness permitted under clause 28.7 (*Guarantees*).

28.4 Financial Indebtedness in respect of the Hilli Episeyo Lessee, the Nusantara Regas Satu Owner and the Golar Eskimo Lessee

Except with (i) until the date that an Advance in respect of Ship H in accordance with clause 2.3 (*Ship H*) or the first Additional Advance in accordance with clause 2.4 (*Additional Advances*) is borrowed by the Borrower, the approval of all Lenders (such approval not to be unreasonably withheld or delayed) or (ii) after the date that an Advance in respect of Ship H in accordance with clause 2.3 (*Ship H*) or the first Additional Advance in accordance with clause 2.4 (*Additional Advances*) is borrowed by the Borrower, the approval of the Majority Lenders (such approval not to be unreasonably withheld or delayed), there shall be no increase to any Financial Indebtedness disclosed in writing to the Agent prior to the date of this Agreement and incurred by the Hilli Episeyo Lessee, the Nusantara Regas Satu Owner or the Golar Eskimo Lessee or secured over the Hilli Episeyo, the Nusantara Regas Satu or the Golar Eskimo save that (subject and without prejudice to clause 7.9) (a) in respect of the Nusantara Regas Satu, senior secured vessel-backed debt of up to $90,000,000 may be raised without approval of the Majority Lenders, and (b) in respect of the Golar Eskimo, a refinancing of senior secured vessel-backed debt of up to $189,100,000 is permitted without further approval of the Majority Lenders. For the avoidance of doubt, the incurrence of senior secured vessel-backed debt indebtedness permitted by (a) and (b) of this clause 28.4 is both (i) expressly permitted under this Agreement and (ii) not subject to the prepayment requirements regarding the incurrence of unsecured indebtedness set forth in clause 7.9.

28.5 Negative pledge in respect of the Hilli Episeyo, the Nusantara Regas Satu and the Golar Eskimo

Except for Permitted Security Interests and subject to clause 28.4 (*Financial Indebtedness in respect of the Hilli Episeyo Lessee, the Nusantara Regas Satu Owner and the Golar Eskimo Lessee*), the Parent shall not grant or allow to exist any Security Interest over any part of the following:

(a) the Hilli Episeyo or the shares in the Hilli Episeyo Lessee owned by the Parent;

(b) the Nusantara Regas Satu or the shares in the Nusantara Regas Satu Owner owned by the Parent; and

(c) the Golar Eskimo or the shares in the Golar Eskimo Lessee owned by the Parent.

28.6 Unsecured Indebtedness

If the Borrower incurs any unsecured indebtedness, such unsecured indebtedness shall have a maturity, repayment or redemption date of no earlier than the Final Repayment Date.

28.7 Guarantees

No Owner or Bareboat Charterer shall give or permit to exist, any guarantee by it in respect of indebtedness of any person or allow any of its indebtedness to be guaranteed by anyone else except:

(a) guarantees entered into under the Finance Documents;

(b) guarantees in favour of trade creditors of the Group given in the ordinary course of its business (other than guarantees in favour of NFE or any of its Subsidiaries (excluding the Group));

(c) guarantees under the Co-ordination Agreements;

(d) guarantees which are Financial Indebtedness permitted under clause 28.3 (*Financial Indebtedness*).

28.8 Loans and credit

No Owner or Bareboat Charterer shall be a creditor in respect of Financial Indebtedness other than in respect of trade credit granted by it in the ordinary course of business.

28.9 Bank accounts and financial transactions

No Owner or Bareboat Charterer shall:

(a) maintain any current or deposit account with a bank or financial institution except for the Accounts and the Brazilian Account;

(b) hold cash in any account (other than an Account and the Brazilian Account); or

(c) be party to any banking or financial transaction, whether on or off balance sheet, that is not expressly permitted under this clause 28 (*Business restrictions*).

28.10 Disposals

No Owner or Bareboat Charterer shall enter into a single transaction or a series of transactions, whether related or not and whether voluntarily or involuntarily, to dispose of any asset except for any of the following disposals so long as they are not prohibited by any other provision of the Finance Documents:

(a) disposals of assets made in (and on terms reflecting) the ordinary course of trading of the disposing entity;

(b) disposals permitted by clauses 22.3 (*Sale or other disposal of a Ship, other vessels or entities)*, clause 28.2 (*General negative pledge*) or 28.3 (*Financial Indebtedness*); and

(c) the application of cash or cash equivalents in the acquisition of assets or services in the ordinary course of its business.

28.11 Chartering-in

None of the Borrower, the Owners, or the Bareboat Charterers shall charter-in or hire any vessel from any person (other than, in the case of the Bareboat Charterers, pursuant to the Bareboat Charters).

28.12 Contracts and arrangements with Affiliates

None of the Borrower, the Owners, the Bareboat Charterers shall be party to any arrangement or contract with any of its Affiliates unless such arrangement or contract is on an arm's length basis.

28.13 Subsidiaries

No Owner or Bareboat Charterer shall establish or acquire a company or other entity. For the avoidance of doubt, the Parent and the Borrower shall be entitled to establish or acquire a company or other entity without any approval from Lenders.

28.14 Acquisitions and investments

No Owner or Bareboat Charterer shall acquire any person, business, assets or liabilities or make any investment in any person or business or enter into any joint-venture arrangement, without the approval of all of the Lenders, except:

(a) capital expenditures or investments related to maintenance of a Ship in the ordinary course of its business;

(b) acquisitions of assets in the ordinary course of business (not being new businesses or vessels);

(c) the incurrence of liabilities in the ordinary course of its business;

(d) any loan or credit not otherwise prohibited under this Agreement; or

(e) pursuant to any Finance Documents or the Charter Documents to which it is party.

28.15 Reduction of capital

No Owner or Bareboat Charterer shall redeem or purchase or otherwise reduce any of its equity or any other share capital or any warrants or any uncalled or unpaid liability in respect of any of them or reduce the amount (if any) for the time being standing to the credit of its share premium account or capital redemption or other undistributable reserve in any manner if an Event of Default has occurred and is continuing or would result from doing so.

28.16 Distributions and other payments

(a) Subject to clauses 28.16(b) and 28.16(c), no Obligor shall:

(i) declare or pay (including by way of set-off, combination of accounts or otherwise) any dividend or redeem or make any other distribution or payment (whether in cash or in specie), including any interest and/or unpaid dividends, in respect of its equity or any other share capital or any warrants for the time being in issue; or

(ii) make any payment (including by way of set-off, combination of accounts or otherwise) by way of interest, or repayment, redemption, purchase or other payment, in respect of any shareholder loan, loan stock or similar instrument,

(each a **Distribution**).

(b) An Owner and Bareboat Charterer may only declare, pay or make a Distribution to its Holding Company.

(c) An Obligor may only declare, pay or make a Distribution where it is financed using the proceeds from a Utilisation or each of the following conditions is satisfied:

(i) no Event of Default is continuing or would result from doing so;

(ii) after giving effect to any Distribution, the Borrower and Parent would remain in compliance with the financial covenants set out in clause 20 (*Financial covenants*) and clause 25.13 (*Security shortfall*); and

(iii) if, after giving effect to any Distribution, the ratio of EBITDA (including distributable cash in relation to Hilli Episeyo) to Consolidated Debt Service for the previous twelve months, on a trailing four quarter basis, shall be greater than or equal to 1.3:1 **provided that:**

(A) in respect of the unaudited financial statements to be delivered pursuant to clause 19.2 (*Financial Statements*) for the financial period ending 30 June 2021, the ratio of EBITDA (including distributable cash in relation to Hilli Episeyo) to Consolidated Debt Service) shall be calculated for the previous three month period, on a trailing one quarter basis;

(B) in respect of the unaudited financial statements to be delivered pursuant to clause 19.2 (*Financial Statements*) for the financial period ending 30 September 2021, the ratio of EBITDA (including distributable cash in relation to Hilli Episeyo) to Consolidated Debt Service) shall be calculated for the previous six month period, on a trailing two quarter basis; and

(C) in respect of the audited financial statements to be delivered pursuant to clause 19.2 (*Financial Statements*) for the financial period ending 31 December 2021, the ratio of EBITDA (including distributable cash in relation to Hilli Episeyo) to Consolidated Debt Service) shall be calculated for the previous nine month period, on a trailing three quarter basis.

29 Hedging Contracts

29.1 The Borrower undertake that this clause 29 will be complied with throughout the Facility Period.

29.2 Hedging

(a) If, at any time during the Facility Period, the Borrower wishes to enter into any Treasury Transaction so as to hedge all or any part of its exposure under this Agreement to interest rate fluctuations, it shall advise the Agent in writing.

(b) The Borrower agrees that it shall not enter into a speculative hedging transaction (which would include hedging transactions which are: (i) not entered into to hedge a real risk or exposure which the Borrower has or (ii) entered into by the Borrower for the main purpose of financial losses or gains) under any Treasury Transaction with a Hedging Provider.

(c) Subject to clause 29.2(e), any such Treasury Transaction shall be concluded with a Hedging Provider on the terms of the Hedging Master Agreement with that Hedging Provider but (except with the approval of the Majority Lenders) no such Treasury Transaction shall be concluded unless:

(i) its purpose is to hedge the Borrower's interest rate risk in relation to borrowings under this Agreement for a period exceeding 12 months expiring no later than the Final Repayment Date;

(ii) interest under such Treasury Transaction is payable at three monthly intervals; and

(iii) its notional principal amount, when aggregated with the notional principal amount of any other continuing Hedging Contracts, does not and will not exceed the Loan as then scheduled to be repaid pursuant to clause 6.2 (*Scheduled repayment of Facility*); and

(d) If and when any such Treasury Transaction has been concluded with a Hedging Provider, it shall constitute a Hedging Contract for the purposes of the Finance Documents.

(e) If a reputable bank or financial institution (which is not a Hedging Provider) agrees to enter into a Treasury Transaction to hedge all or any part of the Borrower's exposure under this Agreement to interest rate fluctuations, the Borrower shall be entitled to enter into the Treasury Transaction on an unsecured basis with that reputable bank or financial institution on those terms.

(f) The Borrower shall notify the Agent of any Treasury Transaction entered into pursuant to clause 29.2(e) and clauses 29.3 (*Unwinding of Hedging Contracts*) to 29.9 (*Information concerning Hedging Contracts*) shall apply to any such Treasury Transaction as if all references to a "Hedging Master Agreement", "Hedging Contracts" and "Hedging Transactions" were references to the equivalent documents or transactions in respect of such Treasury Transaction.

(g) The Borrower shall, if requested to do so, enter into such deeds or other instruments as may be required to confer a Security Interest over the Borrower's rights under any Treasury Transaction entered into pursuant to clause 29.2(e) in favour of the Security Agent equivalent to the Security Interest conferred by the Hedging Contract Security.

29.3 Unwinding of Hedging Contracts

If, at any time, and whether as a result of any prepayment (in whole or in part) of the Loan or any cancellation (in whole or in part) of any Commitment or otherwise, the aggregate notional principal amount under all Hedging Transactions in respect of the Loan entered into by the Borrower exceeds or will exceed the amount of the Loan outstanding at that time after such prepayment or cancellation, then (unless otherwise approved by the Majority Lenders) the Borrower shall immediately close out and terminate sufficient Hedging Transactions (on a pro rata basis) as are necessary to ensure that the aggregate notional principal amount under the remaining continuing Hedging Transactions equals, and will in the future be equal to, the amount of the Loan at that time and as scheduled to be repaid from time to time thereafter pursuant to clause 6.2 (*Scheduled repayment of Facility*).

29.4 Variations

Except with approval (which approval shall not be unreasonably withheld or delayed) or as required by clause 29.3 (*Unwinding of Hedging Contracts*), any Hedging Master Agreement and the Hedging Contracts shall not be varied.

29.5 Releases and waivers

Except with approval, there shall be no release by the Borrower of any obligation of any other person under the Hedging Contracts (including by way of novation), no waiver of any breach of any such obligation and no consent to anything which would otherwise be such a breach.

29.6 Assignment of Hedging Contracts by Borrower

Except with approval or by the Hedging Contract Security, the Borrower shall not assign or otherwise dispose of its rights under any Hedging Contract.

29.7 Termination of Hedging Contracts by Borrower

Except with approval, the Borrower shall not terminate or rescind any Hedging Contract or close out or unwind any Hedging Transaction except in accordance with clause 29.3 (*Unwinding of Hedging Contracts*) for any reason whatsoever.

29.8 Performance of Hedging Contracts by Borrower

The Borrower shall perform its obligations under the Hedging Contracts.

29.9 Information concerning Hedging Contracts

The Borrower shall provide the Agent with any information it may request concerning any Hedging Contract, including all reasonable information, accounts and records that may be necessary or of assistance to enable the Agent to verify the amounts of all payments and any other amounts payable under the Hedging Contracts.

29.10 Mortgage Amendments

If a Hedging Master Agreement is entered into by the Borrower following the first Utilisation Date, the Owners shall, at the time such Hedging Master Agreement is entered into, enter into amendments to the Mortgages pursuant to which the Mortgages are amended to also secure the obligations under all associated Hedging Contracts.

30 Events of Default

30.1 Each of the events or circumstances set out in clauses 30.2 (*Non-payment*) to 30.20 (*Time Charter termination*) is an Event of Default.

30.2 Non-payment

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable provided however that no Event of Default shall occur if a Payment Disruption Event has occurred or if its failure to pay is caused by an administrative or technical error which is outside its control and, in each case, such payment is made within three Business Days of the due date.

30.3 Hedging Contracts

(a) An Event of Default (as defined in any Hedging Master Agreement) has occurred and is continuing under any Hedging Contract that requires a cash payment in excess of $10,000,000 or $100,000,000 in respect of the Hilli Episeyo Hedge.

(b) An Early Termination Date (as defined in any Hedging Master Agreement) has occurred or been or become capable of being effectively designated under any Hedging Contract.

(c) A person entitled to do so gives notice of such an Early Termination Date under any Hedging Contract except with approval or as may be required by clause 29.3 *(Unwinding of Hedging Contracts*).

(d) Any Hedging Contract is terminated, cancelled, suspended, rescinded or revoked or otherwise ceases to remain in full force and effect for any reason except with approval or as may be required by clause 29.3 *(Unwinding of Hedging Contracts*).

(e) No Event of Default under this clause 30.3 will occur if the failure to comply is waived by the relevant Hedging Provider under the relevant Hedging Contract or is remedied, (i) in the case of a failure to comply which relates to a non-payment, within three Business Days of the due date or (ii) in the case of any other failure to comply, within seven days of the earlier of (A) the relevant Hedging Provider giving notice to the Borrower and (B) the Borrower or any Finance Party becoming aware of the failure to comply.

30.4 Financial covenants

The Borrower or the Parent do not comply with clause 20 (*Financial covenants*) or clause 19.2 (*Financial statements*).

30.5 Value of security

The Borrower does not comply with clause 25.13 (*Security shortfall*).

30.6 Insurance

(a) The Insurances of a Ship are not placed and kept in force in the manner required by clause 24 (*Insurance*).

(b) Any insurer either:

(i) cancels any such Insurances; or

(ii) disclaims liability under them by reason of any mis-statement or failure or default by any person.

30.7 Other obligations

(a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in clauses 30.2 (*Non-payment*), 30.3 (*Hedging Contracts*), 30.4 (*Financial covenants*), 30.5 (*Value of security*), 30.6 (*Insurance*) and 30.19 (*Sanctions*)).

(b) No Event of Default under clause 30.7(a) above will occur if the Agent (acting on the instructions of the Majority Lenders) considers that the failure to comply is capable of remedy and the failure is remedied within ten Business Days of the earlier of (A) the Agent giving notice to the Borrower and (B) the Borrower becoming aware of the failure to comply.

30.8 Misrepresentation

Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading to a material extent when made or deemed to be made unless the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within ten Business Days of the Agent giving notice to the Borrower to do so.

30.9 Cross default

(a) Any Financial Indebtedness of any Group Member or of NFE or any of its Subsidiaries (other than a Group Member) is not paid when due nor within any originally applicable grace period.

(b) Any Financial Indebtedness of any Group Member or of NFE or any of its Subsidiaries (other than a Group Member) is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

(c) Any commitment for any Financial Indebtedness of any Group Member or of NFE or any of its Subsidiaries (other than a Group Member) is cancelled or suspended by a creditor of that Group Member as a result of an event of default (however described).

(d) The counterparty to a Treasury Transaction entered into by any Group Member or of NFE or any of its Subsidiaries (other than a Group Member) becomes entitled to terminate that Treasury Transaction early by reason of an event of default (however described).

(e) Any creditor of any Group Member or of NFE or any of its Subsidiaries (other than a Group Member) becomes entitled to declare any Financial Indebtedness of that Group Member or, as the case may be, of NFE or any of its Subsidiaries (other than a Group Member) due and payable prior to its specified maturity as a result of an event of default (however described).

(f) No Event of Default will occur under this clause 30.9 if (i) the aggregate amount of Financial Indebtedness of the Group or commitment for Financial Indebtedness falling within clauses 30.9(a) to 30.9(e) above is less than $20,000,000 (or its equivalent in any other currency or currencies) or (ii) the aggregate amount of Financial Indebtedness of NFE and its Subsidiaries (excluding the Group) or commitment for Financial Indebtedness falling within clauses 30.9(a) to 30.9(e) above is less than $100,000,000 (or its equivalent in any other currency or currencies)

30.10 Insolvency

(a) An Obligor is unable or admits inability to pay its debts as they fall due, is deemed to, or is declared to, be unable to pay its debts under applicable law, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding any Finance Party in its capacity as such) with a view to rescheduling any of its indebtedness.

(b) The value of the assets of the Borrower or the Parent is less than its liabilities (taking into account contingent and prospective liabilities).

(c) A moratorium is declared in respect of any indebtedness of any Obligor. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

30.11 Insolvency proceedings

(a) Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Group Member other than a solvent liquidation or reorganisation of any Group Member which is not an Obligor;

(ii) a composition, compromise, assignment or arrangement with any creditor of any Group Member;

(iii) the appointment of a liquidator (other than in respect of a solvent liquidation of a Group Member which is not an Obligor), receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Group Member or any of its assets (including the directors of any Group Member requesting a person to appoint any such officer in relation to it or any of its assets); or

(iv) enforcement of any Security Interest over any assets of any Group Member,

or any analogous procedure or step is taken in any jurisdiction.

(b) Clause 30.11(a) shall not apply to any winding-up petition (or analogous procedure or step) which is frivolous or vexatious and is discharged, stayed or dismissed within fifteen days of commencement or, if earlier, the date on which it is advertised.

30.12 Creditors' process

(a) Any expropriation, attachment, sequestration, execution or any other analogous process or enforcement action affects any asset or assets of any Group Member and is not discharged within seven days;

(b) Any judgment or order for an amount is made against any Group Member and is not stayed or complied with within seven days.

(c) No Event of Default will occur under this clause 30.12 if, in relation to clause 30.12(a) above, the value of such asset or assets is or, in relation to clause 30.12(b) above, such amount is less than $10,000,000 (or its equivalent in any other currency or currencies).

30.13 Unlawfulness and invalidity

(a) It is or becomes unlawful for an Obligor to perform any of its obligations under the Finance Documents or any security created by the Security Documents ceases to be effective.

(b) Any obligation or obligations of any Obligor under any Finance Documents are not (subject to the Legal Reservations) or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Lenders under the Finance Documents.

(c) Any Finance Document or any security created by the Security Documents ceases to be in full force and effect or ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Finance Party) to be ineffective for any reason.

(d) Any Security Document does not create legal, valid, binding and enforceable security over the assets charged under that Security Document or the ranking or priority of such security is adversely affected.

30.14 Cessation of business

Any Obligor suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business.

30.15 Repudiation and rescission of Finance Documents

An Obligor rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or evidences an intention to rescind or repudiate a Finance Document.

30.16 Litigation

Either:

(a) any litigation, alternative dispute resolution, arbitration or administrative proceeding is taking place, or threatened; or

(b) any judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body is made,

against any Group Member or any of its assets, rights or revenues which has or would involve, if adversely determined, a liability exceeding $20,000,000 (or its equivalent in other currencies) or which the Majority Lenders reasonably believe will have a Material Adverse Effect.

30.17 Material Adverse Effect

Any Environmental Incident or other event or circumstance or series of events (including any change of law) occurs which the Majority Lenders reasonably believe has a Material Adverse Effect.

30.18 Security enforceable

Any Security Interest (other than a Permitted Maritime Lien) in respect of Charged Property becomes enforceable.

30.19 Sanctions

(a) An Obligor or a director, officer, employee of an Obligor is or becomes a Restricted Party and either (a) in the reasonable opinion of the Lenders the situation cannot be remedied within 30 days or (b) if the situation can be remedied within 30 days, without being contrary to any law or regulation, such action as the Majority Lenders may require shall not have been taken within 30 days of the Agent notifying the Borrower of such required action.

(b) If any of the requirements set out in clause 19.7 (*Information: Sanctions*), clause 21.2 (*Use of proceeds*), clause 21.4(b)(i) (*Compliance with laws*) (in so far as it relates to Sanctions Laws), clause 21.5 (*Sanctions*) or clause 23.18(d) (*Lawful use*) is not complied with or if a Sanctions Event occurs.

30.20 Charter termination

(a) Except in accordance with clause 26.4:

(i) the Time Charter of any Ship is terminated, cancelled or rescinded or (except as a result of that Ship being a Total Loss) frustrated; or

(ii) a Ship is withdrawn from service under the relevant Time Charter before the time that Time Charter was scheduled to expire and is not returned to service within 60 days.

(b) For the avoidance of doubt, no Event of Default under clause 30.20(a) above will occur in relation to a Time Charter if:

(i) as soon as possible after such termination, cancellation, rescission, frustration or withdrawal (and in any event within 120 days of the last date on which the relevant Ship is on charter), any of the following conditions are satisfied:

(A) the Borrower prepays the Loan, in accordance with the provisions of clause 7.17 (*Restrictions*), in an amount equal to the greater of:

(1) the amount which would be payable under the provisions of clause 7.8(b) (*Sale or Total Loss*) if the Ship to which the relevant Time Charter relates had been sold or become a Total Loss;

(2) the early termination fee payable as a result of the early termination of the relevant Time Charter (the **Terminated Charter**); or

(B) the Borrower provides additional security over other assets approved by the Majority Lenders acting reasonably in accordance with the requirements set out in clause 25.14 (*Creation of additional security*) for the amount provided for under clause 30.20(b)(i)(A), it being agreed that cash collateral provided in dollars shall be acceptable to the Lenders, and shall be valued at par; or

(ii) within 60 days after such termination, cancellation, rescission, frustration or withdrawal, the relevant Owner or Bareboat Charterer (as applicable) has entered into a charter commitment (a **Replacement Charter**) in respect of the relevant Ship permitted pursuant to any of sub-paragraphs (i) to (iii) of clause 22.9(b).

(iii) The relevant Owner or Bareboat Charterer (as applicable) obtains approval to terminate, cancel or rescind the relevant Time Charter or withdraw the Ship from service under the relevant Time Charter.

30.21 United States Bankruptcy Laws

(a) In this Subclause:

> **U.S. Bankruptcy Law** means the United States Bankruptcy Code 1978 or any other United States Federal or State bankruptcy, insolvency or similar law.

(b) Any of the following occurs in respect of any Obligor:

(i) it makes a general assignment for the benefit of creditors;

(ii) it commences a voluntary case or proceeding under any U.S. Bankruptcy Law;

(iii) an involuntary case under any U.S. Bankruptcy Law is commenced against it and is not controverted within 30 days or is not dismissed or stayed within 90 days after commencement of the case; or

(iv) an order for relief or other order approving any case or proceeding is entered under any U.S. Bankruptcy Law.

30.22 Acceleration

(a) If an Event of Default described in clause 30.21 occurs the Total Commitments will, if not already cancelled under this Agreement, be immediately and automatically cancelled and all amounts outstanding under the Finance Documents shall become immediately due and payable without notice from the Agent;

(b) On and at any time after the occurrence of an Event of Default other than under clause 30.21 which is continuing the Agent may, and shall if so directed by the Majority Lenders, by notice to the Borrower:

(i) cancel the Total Commitments at which time they shall immediately be cancelled and the Facility shall immediately cease to be available for further utilisation; and/or

(ii) declare that all or part of the Loan, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or

(iii) declare that all or part of the Loan be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders; and/or

(iv) declare that no withdrawals be made from any Account; and/or

(v) exercise or direct the Security Agent and/or any other beneficiary of the Security Documents to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

31 Position of Hedging Providers

31.1 Rights of Hedging Providers

Each Hedging Provider is a Finance Party and as such, will be entitled to share in the security constituted by the Security Documents in respect of any liabilities of the Borrower under the Hedging Contracts with such Hedging Provider in the manner and to the extent contemplated by the Finance Documents.

31.2 No voting rights

No Hedging Provider shall be entitled to vote on any matter where a decision of the Lenders alone is required under this Agreement, whether before or after the termination or close out of the Hedging Contracts with such Hedging Provider

31.3 Acceleration and enforcement of security

Neither the Agent nor the Security Agent or any other beneficiary of the Security Documents shall be obliged, in connection with any action taken or proposed to be taken under or pursuant to clause 30 *(Events of Default*) or pursuant to the other Finance Documents, to have any regard to the requirements of the Hedging Provider except to the extent that the relevant Hedging Provider is also a Lender.

31.4 Close out of Hedging Contracts

(a) No Hedging Provider shall be entitled to terminate or close out any Hedging Contract or any Hedging Transaction under it prior to its stated maturity except:

(i) if, following the occurrence of any Event of Default or Termination Event (as each such expression is defined in the Hedging Master Agreements), the relevant Hedging Provider is entitled to terminate or close out the relevant Hedging Transaction pursuant to the relevant Hedging Contract.; or

(ii) if the Agent takes any action under clause 30.22 (*Acceleration*); or

(iii) if the Loan and other amounts outstanding under the Finance Documents (other than amounts outstanding under the Hedging Contracts) have been repaid by the Borrower in full.

(b) If there is a net amount payable to the Borrower under a Hedging Transaction or a Hedging Contract upon its termination and close out, the relevant Hedging Provider shall forthwith pay that net amount (together with interest earned on such amount) to the Security Agent for application in accordance with clause 35.25(a) (*Order of application*).

(c) If a Default has occurred and is continuing and there is a net amount payable to a Hedging Provider under a Hedging Transaction or a Hedging Contract upon its termination and close out, the Borrower shall forthwith pay that net amount (together with interest earned on such amount) to the Agent for application in accordance with clause 39.5 (*Partial payments*).

(d) No Hedging Provider (in any capacity) shall set-off any such net amount against or exercise any right of combination in respect of any other claim it has against the Borrower.

Section 9 - Changes to Parties

33 Changes to the Lenders

33.1 Assignments by the Lenders

Subject to this clause 33, a Lender (the **Existing Lender**) may assign any of its rights under this Agreement to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the **New Lender**).

33.2 Conditions of assignment

(a) The consent of the Borrower is required for an assignment by a Lender, unless the assignment is:

(i) to another Lender, an Affiliate of a Lender, a fund which is a Related Fund of that Existing Lender or an entity identified on the Pre-Approved New Lender List; or

(ii) made at a time when an Event of Default is continuing.

(b) The Borrower's consent to an assignment may not be unreasonably withheld or delayed and will be deemed to have been given five Business Days after the Lender has requested consent unless consent is expressly refused within that time.

(c) The Agent shall, within five Business Days of a reasonable request by any Party, provide a copy of the Pre-Approved New Lender List to that Party.

(d) The Agent will advise the Borrower of the assignment.

(e) No assignment may be made to a New Lender if an Insolvency Event has occurred and is, at the time of the proposed transfer, continuing in relation to that New Lender.

(f) Any assignment will be for a minimum amount of $1,000,000 or the Available Facility (whichever is the lower).

(g) An assignment will only be effective:

(i) on receipt by the Agent of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the Borrower and the other Finance Parties as it would have been under if it was an Original Lender;

(ii) on the New Lender entering into any documentation required for it to accede as a party to any Security Document to which the Original Lender is a party in its capacity as a Lender and, in relation to such Security Documents, completing any filing, registration or notice requirements;

(iii) on the performance by the Agent of all necessary "know your customer" or other similar checks under all applicable laws and regulations relating to any person that it is required to carry out in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender; and

(iv) if that Existing Lender assigns equal fractions of its Commitments and participation in the Loan and each Utilisation (if any) under the Facility.

(h) Each New Lender, by executing the relevant Transfer Certificate, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with the Finance Documents on or prior to the date on which the assignment becomes effective in accordance with the Finance Documents and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

(i) If a Lender assigns or transfers any of its rights under the Finance Documents or changes its Facility Office and, as a result of circumstances existing at the date of the assignment, transfer or change, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under clause 12 or clause 13, then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.

33.3 Fee

The New Lender shall, on the date upon which an assignment takes effect, pay to the Agent (for its own account) a fee of $3,500.

33.4 Limitation of responsibility of Existing Lenders

(a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

(i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;

(ii) the financial condition of any Obligor;

(iii) the performance and observance by any Obligor or any other person of its obligations under the Finance Documents or any other documents;

(iv) the application of any Basel II Regulation or Basel III Regulation to the transactions contemplated by the Finance Documents; or

(v) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,

and any representations or warranties implied by law are excluded.

(b) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:

(i) has made (and shall continue to make) its own independent investigation and assessment of:

(A) the financial condition and affairs of the Obligors and their related entities in connection with its participation in this Agreement; and

(B) the application of any Basel II Regulation or Basel III Regulation to the transactions contemplated by the Finance Documents;

and has not relied exclusively on any information provided to it by the Existing Lender or any other Finance Party in connection with any Finance Document;

(ii) will continue to make its own independent appraisal of the application of any Basel II Regulation or Basel III Regulation to the transactions contemplated by the Finance Documents; and

(iii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

(c) Nothing in any Finance Document obliges an Existing Lender to:

(i) accept a re-assignment from a New Lender of any of the rights assigned under this clause 33 (*Changes to the Lenders*); or

(ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or by reason of the application of any Basel II Regulation to the transactions contemplated by the Finance Documents or otherwise.

33.5 Procedure for assignment

(a) Subject to the conditions set out in clause 33.2 (*Conditions of assignment*) an assignment may be effected in accordance with clause 33.5(d) below when (a) the Agent executes an otherwise duly completed Transfer Certificate and (b) the Agent executes any document required under clause 33.5(d) which it may be necessary for it to execute in each case delivered to it by the Existing Lender and the New Lender duly executed by them and, in the case of any such other document, any other relevant person. The Agent shall, subject to clause 33.5(b), as soon as reasonably practicable after receipt by it of a Transfer Certificate and any such other document each duly completed, appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate and such other document.

(b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.

(c) The Obligors and the other Finance Parties irrevocably authorise the Agent to execute any Transfer Certificate on their behalf without any consultations with them.

(d) On the Transfer Date:

(i) the Existing Lender will assign absolutely to the New Lender the rights under the Finance Documents expressed to be the subject of the assignment in the Transfer Certificate;

(ii) the Existing Lender will be released by each Obligor and the other Finance Parties from the obligations owed by it (the **Relevant Obligations**) and expressed to be the subject of the release in the Transfer Certificate (but the obligations owed by the Obligors under the Finance Documents shall not be released); and

(iii) the New Lender shall become a Party to the Finance Documents as a "Lender" for the purposes of all the Finance Documents and will be bound by obligations equivalent to the Relevant Obligations.

(e) Lenders may utilise procedures other than those set out in this clause 33.5 *(Procedure for assignment)* to assign their rights under the Finance Documents (but not, without the consent of the relevant Obligor or unless in accordance with clauses 33.5 *(Procedure for assignment)* to obtain a release by that Obligor from the obligations owed to that Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) provided that they comply with the conditions set out in clause 33.2 *(Conditions of assignment)*.

33.6 Copy of Transfer Certificate to Borrower

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate and any other document required under clause 33.2(f) above, send a copy of that Transfer Certificate and such other documents to the Borrower.

33.7 Security over Lenders' rights

In addition to the other rights provided to Lenders under this clause 33 each Lender may without consulting with or obtaining consent from an Obligor, at any time charge, assign or otherwise create a Security Interest in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

(a) any charge, assignment or other Security Interest to secure obligations to a federal reserve or central bank; and

(b) in the case of any Lender which is a fund, any charge, assignment or other Security Interest granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities, except that no such charge, assignment or Security Interest shall:

(i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security Interest for the Lender as a party to any of the Finance Documents; or

(ii) require any payments to be made by an Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.

33.8 Disclosure of information

(a) Any Lender may disclose to any of its Affiliates and to any other person:

(i) to (or through) whom that Lender assigns (or may potentially assign) all or any of its rights and obligations under the Finance Documents;

(ii) with (or through) whom that Lender enters into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which payments are to be made by reference to, the Finance Documents or any Obligor; or

(iii) to whom, and to the extent that, information is required to be disclosed by any applicable law, regulation or request of any regulatory or governmental authority or central bank,

any information about any Obligor, the Group and the Finance Documents as Lender shall consider appropriate.

(b) In relation to clauses (a) and (b) above, the relevant Lender shall procure that the recipient of any information about any Obligor, the Group and the Finance Documents, will enter into a confidentiality undertaking with the relevant Lender.

(c) Any Finance Party may disclose to a rating agency, to a numbering service provider or its professional advisers or (with the consent of the Borrower) any other person, any information about any Obligor, the Group and the Finance Documents as that Finance Party shall consider appropriate.

(d) The Agent and the Arrangers each may, at their own expense, publish information about their participation in, or agency or arrangement in respect of, the Facility and, for such purposes, to use the Borrower's and/or the Obligors' logo and trademark in connection with such publication.

33.9 Pro rata interest settlement

(a) In respect of any transfer pursuant to Clause 33.5 (*Procedure for assignment*) the Transfer Date of which, in each case, is not on the last day of an Interest Period:

(i) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date ("**Accrued Amounts**") and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than six Months, on the next of the dates which falls at six Monthly intervals after the first day of that Interest Period); and

(ii) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts so that, for the avoidance of doubt:

(A) when the Accrued Amounts become payable, those Accrued Amounts will be payable for the account of the Existing Lender; and

(B) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 33.9, have been payable to it on that date, but after deduction of the Accrued Amounts.

(b) In this Clause 33.9 references to "Interest Period" shall be construed to include a reference to any other period for accrual of fees.

34 Changes to the Obligors

34.1 Assignment and transfers by Obligors

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

34.2 Additional Guarantor

Subject to compliance with the provisions of clause 19.12 *(Know your customer checks)*, the Borrower may request that the Golar Eskimo Lessee become an Additional Guarantor for the purposes of the Utilisation relating to clause 2.3 (*Ship H*). The Golar Eskimo Lessee shall become an Additional Guarantor if:

(a) it delivers to the Agent a duly completed and executed Accession Letter; and

(b) the Agent has received all of the documents and other evidence listed in Part 3 of Schedule 3 *(Conditions precedent)*, each in form and substance satisfactory to the Agent.

The Agent shall notify the Borrower and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part 3 of Schedule 3 *(Conditions precedent)* in respect of the Additional Guarantor.

34.3 Repetition of Representations

Delivery of an Accession Letter constitutes confirmation by the Additional Guarantor that the Repeating Representations are true and correct in relation to it as at the date of delivery of the Accession Letter as if made by reference to the facts and circumstances then existing.

35 Roles of Agent, Security Agent, Arrangers, Bookrunners and Co-ordinators

35.1 Appointment of the Agent

(a) Each other Finance Party (other than the Security Agent and the Hedging Providers) appoints the Agent to act as its agent under and in connection with the Finance Documents.

(b) Each such other Finance Party (other than the Hedging Providers) authorises the Agent:

(i) to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions; and

(ii) to execute each of the Security Documents and all other documents that may be approved by the Majority Lenders for execution by it.

(c) The Agent accepts its appointment under clause 35.1(a) as agent for the Finance Parties (for so long as they are Finance Parties) on and subject to the terms of this clause 35, and any Finance Documents to which it is a Party.

35.2 Instructions to Agent

(a) The Agent shall:

(i) unless a contrary indication appears in a Finance Document, exercise or refrain from exercising any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by:

(A) all Lenders if the relevant Finance Document stipulates the matter is an all Lender decision; and

(B) in all other cases, the Majority Lenders; and

(ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above.

(b) The Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if the relevant Finance Document stipulates the matter is a decision for any other Lender or group of Lenders, from that Lender or group of Lenders) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Agent may refrain from acting unless and until it receives those instructions or that clarification.

(c) Save in the case of decisions stipulated to be a matter for any other Lender or group of Lenders under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties save for the Security Agent.

(d) The Agent may refrain from acting in accordance with any instructions of any Lender or group of Lenders until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability which it may incur in complying with those instructions.

(e) In the absence of instructions, the Agent may act (or refrain from acting) as it considers to be in the best interest of the Lenders.

(f) The Agent is not authorised to act on behalf of a Lender or any Hedging Provider (without first obtaining that Lender's or any Hedging Provider's consent) in any legal or arbitration proceedings relating to any Finance Document. This clause 35.2(f) shall not apply to any legal or arbitration proceeding relating to the perfection, preservation or protection of rights under the Security Documents or enforcement of the Security Documents.

35.3 Duties of the Agent

(a) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

(b) The Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.

(c) Without prejudice to clause 33.6 (*Copy of Transfer Certificate to Borrower*), clause (a) shall not apply to any Transfer Certificate.

(d) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

(e) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties (other than the Hedging Providers).

(f) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent or any Arrangers or the Security Agent for their own account) under this Agreement it shall promptly notify the other Finance Parties.

(g) The Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

35.4 Role of the Arrangers, Bookrunners and Co-ordinators

Except as specifically provided in the Finance Documents, the Arrangers, the Bookrunners and the Co-ordinators have no obligations of any kind to any other Party under or in connection with any Finance Document or the transactions contemplated by the Finance Documents.

35.5 No fiduciary duties

(a) Nothing in this Agreement constitutes the Agent, the Arrangers, the Bookrunners and the Co-ordinators as a trustee or fiduciary of any other person.

(b) None of the Agent, the Security Agent, the Arrangers, the Bookrunners and the Co-ordinators shall be bound to account to any Lender or any Hedging Provider for any sum or the profit element of any sum received by it for its own account or have any obligations to the other Finance Parties beyond those expressly stated in the Finance Documents.

35.6 Business with the Group

The Agent, the Security Agent, the Arrangers, the Bookrunners and the Co-ordinators may accept deposits from, lend money to and generally engage in any kind of banking or other business with any Obligor or other Group Member or their Affiliates.

35.7 Rights and discretions of the Agent

(a) The Agent may:

(i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;

(ii) assume that:

(A) any instructions received by it from the Majority Lenders, any Lenders or any group of Lenders are duly given in accordance with the terms of the Finance Documents; and

(B) unless it has received notice of revocation, that those instructions have not been revoked; and

(iii) rely on a certificate from any person:

(A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or

(B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (i) above, may assume the truth and accuracy of that certificate.

(b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the other Finance Parties) (other than the Hedging Providers) that:

(i) no Default has occurred (unless it has actual knowledge of a Default arising under clause 30.2 (*Non-payment*));

(ii) any right, power, authority or discretion vested in any Party or any group of Lenders has not been exercised;

(iii) any notice or request made by the Borrower (other than a Utilisation Request or a Selection Notice) is made on behalf of and with the consent and knowledge of all the Obligors; and

(iv) in the case of the Security Agent, if it receives any instructions, that all applicable conditions under the Finance documents for so acting have been satisfied.

(c) The Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts in the conduct of its obligations and responsibilities under the Finance Documents.

(d) Without prejudice to the generality of clause 35.7(c) or clause 35.7(e), the Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Agent (and so separate from any lawyers instructed by the Lenders) if the Agent in its reasonable opinion deems this to be desirable.

(e) The Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.

(f) The Agent may act in relation to the Finance Documents through its officers, employees and agents and the Agent shall not:

(i) be liable for any error of judgment made by any such person; or

(ii) be bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part, of any such person,

unless such error or such loss was directly caused by the Agent's gross negligence, wilful misconduct or fraudulent behaviour.

(g) Unless a Finance Document expressly provides otherwise, the Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.

(h) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent, the Security Agent nor any Arranger is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality. The Agent and any Arranger may do anything which in its opinion, is necessary or desirable to comply with any law or regulation of any jurisdiction.

(i) Without prejudice to the generality of clause 35.7(h), the Agent may (but is not obliged) disclose the identity of a Defaulting Lender to the other Finance Parties (other than the Hedging Providers) and the Borrower and the Agent shall disclose the same upon the written request of the Majority Lenders.

(j) Notwithstanding any provision of any Finance Document to the contrary, the Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

(k) Neither the Agent nor any Arranger shall be obliged to request any certificate, opinion or other information under clause 19 (*Information undertakings*) unless so required in writing by a Lender or any Hedging Provider, in which case the Agent shall promptly make the appropriate request of the Borrower if such request would be in accordance with the terms of this Agreement.

35.8 Responsibility for documentation and other matters

Neither the Agent nor any Arranger is responsible or liable for:

(a) the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Agent, any Arranger, an Obligor or any other person given in or in connection with any Finance Document or the transactions contemplated in the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or of any representations in any Finance Document or of any copy of any document delivered under any Finance Document;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any Charter Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or any Charter Document;

(c) the application of any Basel II Regulation or Basel III Regulation to the transactions contemplated by the Finance Documents;

(d) any loss to the Trust Property arising in consequence of the failure, depreciation or loss of any Charged Property or any investments made or retained in good faith or by reason of any other matter or thing;

(e) accounting to any person for any sum or the profit element of any sum received by it for its own account;

(f) the failure of any Obligor or any other party to perform its obligations under any Finance Document or any Charter Document or the financial condition of any such person;

(g) ascertaining whether all deeds and documents which should have been deposited with it (or the Security Agent) under or pursuant to any of the Security Documents have been so deposited;

(h) investigating or making any enquiry into the title of any Obligor to any of the Charged Property or any of its other property or assets;

(i) failing to register any of the Security Documents with the Registrar of Companies or any other public office;

(j) failing to register any of the Security Documents in accordance with the provisions of the documents of title of any Obligor to any of the Charged Property;

(k) failing to take or require any Obligor to take any steps to render any of the Security Documents effective as regards property or assets outside England or Wales or to secure the creation of any ancillary charge under the laws of the jurisdiction concerned;

(l) (unless it is the same entity as the Security Agent) the Security Agent and/or any other beneficiary of a Security Document failing to perform or discharge any of its duties or obligations under the Security Documents;

(m) any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by any applicable law or regulation relating to insider dealing or otherwise; or

(n) any payment, deduction or withholding of any Tax or governmental charge as a result of any Agent (i) holding the Security Interests created by the Finance Documents or (ii) enforcing such Security Interests created by the Finance Documents and shall have no liability for distributing any amounts hereunder net of such amounts.

35.9 No duty to monitor

The Agent shall not be bound, unless it has been instructed by the Majority Lenders in relation to any specific event or circumstance, to enquire:

(a) whether or not any Default has occurred;

(b) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or

(c) whether any other event specified in any Finance Document has occurred.

35.10 Exclusion of liability

(a) Without limiting clause 35.10(b) (and without prejudice to any other provision of the Finance Documents excluding or limiting the liability of the Agent) the Agent will not be liable (including, without limitation, for negligence or any other category of liability whatsoever) for:

(i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document or the Charged Property, unless directly caused by its gross negligence, wilful misconduct or fraudulent behaviour;

(ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Finance Document, the Charged Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Finance Document or the Charged Property unless directly caused by its gross negligence, wilful misconduct or fraudulent behaviour; or

(iii) without prejudice to the generality of paragraphs (a) and (b) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of:

(A) any act, event or circumstance not reasonably within its control; or

(B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Payment Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

(b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent may rely on this clause subject to clause 1.3 *(Third party rights)* and the provisions of the Third Parties Act.

(c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

(d) Nothing in this Agreement shall oblige the Agent or any Arrangers to carry out

(i) any "know your customer" or other checks in relation to any person; or

(ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Lender,

on behalf of any Lender or any Hedging Provider and each Lender and any Hedging Provider confirms to the Agent and the Arrangers that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or any Arranger.

(e) Without prejudice to any provision of any Finance Document excluding or limiting the Agent's liability, any liability of the Agent arising under or in connection with any Finance Document or the Charged Property shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Agent at any time which increase the amount of that loss. In no event shall the Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Agent has been advised of the possibility of such loss or damages.

35.11 Lenders' indemnity to the Agent

(a) Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent, within three Business Days of demand, against:

(i) any Losses for negligence or any other category of liability whatsoever incurred by such Lenders' Representative in the circumstances contemplated pursuant to clause 39.10 (*Disruption to payment systems etc*) notwithstanding the Agent's negligence, gross negligence, or any other category of liability whatsoever but not including any claim based on the fraud of the Agent); and

(ii) any other Losses (otherwise than by reason of the Agent's gross negligence or wilful misconduct) including the costs of any person engaged in accordance with clause 35.7(c) (*Rights and discretions of the Agent*) and any Receiver in acting as its agent under the Finance Documents,

in each case incurred by the Agent in acting as such under the Finance Documents (unless the Agent has been reimbursed by an Obligor pursuant to a Finance Document or out of the Trust Property).

(b) Subject to clause 35.11(c), the Borrower shall immediately on demand reimburse any Lender for any payment that Lender makes to the Agent pursuant to clause 35.11(a).

(c) Clause 35.11(b) shall not apply to the extent that the indemnity payment in respect of which the Lender claims reimbursement relates to a liability of the Agent to an Obligor.

35.12 Resignation of the Agent

(a) The Agent may resign and appoint one of its Affiliates as successor by giving notice to the Lenders, the Security Agent and the Borrower.

(b) Alternatively the Agent may resign by giving 30 days' notice to the other Finance Parties (other than the Hedging Providers) and the Borrower, in which case the Majority Lenders (after consultation with the Borrower) may appoint a successor Agent.

(c) If the Majority Lenders have not appointed a successor Agent in accordance with clause (b) above within 20 days after notice of resignation was given, the retiring Agent (after consultation with the Borrower) may appoint a successor Agent.

(d) If the Agent wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain as agent and the Agent is entitled to appoint a successor Agent under clause 35.12(c), the Agent may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Agent to become a party to this Agreement as Agent) agree with the proposed successor Agent amendments to this clause 35 and any other term of this Agreement dealing with the rights or obligations of the Agent consistent with then current market practice for the appointment and protection of corporate trustees together with any reasonable amendments to the agency fee payable under this Agreement which are consistent with the successor Agent's normal fee rates and those amendments will bind the Parties.

(e) The retiring Agent shall, at its own cost (in the case of the Agent or, in the case of the Security Agent, at the cost of the Borrower), make available to the successor Agent or Security Agent such documents and records and provide such assistance as the successor Agent or Security Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

(f) The Agent's resignation notice shall only take effect upon the appointment of a successor.

(g) The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under clause 35.12(e)) but shall remain entitled to the benefit of clause 14.3 (*Indemnity to the Agent and the Security Agent*) and this clause 35 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

35.13 Replacement of the Agent

(a) After consultation with the Borrower, the Majority Lenders may, by giving 30 days' notice to the Agent replace the Agent by appointing a successor Agent.

(b) The retiring Agent shall make available to the successor Agent, at the cost of the Lenders, such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

(c) The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under clause 35.13(b)) but shall remain entitled to the benefit of clause 14.3 (*Indemnity to the Agent and the Security Agent*) and this clause 35 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).

(d) Any successor Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

35.14 Replacement of the Agent for FATCA withholding

The Agent shall resign in accordance with clause 35.14(b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to clause 35.14(b) above) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:

(a) the Agent fails to respond to a request under clause 12.6 (*FATCA Information*) and a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

(b) the information supplied by the Agent pursuant to clause 12.6 (*FATCA Information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or

(c) the Agent notifies the Borrower and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

and (in each case) a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and that Lender, by notice to the Agent, requires it to resign.

35.15 Confidentiality

(a) In acting as agent for the Finance Parties (other than the Hedging Providers), the Agent shall be regarded as acting through its department, division or team directly responsible for the management of the Finance Documents which shall be treated as a separate entity from any other of its divisions, departments or teams.

(b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.

(c) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent nor any Arranger is obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty.

35.16 Relationship with the Lenders and Hedging Providers

(a) The Agent may treat the person shown in its records as each Lender or as each Hedging Provider at the opening of business (in the place of the Agent's principal office as notified to the Finance Parties from time to time) as a Lender or (as the case may be) as a Hedging Provider acting through its Facility Office:

(i) entitled to or liable for any payment due under any Finance Document on that day; and

(ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five Business Days prior notice from that Lender or (as the case may be) a Hedging Provider to the contrary in accordance with the terms of this Agreement.

(b) Each Lender and each Hedging Provider shall supply the Agent with any information that the Agent may reasonably specify as being necessary or desirable to enable the Agent or the Security Agent to perform its functions as Agent or Security Agent.

(c) Each Lender and each Hedging Provider shall deal with the Security Agent exclusively through the Agent and shall not deal directly with the Security Agent.

35.17 Credit appraisal by the Lenders and Hedging Providers

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document or any Charter Document, each Lender and each Hedging Provider confirms to each other Finance Party that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document or any Charter Document including but not limited to:

(a) the financial condition, status and nature of each Obligor and other Group Member;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any Charter Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or any Charter Document;

(c) the application of any Basel II Regulation or Basel III Regulation to the transactions contemplated by the Finance Documents;

(d) whether any Finance Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Charged Property;

(e) the adequacy, accuracy and/or completeness of any information provided by the Agent, any Party or by any other person under or in connection with any Finance Document or any Charter Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or any Charter Document; and

(f) the right or title of any person in or to, or the value or sufficiency of, any part of the Charged Property, the priority of the Security Documents or the existence of any Security Interest affecting the Charged Property.

35.18 [*Intentionally Deleted*]

35.19 Agent's management time and additional remuneration

(a) Any amount payable to the Agent under clause 14.3 (*Indemnity to the Agent and the Security Agent*), clause 16 (*Costs and expenses*) and clause 35.11 (*Lenders' indemnity to the Agent*) shall include the cost of utilising the Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent may notify to the Borrower and the Lenders, and is in addition to any fee paid or payable to the Agent under clause 11 (*Fees*).

(b) Without prejudice to clause 35.19(a), in the event of:

(i) a Default;

(ii) the Agent being requested by an Obligor or the Majority Lenders to undertake duties which the Agent and the Borrower agree to be of an exceptional nature or outside the scope of the normal duties of the Agent under the Finance Documents; or

(iii) the Agent and the Borrower agreeing that it is otherwise appropriate in the circumstances,

the Borrower shall pay to the Agent any additional remuneration that may be agreed between them or determined pursuant to clause 35.19(c).

(c) If the Agent and the Borrower fail to agree upon the nature of the duties, or upon the additional remuneration referred to in clause 35.19(b) or whether additional remuneration is appropriate in the circumstances, any dispute shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Agent and approved by the Borrower or, failing approval, nominated (on the application of the Security Agent) by the President for the time being of the Law Society of England and Wales (the costs of the nomination and of the investment bank being payable by the Borrower) and the determination of any investment bank shall be final and binding upon the Parties.

(d) The Agent agrees that, unless an Event of Default has occurred and is continuing, all costs or remuneration required to be paid by the Borrower pursuant to this clause 35.19 shall be limited to those costs and/or remuneration which are, in the particular circumstances, reasonable.

35.20 Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

35.21 Common parties

Although the Agent and the Security Agent may from time to time be the same entity, that entity will have entered into the Finance Documents (to which it is party) in its separate capacities as agent for the Finance Parties (other than the Hedging Providers) and (as appropriate) security agent and trustee for the Finance Parties. Where any Finance Document provides for the Agent or Security Agent to communicate with or provide instructions to the other, while they are the same entity, such communication or instructions will not be necessary.

35.22 Security Agent

(a) Each other Finance Party appoints the Security Agent to act as its agent and (to the extent permitted under any applicable law) trustee under and in connection with the Security Documents and confirms that the Security Agent shall have a lien on the Security Documents and the proceeds of the enforcement of those Security Documents for all moneys payable to the beneficiaries of those Security Documents.

(b) Each other Finance Party authorises the Security Agent:

(i) to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Security Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions; and

(ii) to execute each of the Security Documents and all other documents that may be approved by the Agent and/or the Majority Lenders for execution by it.

(c) The Security Agent accepts its appointment under clause 35.22 (*Security Agent*) as trustee of the Trust Property with effect from the date of this Agreement and declares that it holds the Trust Property on trust for itself, the other Finance Parties (for so long as they are Finance Parties) on and subject to the terms set out in clauses 35.22 to 35.29 (*Indemnity from Trust Property*) (inclusive) and the Security Documents to which it is a party.

35.23 Application of certain clauses to Security Agent

(a) Clauses 35.3(*Duties of the Agent*) (excluding 35.3(f)), 35.7 (*Rights and discretions of the Agent*), (excluding 35.7(i) and (k)), 35.8 (*Responsibility for documentation and other matters*), 35.9 (*No duty to monitor*), 35.10 (*Exclusion of liability*), 35.11 (*Lenders' indemnity to the Agent*), 35.12 (*Resignation of the Agent*), 35.15 (*Confidentiality*), 35.16 (*Relationship with the Lenders and Hedging Providers*), 35.17 (*Credit appraisal by the Lenders and Hedging Providers*), 35.19 (A*gent's management time and additional remuneration*) (excluding 35.19(d)) and 35.20 (*Deduction from amounts payable by the Agent*) shall each extend so as to apply to the Security Agent in its capacity as such and for that purpose each reference to the "Agent" in these clauses shall extend to include in addition a reference to the "Security Agent" in its capacity as such and, in clause 35.7(a) (*Rights and discretions of the Agent*), references to the Lenders and a group of Lenders shall refer to the Agent.

(b) In addition, clause 35.12 (*Resignation of the Agent*) shall, for the purposes of its application to the Security Agent pursuant to clause 35.23(a), have the following additional sub-clause:

(i) At any time after the appointment of a successor, the retiring Security Agent shall do and execute all acts, deeds and documents reasonably required by its successor to transfer to it (or its nominee, as it may direct) any property, assets and rights previously vested in the retiring Security Agent pursuant to the Security Documents and which shall not have vested in its successor by operation of law. All such acts, deeds and documents shall be done or, as the case may be, executed at the cost of the retiring Security Agent (except where the Security Agent is retiring under clause 35.13(a) (*Replacement of the Agent*) as extended to it by clause 35.23(a), in which case such costs shall be borne by the Lenders (in proportion to their shares of the Total Commitments or, if the Total Commitments are then zero, to their shares of the Total Commitments immediately prior to their reduction to zero).

35.24 Instructions to Security Agent

(a) The Security Agent shall:

(i) unless a contrary indication appears in a Finance Document, exercise or refrain from exercising any right, power, authority or discretion vested in it as Security Agent in accordance with any instructions given to it by the Agent; and

(ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (a) above.

(b) The Security Agent shall be entitled to request instructions, or clarification of any instruction, from the Agent as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Security Agent may refrain from acting unless and until it receives those instructions or that clarification.

(c) Unless a contrary indication appears in a Finance Document, any instructions given to the Security Agent by the Agent shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties.

(d) The Security Agent may refrain from acting in accordance with any instructions of the Agent until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability which it may incur in complying with those instructions.

(e) In the absence of instructions, the Security Agent may act (or refrain from acting) as it considers to be in the best interest of the Lenders.

(f) The Security Agent is not authorised to act on behalf of a Lender or any Hedging Provider (without first obtaining that Lender's or the relevant Hedging Provider's consent) in any legal or arbitration proceedings relating to any Finance Document. This clause (f) shall not apply to any legal or arbitration proceeding relating to the perfection, preservation or protection of rights under the Security Documents or enforcement of the Security Documents.

(g) Clause 35.24 above shall not apply:

(i) where a Finance Document requires the Security Agent to act in a specified manner or to take a specified action;

(ii) in respect of any provision which protects the Security Agent's own position in its personal capacity as opposed to its role of the Security Agent for the Finance Parties including, without limitation, clauses 35.5 (*No fiduciary duties*) to clause 35.11 (*Lenders' indemnity to the Agent*), clause 35.15 (*Confidentiality*) to clause 35.17 (*Credit Appraisal by the Lenders and Hedging Providers*), clause 35.19 (*Agent's management time and additional remuneration*), clause 35.26 (*Powers and duties of the Security Agent as trustee of the security*) and clause 35.29 (*Indemnity from Trust Property*); and

(iii) in respect of the exercise of the Security Agent's discretion to exercise a right, power or authority under clause 35.25 (*Order of Application*)

35.25 Order of application

(a) The Security Agent agrees to apply the Trust Property and each other beneficiary of the Security Documents agrees to apply all moneys received by it in the exercise of its rights under the Security Documents in accordance with the following respective claims:

(i) first, as to a sum equivalent to the amounts payable to the Security Agent under the Finance Documents (excluding any amounts received by the Security Agent pursuant to clause 35.11 (*Lenders' indemnity to the Agent*) as extended to the Security Agent pursuant to clause 35.23 (*Application of certain clauses to Security Agent*)), for the Security Agent absolutely;

(ii) secondly, as to a sum equivalent to the aggregate amount then due and owing to the other Finance Parties (other than the Hedging Providers) under the Finance Documents (other than the Hedging Contracts or any Hedging Master Agreement), for those Finance Parties absolutely for application between them in accordance with clause 39.5 *(Partial payments)*;

(iii) thirdly, until such time as the Security Agent is satisfied that all obligations owed to the Finance Parties (other than the Hedging Providers) have been irrevocably and unconditionally discharged in full, held by the Security Agent on a suspense account for payment of any further amounts owing to the Finance Parties (other than the Hedging Providers) under the Finance Documents (other than the Hedging Contracts or any Hedging Master Agreement) and further application in accordance with this clause 35.25(a) as and when any such amounts later fall due;

(iv) fourthly, as to a sum equivalent to the aggregate amount then due and owing to the Hedging Providers under the Hedging Contracts and any Hedging Master Agreements, for those Hedging Providers absolutely for application between them in accordance with clause 39.5 (*Partial payments*);

(v) fifthly, until such time as the Security Agent is satisfied that all obligations owed to the Hedging Providers have been irrevocably and unconditionally discharged in full, held by the Security Agent on a suspense account for payment of any further amounts owing to the Hedging Providers under the Hedging Contracts, any Hedging Master Agreement and any other Finance Documents and further application in accordance with this clause 35.25(a) as and when any such amounts later fall due;

(vi) sixthly, to such other persons (if any) as are legally entitled thereto in priority to the Obligors; and

(vii) seventhly, as to the balance (if any), for the Obligors by or from whom or from whose assets the relevant amounts were paid, received or recovered or other person entitled to them.

(b) The Security Agent and each other beneficiary of the Security Documents shall make each application as soon as is practicable after the relevant moneys are received by, or otherwise become available to, it save that (without prejudice to any other provision contained in any of the Security Documents) the Security Agent (acting on the instructions of the Agent) any other beneficiary of the Security Documents or any receiver or administrator may credit any moneys received by it to a suspense account for so long and in such manner as the Security Agent), any other beneficiary of the Security Documents or such receiver or administrator may from time to time determine with a view to preserving the rights of the Finance Parties or any of them to prove for the whole of their respective claims against the Borrower or any other person liable.

(c) The Security Agent and/or any other beneficiary of the Security Documents shall obtain a good discharge in respect of the amounts expressed to be due to the other Finance Parties as referred to in this clause 35.25 by paying such amounts to the Agent for distribution in accordance with clause 39 (*Payment mechanics*).

35.26 Powers and duties of the Security Agent as trustee of the security

In its capacity as trustee in relation to the Trust Property, the Security Agent:

(a) shall, without prejudice to any of the powers, discretions and immunities conferred upon trustees by law (and to the extent not inconsistent with the provisions of this Agreement or any of the Security Documents), have all the same powers and discretions as a natural person acting as the beneficial owner of such property and/or as are conferred upon the Security Agent by this Agreement and/or any Security Document but so that the Security Agent may only exercise such powers and discretions to the extent that it is authorised to do so by the provisions of this Agreement;

(b) shall (subject to clause 35.25(a) (*Order of application*)) be entitled (in its own name or in the names of nominees) to invest moneys from time to time forming part of the Trust Property or otherwise held by it as a consequence of any enforcement of the security constituted by any Finance Document which, in the reasonable opinion of the Security Agent, it would not be practicable to distribute immediately, by placing the same on deposit in the name or under the control of the Security Agent as the Security Agent may think fit without being under any duty to diversify the same and the Security Agent shall not be responsible for any loss due to interest rate or exchange rate fluctuations except for any loss arising from the Security Agent's gross negligence or wilful misconduct and shall not be liable to account for an amount of interest greater than the standard amount that would be payable to an independent customer;

(c) may, in the conduct of its obligations under and in respect of the Security Documents (otherwise than in relation to its right to make any declaration, determination or decision), instead of acting personally, employ and pay any agent (whether being a lawyer or any other person) to transact or concur in transacting any business and to do or concur in doing any acts required to be done by the Security Agent (including the receipt and payment of money) and on the basis that (i) any such agent engaged in any profession or business shall be entitled to be paid all usual professional and other charges for business transacted and acts done by him or any partner or employee of his or her in connection with such employment and (ii) the Security Agent shall not be bound to supervise, or be responsible for any loss incurred by reason of any act or omission of, any such agent if the Security Agent shall have exercised reasonable care in the selection of such agent; and

(d) may place all deeds and other documents relating to the Trust Property which are from time to time deposited with it pursuant to the Security Documents in any safe deposit, safe or receptacle selected by the Security Agent exercising reasonable care or with any firm of solicitors or company whose business includes undertaking the safe custody of documents selected by the Security Agent exercising reasonable care and may make any such arrangements as it thinks fit for allowing Obligors access to, or its solicitors or auditors possession of, such documents when necessary or convenient and the Security Agent shall not be responsible for any loss incurred in connection with any such deposit, access or possession if it has exercised reasonable care in the selection of a safe deposit, safe, receptacle or firm of solicitors or company (save that it shall take reasonable steps to pursue any person who may be liable to it in connection with such loss).

35.27 All enforcement action through the Security Agent

(a) None of the other Finance Parties shall have any independent power to enforce any of those Security Documents which are executed in favour of the Security Agent only or to exercise any rights, discretions or powers or to grant any consents or releases under or pursuant to such Security Documents or otherwise have direct recourse to the security and/or guarantees constituted by such Security Documents except through the Security Agent.

(b) None of the other Finance Parties shall have any independent power to enforce any of those Security Documents which are executed in their favour or to exercise any rights, discretions or powers or to grant any consents or releases under or pursuant to such Security Documents or otherwise have direct recourse to the security and/or guarantees constituted by such Security Documents except through the Security Agent. If any Finance Party (other than the Security Agent) is a party to any Security Document it shall promptly upon being requested by the Agent to do so grant a power of attorney or other sufficient authority to the Security Agent to enable the Security Agent to exercise any rights, discretions or powers or to grant any consents or releases under such Security Document.

(c) Each of the Security Agent, any Receiver and any Delegate may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any right, power, authority or discretion vested in it in its capacity as such. Such delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Security Agent, the Receiver or the Delegate (as the case may be) may, in its discretion, think fit in the interests of the Finance Parties.

(d) No Security Agent, Receiver or Delegate shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate if the Security Agent, Receiver or Delegate shall have exercised reasonable care in the selection of the such delegate or sub-delegate.

35.28 Co-operation to achieve agreed priorities of application

The other Finance Parties shall co-operate with each other and with the Security Agent and any receiver or administrator under the Security Documents in realising the property and assets subject to the Security Documents and in ensuring that the net proceeds realised under the Security Documents after deduction of the expenses of realisation are applied in accordance with clause 35.25(a) (*Order of application*).

35.29 Indemnity from Trust Property

(a) In respect of all liabilities, costs or expenses for which the Obligors are liable under this Agreement, the Security Agent and each Affiliate of the Security Agent and each officer or employee of the Security Agent or its Affiliate (each a **Relevant Person**) shall be entitled to be indemnified out of the Trust Property in respect of all liabilities, damages, costs, claims, charges or expenses whatsoever properly incurred or suffered by such Relevant Person:

(i) in the execution or exercise or bona fide purported execution or exercise of the trusts, rights, powers, authorities, discretions and duties created or conferred by or pursuant to the Finance Documents;

(ii) as a result of any breach by an Obligor of any of its obligations under any Finance Document;

(iii) in respect of any Environmental Claim made or asserted against a Relevant Person which would not have arisen if the Finance Documents had not been executed; and

(iv) in respect of any matter or thing done or omitted in any way in accordance with the terms of the Finance Documents relating to the Trust Property or the provisions of any of the Finance Documents.

(b) The rights conferred by this clause 35.29 are without prejudice to any right to indemnity by law given to trustees generally and to any provision of the Finance Documents entitling the Security Agent or any other person to an indemnity in respect of, and/or reimbursement of, any liabilities, costs or expenses incurred or suffered by it in connection with any of the Finance Documents or the performance of any duties under any of the Finance Documents. Nothing contained in this clause 35.29 shall entitle the Security Agent or any other person to be indemnified in respect of any liabilities, damages, costs, claims, charges or expenses to the extent that the same arise from such person's own gross negligence or wilful misconduct.

35.30 Finance Parties to provide information

The other Finance Parties shall provide the Security Agent with such written information as it may reasonably require for the purposes of carrying out its duties and obligations under the Security Documents and, in particular, with such necessary directions in writing so as to enable the Security Agent to make the calculations and applications contemplated by clause 35.25(a) (*Order of application*) above and to apply amounts received under, and the proceeds of realisation of, the Security Documents as contemplated by the Security Documents, clause 39.5 (*Partial payments*) and clause 35.25(a) (*Order of application*).

35.31 Release to facilitate enforcement and realisation

(a) Each Finance Party acknowledges that pursuant to any enforcement action by the Security Agent (or a Receiver) carried out on the instructions of the Agent it may be desirable for the purpose of such enforcement and/or maximising the realisation of the Charged Property being enforced against, that any rights or claims of or by the Security Agent (for the benefit of the Finance Parties) and/or any Finance Parties against any Obligor and/or any Security Interest over any assets of any Obligor (in each case) as contained in or created by any Finance Document, other than such rights or claims or security being enforced, be released in order to facilitate such enforcement action and/or realisation and, notwithstanding any other provision of the Finance Documents, each Finance Party hereby irrevocably authorises the Security Agent (acting on the instructions of the Agent) to grant any such releases to the extent necessary to fully effect such enforcement action and realisation including, without limitation, to the extent necessary for such purposes to execute release documents in the name of and on behalf of the Finance Parties. Where the relevant enforcement is by way of disposal of shares or limited liability company interests in an Obligor, the requisite release shall include releases of all claims (including under guarantees) of the Finance Parties and/or the Security Agent against such Obligor and of all Security Interests over the assets of such Obligor.

(b) without prejudice to the generality of any other provision of this Agreement or any other Security Document, the entry into possession of the Charged Property shall not render the Security Agent or any Receiver or Delegate liable to account as mortgagee in possession thereunder (or its equivalent in any other applicable jurisdiction) or take any action which would expose it to any liability in respect of Environmental Claims in respect of which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or to be liable for any loss on realisation or for any default or omission on realisation or for any default or omission for which a mortgagee in possession might be liable unless such loss, default or omission is caused by its own gross negligence or wilful misconduct.

35.32 Undertaking to pay

Each Obligor which is a Party undertakes with the Security Agent on behalf of the Finance Parties that it will, on demand by the Security Agent, pay to the Security Agent all money from time to time owing, and discharge all other obligations from time to time incurred, by it under or in connection with the Finance Documents.

35.33 Additional trustees

The Security Agent shall have power by notice in writing to the other Finance Parties and the Borrower to appoint any person approved by the Borrower (such approval not to be unreasonably withheld or delayed) either to act as separate trustee or as co-trustee jointly with the Security Agent:

(a) if the Security Agent reasonably considers such appointment to be in the best interests of the Finance Parties;

(b) for the purpose of conforming with any legal requirement, restriction or condition in any jurisdiction in which any particular act is to be performed; or

(c) for the purpose of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction against any person of a judgment already obtained,

and any person so appointed shall (subject to the provisions of this Agreement) have such rights (including as to reasonable remuneration), powers, duties and obligations as shall be conferred or imposed by the instrument of appointment. The Security Agent shall have power to remove any person so appointed. At the request of the Security Agent, the other parties to this Agreement shall forthwith execute all such documents and do all such things as may be required to perfect such appointment or removal and each such party irrevocably authorises the Security Agent in its name and on its behalf to do the same. Such a person shall accede to this Agreement as a Security Agent to the extent necessary to carry out their role on terms satisfactory to the Security Agent and (subject always to the provisions of this Agreement) have such trusts, powers, authorities, liabilities and discretions (not exceeding those conferred on the Security Agent by this Agreement and the other Finance Documents) and such duties and obligations as shall be conferred or imposed by the instrument of appointment (being no less onerous than would have applied to the Security Agent but for the appointment). The Security Agent shall not be bound to supervise, or be responsible for any loss incurred by reason of any act or omission of, any such person if the Security Agent shall have exercised reasonable care in the selection of such person.

35.34 Non-recognition of trust

It is agreed by all the parties to this Agreement that:

(a) in relation to any jurisdiction the courts of which would not recognise or give effect to the trusts expressed to be constituted by this clause 35, the relationship of the Security Agent and the other Finance Parties shall be construed as one of principal and agent, but to the extent permissible under the laws of such jurisdiction, all the other provisions of this Agreement shall have full force and effect between the parties to this Agreement; and

(b) the provisions of this clause 35 insofar as they relate to the Security Agent in its capacity as trustee for the Finance Parties and the relationship between themselves and the Security Agent as their trustee may be amended by agreement between the other Finance Parties and the Security Agent. The Security Agent may amend all documents necessary to effect the alteration of the relationship between the Security Agent and the other Finance Parties and each such other party irrevocably authorises the Security Agent in its name and on its behalf to execute all documents necessary to effect such amendments.

35.35 Appointment of Receiver

Subject to the applicable law governing the relevant Security Document (**Applicable Law**), the Security Agent may, subject to it being indemnified and/or secured and/or prefunded to its satisfaction, appoint a Receiver of all or part of the Charged Property over which any Security Interest shall have become enforceable and may remove any Receiver so appointed and appoint another in his place. No delay or waiver of the right to exercise these powers shall prejudice their future exercise. The following provisions shall apply:

(a) such appointment may be made before or after the Security Agent shall have taken possession of all or part of the Charged Property;

(b) to the extent permitted by Applicable Law, such Receiver may be vested by the Security Agent with such powers and discretions as the Security Agent may think expedient, including, without limitation, all the powers set out in Schedule 1 to the Insolvency Act 1986 or any powers vested in the Security Agent pursuant to the relevant Security Document, and may sell, concur in selling, assign or release any of the Charged Property without restriction and on such terms as he may think fit and may effect any such transaction in the name or on behalf of the Borrower or otherwise;

(c) such Receiver shall, in the exercise of his functions, conform to the regulations from time to time made by the Security Agent;

(d) the Security Agent may from time to time fix such Receiver’s remuneration and direct its payment out of moneys accruing to it in the exercise of his powers as such Receiver;

(e) the Security Agent may from time to time and at any time require such Receiver to give security for the due performance of his duties as Receiver and may fix the nature and amount of the security to be given. The Security Agent need not, however, in any case require any such security nor shall it be responsible for its adequacy or sufficiency;

(f) all moneys received by such Receiver shall be paid over to the Security Agent for application in accordance with this Agreement; and

(g) such Receiver shall be the Borrower's agent for all purposes. The Borrower alone shall be responsible for its acts, defaults and misconduct and the Security Agent shall not incur any liability therefor nor be responsible for any misconduct.

35.36 Insurance by a Security Agent

(a) The Security Agent shall not be obliged:

(i) to insure any of the property subject to Security;

(ii) to require any other person to maintain any insurance; or

(iii) to verify any obligation to arrange or maintain insurance contained in any Finance Document and the Security Agent shall not be liable for any damages, costs or losses to any person as a result of the lack of, or inadequacy of, any such insurance.

(b) Where the Security Agent is named on any insurance policy as an insured party, the Security Agent shall not be liable for any damages, costs or losses to any person as a result of the Security Agent's failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind, unless the Agent requests it to do so in writing and the Security Agent fails to do so within fourteen,(14) days after receipt of that request.

35.37 Powers supplemental to Trustee Acts

The rights, powers, authorities and discretions given to the Security Agent under or connection with the Finance Documents shall be supplemental to the Trustee Act 1925 and the Trustee Act 2000 and in addition to any which may be vested in the Security Agent by law or regulation or otherwise.

35.38 Disapplication of Trustee Acts

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Agent in relation to the trusts constituted by this Agreement. Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Agreement, this Agreement shall, to the extent permitted by law and regulation, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Agreement shall constitute a restriction or exclusion for the purposes of that Act.

36 [Intentionally Deleted]

37 Conduct of business by the Finance Parties

37.1 Finance Parties tax affairs

No provision of this Agreement will:

(a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

(b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or

(c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

37.2 Finance Parties acting together

Notwithstanding clause 2.2 (*Finance Parties' rights and obligations*), if the Agent makes a declaration under clause 30.21 (*Acceleration*) the Agent shall, in the names of all the Finance Parties, take such action on behalf of the Finance Parties and conduct such negotiations with the Borrower and any Group Members and generally administer the Facility in accordance with the wishes of the Majority Lenders. All the Finance Parties shall be bound by the provisions of this clause and no Finance Party shall be entitled to take action independently against any Obligor or any of its assets without the prior consent of the Majority Lenders.

This clause shall not override clause 35 (*Roles of Agent, Security Agent, Arrangers, Bookrunners and Co-ordinators*) as it applies to the Security Agent.

37.3 Majority Lenders

(a) Where any Finance Document provides for any matter to be determined by reference to the opinion of, or to be subject to the consent, approval or request of, the Majority Lenders or for any action to be taken on the instructions of the Majority Lenders (a **majority decision**), such majority decision shall (as between the Lenders) only be regarded as having been validly given or issued by the Majority Lenders if all the Lenders shall have received prior notice of the matter on which such majority decision is required and the relevant majority of Lenders shall have given or issued such majority decision. However (as between any Obligor and the Finance Parties) the relevant Obligor shall be entitled (and bound) to assume that such notice shall have been duly received by each Lender and that the relevant majority shall have been obtained to constitute Majority Lenders when notified to this effect by the Agent whether or not this is the case.

(b) If, within ten Business Days of the Agent despatching to each Lender a notice requesting instructions (or confirmation of instructions) from the Lenders or the agreement of the Lenders to any amendment, modification, waiver, variation or excuse of performance for the purposes of, or in relation to, any of the Finance Documents, the Agent has not received a reply specifically giving or confirming or refusing to give or confirm the relevant instructions or, as the case may be, approving or refusing to approve the proposed amendment, modification, waiver, variation or excuse of performance, then (irrespective of whether such Lender responds at a later date) the Agent shall treat any Lender which has not so responded as having indicated a desire to be bound by the wishes of 662/3 per cent of those Lenders (measured in terms of the total Commitments of those Lenders) which have so responded.

(c) For the purposes of clause 37.3(b), any Lender which notifies the Agent of a wish or intention to abstain on any particular issue shall be treated as if it had not responded.

(d) Clauses 37.3(b) and 37.3(c) shall not apply in relation to those matters referred to in, or the subject of, clause 38.5 (*Exceptions*).

37.4 Conflicts

(a) The Borrower acknowledges that any Arranger and its parent undertaking, subsidiary undertakings and fellow subsidiary undertakings (together an **Arranger Group**) may be providing debt finance, equity capital or other services (including financial advisory services) to other persons with which the Borrower may have conflicting interests in respect of the Facility or otherwise.

(b) No member of an Arranger Group shall use confidential information gained from any Obligor by virtue of the Facility or its relationships with any Obligor in connection with their performance of services for other persons. This shall not, however, affect any obligations that any member of an Arranger Group has as Agent in respect of the Finance Documents. The Borrower also acknowledges that no member of an Arranger Group has any obligation to use or furnish to any Obligor information obtained from other persons for their benefit.

(c) The terms **parent undertaking**, **subsidiary undertaking** and **fellow subsidiary undertaking** when used in this clause have the meaning given to them in sections 1161 and 1162 of the Companies Act 2006.

37.5 Replacement of a Defaulting Lender

(a) The Borrower may, at any time a Lender has become a Non-Consenting Lender (as defined in clause 37.5(c) below) or has become and continues to be a Defaulting Lender, by giving 20 Business Days' prior written notice to the Agent and such Lender:

(i) replace such Lender by requiring such Lender to (and to the extent permitted by law such Lender shall) transfer pursuant to clause 33 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement; or

(ii) require such Lender to (and to the extent permitted by law such Lender shall) transfer pursuant to clause 33(*Changes to the Lenders*) all (and not part only) of the undrawn Commitments of the Lender,

to a Lender or other bank or financial institution (a **Replacement Lender**) selected by the Borrower, and which is acceptable to the Agent (acting reasonably and with the approval of the Majority Lenders) and (in the case of any transfer of any undrawn Commitments), which confirms its willingness to assume and does assume all the obligations or all the relevant obligations of the transferring Lender (including the assumption of the transferring Lender's participations or unfunded participations (as the case may be) on the same basis as the transferring Lender) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Lender's participation in the outstanding Loan and all accrued interest, Break Costs and other amounts payable in relation thereto under the Finance Documents.

(b) Any transfer of rights and obligations of a Non-Consenting Lender or Defaulting Lender pursuant to this clause shall be subject to the following conditions:

(i) the Borrower shall have no right to replace the Agent;

(ii) neither the Agent nor such Lender or any other Lender shall have any obligation to the Borrower to find a Replacement Lender;

(iii) the transfer must take place no later than 20 days after the notice referred to in clause 37.5(a); and

(iv) in no event shall the Non- Consenting Lender or, as the case may be, Defaulting Lender be required to pay or surrender to the Replacement Lender any of the fees received by such Lender pursuant to the Finance Documents.

(c) In the event that:

(i) the Borrower or the Agent (at the request of the Borrower) has requested the Lenders to give a consent in relation to, or to agree to a waiver or amendment of, any provisions of the Finance Documents;

(ii) the consent, waiver or amendment in question requires the approval of all the Lenders; and

(iii) the Majority Lenders have consented or agreed to such waiver or amendment,

then any Lender who does not and continues not to consent or agree to such waiver or amendment shall be deemed a **Non-Consenting Lender.**

38 Sharing among the Finance Parties

38.1 Payments to Finance Parties

If a Finance Party (a **Recovering Finance Party**) receives or recovers any amount from an Obligor other than in accordance with clause 39 (*Payment mechanics*) (a **Recovered Amount**) and applies that amount to a payment due under the Finance Documents then:

(a) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery, to the Agent;

(b) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with clause 39 (*Payment mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and

(c) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the **Sharing Payment**) equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with clause 39.5 (*Partial payments*).

38.2 Redistribution of payments

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) (the **Sharing Finance Parties**) in accordance with clause 39.5 (*Partial payments*) towards the obligations of that Obligor to the Sharing Finance Parties.

38.3 Recovering Finance Party's rights

On a distribution by the Agent under clause 38.2 (*Redistribution of payments*) of a payment received by a Recovering Finance Party from an Obligor, as between the relevant Obligor and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Obligor.

38.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

(a) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the **Redistributed Amount**); and

(b) as between the relevant Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Obligor.

38.5 Exceptions

(a) This clause 38 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this clause, have a valid and enforceable claim against the relevant Obligor.

(b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:

(i) it notified that other Finance Party of the legal or arbitration proceedings;

(ii) the taking legal or arbitration proceedings was in accordance with the terms of this Agreement; and

(iii) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

39 Payment mechanics

39.1 Payments to the Agent

(a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document (other than a Hedging Contract), that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.

(b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in such Participating Member State or London, as specified by the Agent) and with such bank as the Agent, in each case, specifies.

39.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents for another Party shall, subject to clause 39.3 (*Distributions to an Obligor*) and clause 39.4 (*Clawback and pre-funding*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days' notice with a bank specified by that Party in the principal financial centre of the country of that currency (or, in relation to euro, in the principal financial centre of a Participating Member State or London, as specified by that Party).

39.3 Distributions to an Obligor

The Agent may (with the consent of the Obligor or in accordance with clause 40 (*Set-off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

39.4 Clawback and pre-funding

(a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.

(b) If the Agent or its Affiliate or Representative on its behalf or direction (the Agent and its applicable Affiliate or Representative, an "**Agent Entity**") pays an amount to another Party (unless paragraph (c) below applies) or, at the direction of such Party, that Party's Affiliate, Related Fund or Representative (such Party and its applicable Affiliate, Related Fund or Representative, an "**Other Party Entity**") and it proves to be the case (in the sole determination of the Agent) that (i) neither the Agent nor the applicable Agent Entity actually received that amount or (ii) such amount was otherwise paid in error (whether such error was known or ought to have been known to such other Party or applicable Other Party Entity), then the Party to whom that amount (or the proceeds of any related exchange contract) was paid (or on whose direction its applicable Other Party Entity was paid) by the applicable Agent Entity shall hold such amount on trust or, to the extent not possible as a matter of law, for the account (or will procure that its applicable Other Party Entity holds on trust or for the account) of the Agent Entity and on demand (or will procure that its applicable Other Party Entity shall) refund the same to the Agent Entity together with interest on that amount from the date of payment to the date of receipt by the Agent Entity, calculated by the Agent to reflect its cost of funds.

(c) If the Agent is willing to make available amounts for the account of the Borrower before receiving funds from the Lenders then if and to the extent that the Agent does so but it proves (in the sole determination of the Agent) to be the case that it does not then receive funds from a Lender in respect of a sum which it paid to a Borrower:

(i) the Borrower to whom that sum was made available shall hold such amount on trust or, to the extent not possible as a matter of law, for the account, of the Agent and on demand refund it to the Agent; and

(ii) the Lender by whom those funds should have been made available or, if that Lender fails to do so, the Borrower to whom that sum was made available, shall on demand pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that Lender.

39.5 Partial payments

(a) If the Agent receives a payment for application against amounts in respect of any Finance Documents that is insufficient to discharge all the amounts then due and payable by an Obligor under those Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under those Finance Documents in the following order:

(i) first, in or towards payment pro rata of any unpaid amount owing to the Agent or the Security Agent under those Finance Documents;

(ii) second in or towards payment pro rata of any unpaid amount owing to the Arrangers under those Finance Documents;

(iii) thirdly, in or towards payment to the Lenders pro rata of any amount owing to the Lenders under clause 35.11 (*Lenders' indemnity to the Agent*) including any amount resulting from the indemnity to the Security Agent under clause 35.23 (*Application of certain clauses to Security Agent*);

(iv) fourthly, in or towards payment to the Lenders pro rata of any accrued interest, fee, commission or any principal or any other sum due but unpaid under those Finance Documents;

(v) fifthly, in or towards payment to the Hedging Providers pro rata of any net accrued interest, fees, commission or any other net amounts due to them but unpaid under the Hedging Contracts which is due but unpaid under those Finance Documents; and

(vi) sixthly, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.

(b) The Agent shall, if so directed by all the Lenders and each Hedging Provider, vary the order set out in paragraphs (ii) to (v) of clause 39.5(a).

(c) Clauses 39.5(a) and 39.5(b) above will override any appropriation made by an Obligor.

39.6 No set-off by Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

39.7 Business Days

(a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

39.8 Currency of account

(a) Subject to clauses 39.8(b) to 39.8(c), dollars is the currency of account and payment for any sum due from an Obligor under any Finance Document.

(b) A repayment of all or part of the Loan or an Unpaid Sum and each payment of interest shall be made in dollars on its due date.

(c) Each payment in respect of the amount of any costs, expenses or Taxes or other losses shall be made in dollars and, if they were incurred in a currency other than dollars, the amount payable under the Finance Documents shall be the equivalent in dollars of the relevant amount in such other currency on the date on which it was incurred.

(d) All moneys received or held by the Security Agent or by a Receiver under a Security Document in a currency other than dollars may be sold for dollars and the Obligor which executed that Security Document shall indemnify the Security Agent against the full cost in relation to the sale. Neither the Security Agent nor such Receiver will have any liability to that Obligor in respect of any loss resulting from any fluctuation in exchange rates after the sale.

39.9 Change of currency

(a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

(i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Borrower); and

(ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).

(b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Borrower) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Interbank Market and otherwise to reflect the change in currency.

39.10 Disruption to payment systems etc.

If either the Agent determines (in its discretion) that a Payment Disruption Event has occurred or the Agent is notified by the Borrower that a Payment Disruption Event has occurred:

(a) the Agent may, and shall if requested to do so by the Borrower, consult with the Borrower with a view to agreeing with the Borrower such changes to the operation or administration of the Facility as the Agent may deem necessary in the circumstances;

(b) the Agent shall not be obliged to consult with the Borrower in relation to any changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;

(c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) above but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;

(d) any such changes agreed upon by the Agent and the Borrower shall (whether or not it is finally determined that a Payment Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of clause 45 (*Amendments and waivers*);

(e) the Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this clause 39.10; and

(f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

40 Set-off

Following an Event of Default, a Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

41 Notices

41.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

41.2 Addresses

The address, and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Obligor or Finance Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

(a) in the case of any Obligor which is a Party, that identified with its name in Schedule 1 (*The original parties*);

(b) in the case of any Obligor which is not a Party, that identified in any Finance Document to which it is a party;

(c) in the case of the Security Agent, the Agent and any other original Finance Party that identified with its name in Schedule 1 (*The original parties*); and

(d) in the case of each Lender or other Finance Party, that notified in writing to the Agent on or prior to the date on which it becomes a Party in the relevant capacity,

(e) or, in each case, any substitute address, fax number, or department or officer as an Obligor or Finance Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five Business Days' notice.

41.3 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:

(i) if by way of fax, when received in legible form; or

(ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under clause 41.2 (*Addresses*), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Agent or the Security Agent will be effective only when actually received by the Agent or the Security Agent and then only if it is expressly marked for the attention of the department or officer identified in Schedule 1 (*The original parties*) (or any substitute department or officer as the Agent or the Security Agent shall specify for this purpose).

(c) All notices from or to an Obligor shall be sent through the Agent.

(d) Any communication or document made or delivered to the Borrower in accordance with this clause will be deemed to have been made or delivered to each of the Obligors.

(e) Any communication or document which becomes effective, in accordance with clauses 41.3(a) to (d) above, after 5:00pm in the place of receipt shall be deemed only to become effective on the next Business Day.

41.4 Notification of address and fax number

Promptly upon changing its own address or fax number, the Agent shall notify the other Parties.

41.5 Electronic communication

(a) Any communication or document to be made or delivered by one Party to another under or in connection with the Finance Documents may be made or delivered by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if those two Parties:

(i) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

(b) Any electronic communication or document made or delivered by one Party to another will be effective only when actually received in readable form and in the case of any electronic communication or document made or delivered by a Party to the Agent or the Security Agent only if it is addressed in such a manner as the Agent or the Security Agent shall specify for this purpose.

(c) Any electronic communication or document which becomes effective, in accordance with clause 41.5(b) above, after 5:00 p.m. in the place of receipt shall be deemed only to become effective on the following Business Day.

(d) Any reference in a Finance Document to a communication being sent or received or a document being delivered shall be construed to include that communication or document being made available in accordance with this clause 41.5.

41.6 English language

(a) Any notice given under or in connection with any Finance Document shall be in English.

(b) All other documents provided under or in connection with any Finance Document shall be:

(i) in English; or

(ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

42 Calculations and certificates

42.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

42.2 Certificates and determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

42.3 Day count convention

(a) Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days (or, in any case where the practice in the Interbank Market or the Relevant Market (as applicable) differs, in accordance with that market practice).

(b) The amount of interest, commission or fee which accrues in respect of any day during an Interest Period for a Compounded Rate Loan (or of any amount equal to that interest, commission or fee) shall be rounded to 2 decimal places (with 0.005 being rounded upwards).

43 Partial invalidity

If, at any time, any provision of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

44 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any of the Finance Documents. No election to affirm any of the Finance Documents on the part of any Finance Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in the Finance Documents are cumulative and not exclusive of any rights or remedies provided by law.

45 Amendments and waivers

45.1 Required consents

(a) Subject to clauses 45.2 (*All Lender matters*) and 45.3 (*Other exceptions*), any term of the Finance Documents may be amended or waived with the consent of the Agent (acting on the instructions of the Majority Lenders and, if it affects the rights and obligations of the Agent or the Security Agent, the consent of the Agent or the Security Agent and, if it affects the rights and obligations of the Hedging Providers, the consent of the Hedging Providers and any such amendment or waiver agreed or given by the Agent will be binding on all the Finance Parties.

(b) The Agent may (or, in the case of the Security Documents, instruct the Security Agent to) effect, on behalf of any Finance Party, any amendment or waiver permitted by this clause 45.

(c) Without prejudice to the generality of sub-clauses (c), (d) and (e) of clause 35.7 *(Rights and discretions of the Agent)*, the Agent may engage, pay for and rely on the services of lawyers in determining the consent level required for and effecting any amendment, waiver or consent under this Agreement.

(d) Each Obligor agrees to any such amendment or waiver permitted by this clause 45 which is agreed to by the Borrower. This includes any amendment or waiver which would, but for this clause 45.1(d), require the consent of the Parent.

45.2 All Lender matters

(a) An amendment, waiver or discharge or release or a consent of, or in relation to, the terms of any Finance Document that has the effect of changing or which relates to:

(i) the definition of “Change of Control” in clause 1.1 (*Definitions*);

(ii) the definition of "Last Availability Date" in clause 1.1 (*Definitions*);

(iii) the definition of "Majority Lenders" in clause 1.1 (*Definitions*);

(iv) the definition of "Restricted Party" in clause 1.1 (*Definitions*);

(v) the definition of "Sanctions Authority" in clause 1.1 (*Definitions*);

(vi) the definition of "Sanctions Event" in clause 1.1 (*Definitions*);

(vii) the definition of "Sanctions Laws" in clause 1.1 (*Definitions*);

(viii) the definition of "Sanctions List" in clause 1.1 (*Definitions*);

(ix) an extension to the date of payment of any amount under the Finance Documents;

(x) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable or the rate at which they are calculated;

(xi) an increase in, or an extension of, any Commitment or any requirement that a cancellation of Commitments reduces the Commitments of the Lenders pro rata under the Facility;

(xii) a change to the Borrower or any other Obligor;

(xiii) any provision which expressly requires the consent or approval of all the Lenders;

(xiv) any provision which relates to Sanctions, a Sanctions Event and a Restricted Party (including, without limitation, clause 7.2 (*Sanctions Event*), clause 18.33 (*Sanctions*), clause 19.7 (*Information: Sanctions*), clause 21.2 (*Use of proceeds*), clause 21.5 (*Sanctions*) and clause 30.19 (*Sanctions*));

(xv) clause 2.2 (*Finance Parties' rights and obligations*), clause 7.4 (*Change of Control*), clause 33 (*Changes to the Lenders*), clause 38.1 (*Payments to Finance Parties*), this clause 45, clause 51 (*Governing law*) or clause 52.1 (*Jurisdiction of English courts*);

(xvi) the order of distribution under clause 35.25(a) (*Order of application*);

(xvii) the order of distribution under clause 39.5 (*Partial payments*);

(xviii) an extension to the Backstop Rate Switch Date as provided for in Schedule 10 (*Compounded Rate Terms*);

(xix) the currency in which any amount is payable under any Finance Document;

(xx) an increase in any Commitment or the Total Commitments, an extension of any period within which the Facility is available for Utilisation or any requirement that a cancellation of Commitments reduces the Commitments pro rata;

(xxi) the nature or scope of the Charged Property or the manner in which the proceeds of enforcement of the Security Documents are distributed;

(xxii) the nature or scope of the guarantee and indemnity granted under clause 17 (*Guarantee and indemnity*); or

(xxiii) the circumstances in which the security constituted by the Security Documents are permitted or required to be released under any of the Finance Documents,

shall not be made, or given, without the prior consent of all the Lenders.

45.3 Other exceptions

(a) Amendments to or waivers in respect of the Hedging Contracts may only be agreed by the relevant Hedging Provider.

(b) An amendment or waiver which relates to the rights or obligations of the Agent, the Security Agent, any Hedging Provider, the Arrangers, the Bookrunners and the Co-ordinators in their respective capacities as such (and not just as a Lender) may not be effected without the consent of the Agent, the Security Agent, any Hedging Provider, the Arrangers, the Bookrunners and the Co-ordinators (as the case may be).

(c) Notwithstanding clauses 45.1 and (a) to (b) (inclusive), the Agent may make technical amendments to the Finance Documents arising out of manifest errors on the face of the Finance Documents, where such amendments would not prejudice or otherwise be adverse to the interests of any Finance Party without any reference or consent of the Finance Parties.

45.4 Releases

Except with the approval of the Lenders or for a release which is expressly permitted or required by the Finance Documents, the Agent shall not have authority to authorise the Security Agent to release:

(a) any Charged Property from the security constituted by any Security Document; or

(b) any Obligor from any of its guarantee or other obligations under any Finance Document.

45.5 Changes to reference rates

(a) Subject to clause 45.3 (*Other exceptions*), if a Published Rate Replacement Event has occurred, any amendment or waiver which relates to:

(i) providing for the use of a Replacement Reference Rate; and

(ii)

(A) aligning any provision of any Finance Document to the use of that Replacement Reference Rate;

(B) enabling that Replacement Reference Rate to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Reference Rate to be used for the purposes of this Agreement);

(C) implementing market conventions applicable to that Replacement Reference Rate;

(D) providing for appropriate fall-back (and market disruption) provisions for that Replacement Reference Rate; or

(E) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Reference Rate (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

may be made with the consent of the Agent (acting on the instructions of the Majority Lenders) and the Borrower.

(b) An amendment or waiver that relates to, or has the effect of, aligning the means of calculation of interest on a Compounded Rate Loan under this Agreement to any recommendation of a Relevant Nominating Body which:

(i) relates to the use of the RFR on a compounded basis in the international or any relevant domestic syndicated loan markets; and

(ii) is issued on or after the date of this Agreement,

may be made with the consent of the Agent (acting on the instruction of the Majority Lenders) and the Borrower.

(c) In this clause 45.5:

Published Rate means**:**

(i) an RFR; or

(ii) the Screen Rate for the Quoted Tenor of 3 months LIBOR,

Published Rate Replacement Event means, in relation to a Published Rate:

(d) the methodology, formula or other means of determining that Screen Rate has, in the opinion of the Majority Lenders, and the Borrower materially changed; or

(e)

(i)

(A) the administrator of that Published Rate or its supervisor publicly announces that such administrator is insolvent; or

(B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Published Rate is insolvent,

provided that, in each case, at that time, there is no successor administrator to continue to provide that Published Rate; or

(ii) the administrator of that Published Rate publicly announces that it has ceased or will cease, to provide that Published Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Published Rate; or

(iii) the supervisor of the administrator of that Published Rate publicly announces that that such Published Rate has been or will be permanently or indefinitely discontinued; or

(iv) the administrator of that Published Rate or its supervisor announces that that Published Rate may no longer be used; or

(v) in the case of a Screen Rate for any Quoted Tenor, the supervisor of the administrator of that Screen Rate makes a public announcement or publishes information:

(A) stating that that Screen Rate for that Quoted Tenor is no longer or, as of a specified future date will no longer be, representative of the underlying market or economic reality that it is intended to measure and that representativeness will not be restored (as determined by such supervisor); and

(B) with awareness that any such announcement or publication will engage certain triggers for fallback provisions in contracts which may be activated by any such pre-cessation announcement or publication; or

(f) the administrator of that Published Rate (or the administrator of an interest rate which is a constituent element of that Published Rate) determines that the Published Rate should be calculated in accordance with its reduced submissions or other contingency or fall-back policies or arrangements and either:

(i) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Majority Lenders and the Borrower) temporary; or

(ii) that Published Rate is calculated in accordance with any such policy or arrangement for a period no less than the period which is:

(A) set out opposite the relevant Screen Rate in Schedule 9 (*Screen Rate Contingency Period*); or

(B) specified as the "RFR Contingency Period" in the Compounded Rate Terms relating to that Published Rate; or

(g) in the opinion of the Majority Lenders and the Borrower, that Published Rate is otherwise no longer appropriate for the purposes of calculating interest under this Agreement.

Relevant Nominating Body means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

Replacement Reference Rate means a reference rate which is:

(h) formally designated, nominated or recommended as the replacement for a Published Rate by:

(i) the administrator of that Published Rate (provided that the market or economic reality that such reference rate measures is the same as that measured by that Published Rate); or

(ii) any Relevant Nominating Body,

and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the "Replacement Reference Rate" will be the replacement under paragraph (ii) above;

(i) in the opinion of the Majority Lenders and the Borrower, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to a Published Rate; or

(j) in the opinion of the Majority Lenders and the Borrower, an appropriate successor to the Published Rate.

46 Confidentiality of Funding Rates

46.1 Confidentiality and disclosure

(a) The Agent and each Obligor agree to keep each Funding Rate confidential and not to disclose it to anyone, save to the extent permitted by clauses 46.1(b), (c) and (d) below.

(b) The Agent may disclose:

(i) any Funding Rate to the Borrower pursuant to clause 8.5 *(Notification of rates of interest)*; and

(ii) any Funding Rate to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Agent and the relevant Lender as the case may be.

(c) The Agent may disclose any Funding Rate and each Obligor may disclose any Funding Rate, to:

(i) any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives if any person to whom that Funding Rate is to be given pursuant to this clause 46.1(c)(ii) is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or is otherwise bound by requirements of confidentiality in relation to it;

(ii) any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances;

(iii) any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances; and

(iv) any person with the consent of the relevant Lender.

46.2 Related obligations

(a) The Agent and each Obligor acknowledge that each Funding Rate is or may be price-sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Agent and each Obligor undertake not to use any Funding Rate for any unlawful purpose.

(b) The Agent and each Obligor agree (to the extent permitted by law and regulation) to inform the relevant Lender =:

(i) of the circumstances of any disclosure made pursuant to clause 46.1(c)(ii) *(Confidentiality and disclosure)* except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

(ii) upon becoming aware that any information has been disclosed in breach of this clause 46.2.

46.3 No Event of Default

No Event of Default will occur under clause 30.7 *(Other obligations)* by reason only of an Obligor's failure to comply with this clause 46.3.

47 Confidentiality

47.1 Confidential Information

Each Obligor agrees to keep all information relating to the Finance Documents, the Facility and the Finance Parties which it receives from a Finance Party or, if the information was obtained by a member of the Group from a Finance Party, a member of the Group in connection with the Facility or entry into the Finance Documents confidential and not to disclose it to anyone, save as permitted by clause 47.2 (*Disclosure of Confidential Information*) below, and to ensure that all such information is protected with security measures and a degree of care that would apply to its own confidential information. The obligations in this clause 47 are continuing and, in particular, shall survive and remain binding on each Obligor for a period of 12 months from the date on which all amounts payable by the Obligors under or in connection with the Finance Documents have been paid in full and all Commitments have been cancelled or otherwise cease to be available.

47.2 Disclosure of Confidential Information

(a) Any Finance Party may disclose to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, insurers, re-insurers, brokers and re-insurance brokers, auditors, partners and Representatives such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this clause 47.2 is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information.

(b) Any Finance Party and any of that Finance Party's Affiliates may disclose to any person:

(i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents or which succeeds (or which may potentially succeed) it as Agent, and, in each case, to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

(ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more Obligors and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

(iii) appointed by any Finance Party or any of that Finance Party's Affiliates or by a person to whom clause 47.2(b)(i) or clause 47.2(b)(ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf;

(iv) appointed by any Finance Party or any of that Finance Party's Affiliates or by a person to whom clause 47.2(b)(ii) above applies to act as a verification agent in respect of any transaction referred to in clause 47.2(b)(ii) above;

(v) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in clause 47.2(b)(i) or clause 47.2(b)(ii) above;

(vi) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation, including filing of this Agreement with the U.S. Securities and Exchange Commission;

(vii) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;

(viii) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to clause 33.7 (*Security over Lenders' rights*);

(ix) who is a Party; or

(x) with the consent of the Borrower;

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

(A) in relation to clause 47.2(b)(i), clause 47.2(b)(ii), clause 47.2(b)(iii) and clause 47.2(b)(iv) above, the person to whom the Confidential Information is to be given has entered into a confidentiality undertaking substantially in a recommended form of the Loan Market Association from time to time or in any other form agreed between the Borrower and the relevant Finance Party (a **Confidentiality Undertaking**) except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;

(B) in relation to clause 47.2(b)(v) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;

(C) in relation to clause 47.2(b)(vi), clause 47.2(b)(vii) and clause 47.2(b)(viii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances; and

(c) to any person appointed by that Finance Party or by a person to whom clause 47.2(b)(i) or clause 47.2(b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this clause47.2(c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Borrower and the relevant Finance Party; and

(d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Obligors if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information.

47.3 **Disclosure to numbering service providers**

(a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facility and/or one or more Obligors the following information:

(i) names of Obligors;

(ii) country of domicile of Obligors;

(iii) place of incorporation of Obligors;

(iv) date of this Agreement;

(v) Clause 51 (*Governing law*);

(vi) the names of the Agent and the Arrangers;

(vii) date of each amendment and restatement of this Agreement;

(viii) amounts of, and names of, the Facility (and any tranches);

(ix) amount of Total Commitments;

(x) currency of the Facility;

(xi) type of Facility;

(xii) ranking of Facility;

(xiii) Final Repayment Date for the Facility;

(xiv) changes to any of the information previously supplied pursuant to paragraphs (i) to (xiii) above; and

(xv) such other information agreed between such Finance Party and the Company,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

(b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facility and/or one or more Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

(c) The Borrower represents that none of the information set out in paragraphs (i) to (xv) of paragraph (a) above is, nor will at any time be, unpublished price-sensitive information.

(d) The Agent shall notify the Company and the other Finance Parties of:

(i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Facility and/or one or more Obligors; and

(ii) the number or, as the case may be, numbers assigned to this Agreement, the Facility and/or one or more Obligors by such numbering service provider.

48 Counterparts and electronic signing

(a) Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

(b) The Parties acknowledge and agree that any Party may execute this Agreement by electronic signature. The Parties agree that the use of an electronic signature appearing on this Agreement shall have the same validity and legal effect as a manuscript signature and is made with the intention of authenticating this Agreement and evidencing the relevant Party's intention to be bound by the terms of this Agreement.

49 Contractual recognition of bail-in

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party and each Obligor acknowledges and accepts that any liability of any Party to any other Party under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

(c) any Bail-In Action in relation to any such liability, including (without limitation):

(i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;

(ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and

(iii) a cancellation of any such liability; and

(d) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

50 Qualifying Financial Contract Acknowledgment

To the extent that the Finance Documents provide support, through a guarantee or otherwise, for any agreement or instrument that is a QFC (such support, **QFC Credit Support** and each such QFC a **Supported QFC**), the Parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the **U.S. Special Resolution Regimes**) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Finance Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other jurisdiction):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a **Covered Party**) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Finance Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Finance Documents were governed by the laws of the United States or a state of the United States. Rights and remedies of the Parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) For the purposes of this Clause 39 (*Qualifying Financial Contact Acknowledgment*):

BHC Act Affiliate of a Party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such Party.

Covered Entity means any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

Default Right has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

QFC has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

51 Waiver of Consequential Damages

To the extent permitted by applicable law, no Obligor shall assert, and hereby waives, any claim against any Lender or any of its Affiliates, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, the Finance Documents or any agreement or instrument contemplated thereby, the Loans or the use of the proceeds thereof.

52 US PATRIOT Act

Each Lender hereby notifies each Obligor that pursuant to the requirements of the United States PATRIOT Act, it may be required to obtain, verify and record information that identifies each Obligor, which information includes the name and address of such Obligor and other information that will allow such Lender to identify the Obligor in accordance with the said Act.

Section 12 - Governing Law and Enforcement

53 Governing law

This Agreement and any non-contractual obligations connected with it are governed by English law.

54 Enforcement

54.1 Jurisdiction of English courts

(a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement or any non-contractual obligations connected with it (including a dispute regarding the existence, validity or termination of this Agreement) (a **Dispute**).

(b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

(c) This clause 52.1 is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

54.2 Service of process

(a) Without prejudice to any other mode of service allowed under any relevant law, each Obligor which is a Party (other than an Obligor incorporated in England and Wales):

(i) irrevocably appoints the person named in Schedule 1 (*The original parties*) as that Obligor's English process agent as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document;

(ii) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned; and

(iii) if any person appointed as process agent for an Obligor is unable for any reason to act as agent for service of process, that Obligor must immediately (and in any event within ten days of such event taking place) appoint another agent on terms acceptable to the Agent. Failing this, the Agent may appoint another agent for this purpose.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Schedule 1
The original parties

Borrower

Name	Golar Partners Operating LLC
Original Jurisdiction	Marshall Islands
Registration number (or equivalent, if any)	961204
English process agent (if not incorporated in England)	Golar Management Ltd
Registered office	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960
Address for service of notices	6th Floor, The Zig Zag, 70 Victoria Street, London, SW1E 6SQ, England

The Original Guarantors

Name	Golar LNG Partners LP (the **Parent**)
Original Jurisdiction	Marshall Islands
Registration number (or equivalent, if any)	950020
English process agent (if not incorporated in England)	Golar Management Ltd
Registered office	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960
Address for service of notices	6th Floor, The Zig Zag, 70 Victoria Street, London, SW1E 6SQ, England

Name	Golar LNG Holding Co.
Original Jurisdiction	Marshall Islands
Registration number (or equivalent, if any)	40127
English process agent (if not incorporated in England)	Golar Management Ltd
Registered office	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960
Address for service of notices	6th Floor, The Zig Zag, 70 Victoria Street, London, SW1E 6SQ, England

Name	Golar Freeze Holding Co. (Owner of Golar Freeze)
Original Jurisdiction	Marshall Islands
Registration number (or equivalent, if any)	40129
English process agent (if not incorporated in England)	Golar Management Ltd
Registered office	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960
Address for service of notices	6th Floor, The Zig Zag, 70 Victoria Street, London, SW1E 6SQ, England

Name	Golar Hull M2024 Corporation (Bareboat Charterer of the Golar Freeze)
Original Jurisdiction	Marshall Islands
Registration number (or equivalent, if any)	05427166
English process agent (if not incorporated in England)	Golar Management Ltd
Registered office	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960
Address for service of notices	6th Floor, The Zig Zag, 70 Victoria Street, London, SW1E 6SQ, England

Name	Golar Grand Corporation (Owner of Golar Grand)
Original Jurisdiction	Marshall Islands
Registration number (or equivalent, if any)	59790
English process agent (if not incorporated in England)	Golar Management Ltd
Registered office	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960
Address for service of notices	6th Floor, The Zig Zag, 70 Victoria Street, London, SW1E 6SQ, England

Name	Golar 2226 UK Limited (Bareboat Charterer of Golar Grand)
Original Jurisdiction	England
Registration number (or equivalent, if any)	N/A
English process agent (if not incorporated in England)	Golar Management Ltd
Registered office **Address for service of notices**	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 6th Floor, The Zig Zag, 70 Victoria Street, London, SW1E 6SQ, England

Name	Golar Hull M2031 Corp. (Owner of Golar Igloo)
Original Jurisdiction	Marshall Islands
Registration number (or equivalent, if any)	47445
English process agent (if not incorporated in England)	Golar Management Ltd
Registered office	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960
Address for service of notices	6th Floor, The Zig Zag, 70 Victoria Street, London, SW1E 6SQ, England

Name	Golar LNG 2234 LLC (Owner of Golar Maria)
Original Jurisdiction	Liberia
Registration number (or equivalent, if any)	960060
English process agent (if not incorporated in England)	Golar Management Ltd
Registered office	80 Broad Street, Monrovia, Republic of Liberia
Address for service of notices	6th Floor, The Zig Zag, 70 Victoria Street, London, SW1E 6SQ, England

Name	Golar Spirit Corporation (Owner of Golar Spirit)
Original Jurisdiction	Marshall Islands
Registration number (or equivalent, if any)	45732
English process agent (if not incorporated in England)	Golar Management Ltd
Registered office	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960
Address for service of notices	6th Floor, The Zig Zag, 70 Victoria Street, London, SW1E 6SQ, England

Name	Golar Spirit UK Ltd (Bareboat Charterer of Golar Spirit)
Original Jurisdiction	England
Registration number (or equivalent, if any)	04679402
English process agent (if not incorporated in England)	Golar Management Ltd
Registered office	6th Floor, The Zig Zag, 70 Victoria Street, London, SW1E 6SQ, England
Address for service of notices	6th Floor, The Zig Zag, 70 Victoria Street, London, SW1E 6SQ, England

Name	Golar Winter Corporation (Owner of the Golar Winter)
Original Jurisdiction	Marshall Islands
Registration number (or equivalent, if any)	59789
English process agent (if not incorporated in England)	Golar Management Ltd
Registered office	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960
Address for service of notices	6th Floor, The Zig Zag, 70 Victoria Street, London, SW1E 6SQ, England

Name	Golar Winter UK Ltd. (Bareboat Charterer of the Golar Winter)
Original Jurisdiction	England
Registration number (or equivalent, if any)	05073292
Registered office	6th Floor, The Zig Zag, 70 Victoria Street, London, SW1E 6SQ, England
Address for service of notices	6th Floor, The Zig Zag, 70 Victoria Street, London, SW1E 6SQ, England

Name	Golar LNG 2215 Corporation (Owner of the Methane Princess)
Original Jurisdiction	Marshall Islands
Registration number (or equivalent, if any)	21327
English process agent (if not incorporated in England)	Golar Management Ltd
Registered office	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960
Address for service of notices	6th Floor, The Zig Zag, 70 Victoria Street, London, SW1E 6SQ, England

Name	Golar 2215 UK Ltd. (Bareboat Charterer of the Methane Princess)
Original Jurisdiction	England
Registration number (or equivalent, if any)	04871293
Registered office	6th Floor, The Zig Zag, 70 Victoria Street, London, SW1E 6SQ, England
Address for service of notices	6th Floor, The Zig Zag, 70 Victoria Street, London, SW1E 6SQ, England

The Original Lenders

Name	Citibank, N.A.
Term Loan Commitment ($)	$150,000,000
Lending Office	N/A

Name	Morgan Stanley Senior Funding, Inc.
Term Loan Commitment ($)	$150,000,000
Lending Office	To be confirmed in writing to the Borrower

Name	HSBC Bank USA, N.A.
Term Loan Commitment ($)	$100,000,000
Lending Office	New York

Name	Goldman Sachs Bank USA
Term Loan Commitment ($)	$30,000,000
Lending Office	To be confirmed in writing to the Borrower

The Agent

Name	CITIBANK EUROPE PLC, UK BRANCH

The Security Agent

Name	Citibank N.A., London Branch

The Hedging Providers

Name	Citigroup Global Markets Limited
Name	HSBC Bank Plc

The Bookrunners

Name	Citigroup Global Markets Limited
Name	Morgan Stanley Senior Funding, Inc.

The Mandated Lead Arrangers

Name	Citigroup Global Markets Limited
Name	Morgan Stanley Senior Funding, Inc.
Name:	HSBC Bank USA, N.A.

The Arranger

Name:	Goldman Sachs Bank USA

The Co-ordinators

Name	Citigroup Global Markets Limited
Name	Morgan Stanley Senior Funding, Inc.

Schedule 2
Ship information

Ship A

Name of Ship:	Golar Freeze
Capacity:	129,000 cbm
Year built:	1977
Type of ship:	Floating storage and regasification vessel
Owner:	Golar Freeze Holding Co.
Flag State:	Marshall Islands
Port of Registry:	Majuro
IMO Number:	7361922
Bareboat Charter description:	The bareboat charter dated 28 March 2011 (as supplemented and amended from time to time) and as novated to Golar Hull M2024 Corporation as bareboat charterer pursuant to a novation agreement dated 9th August 2021
Bareboat Charterer:	Golar Hull M2024 Corporation
Classification:	DNV +1A1 Tanker for Liquified Gas EO Regas 2
Classification Society:	DNV GL
Major Casualty Amount:	$10,000,000

Ship B

Name of Ship:	Golar Grand
Capacity:	145,700 cbm
Year built:	2006
Type of ship:	Liquefied natural gas carrier
Owner:	Golar Grand Corporation
Flag State:	Marshall Islands
Port of Registry:	Majuro
IMO Number:	9303560
Bareboat Charter description:	The bareboat charter dated 20 August 2021between the Owner and the Bareboat Charterer
Bareboat Charterer:	Golar 2226 UK Limited
Classification:	X 1A1 Tanker for Liquefied Gas E0 F-AMC ICS NAUT-OC CLEAN COAT-2 PLU-2 TMON NAUTICUS (Newbuilding, Operation)
Classification Society:	DNV GL
Major Casualty Amount:	$5,000,000

Ship C

Name of Ship:	Golar Igloo
Capacity:	170,000 cbm
Year built:	2014
Type of ship:	Floating storage and regasification vessel
Owner:	Golar Hull M2031 Corp.
Flag State:	Marshall Islands
Port of Registry:	Majuro
IMO Number:	9633991
Time Charter description:	The LNG storage and regasification services contract no. CA/4111 between Golar LNG Limited and the Time Charterer dated 9 February 2020 (as novated to the Owner pursuant to an assignment and novation agreement dated 13 January 2021 and as supplemented and amended from time to time)
Time Charterer:	Kuwait National Petroleum Company
Classification:	X 1A1 Tanker for Liquefied Gas REGAS-2 COMF-V(2)C(3) E0 NAUT-OC CLEAN Recyclable COAT-PSPC(B) CSA-2 BIS GAS FUELLED TMON NAUTICUS(Newbuilding)
Classification Society:	DNV GL
Major Casualty Amount:	$10,000,000

Ship D

Name of Ship:	Golar Maria
Capacity:	145,700 cbm
Year built:	2006
Type of ship:	Liquefied natural gas carrier
Owner:	Golar LNG 2234 LLC
Flag State:	Marshall Islands
Port of Registry:	Majuro
IMO Number:	9320374
Time Charter description:	The time charter between the Owner and the Time Charterer dated 18 October 2019 (as supplemented and amended from time to time)
Time Charterer:	Cheniere Marketing International LLP
Classification:	X 1A1 Tanker for Liquefied Gas E0 F-AMC ICS NAUT-OC CLEAN COAT-2 PLUS-2 TMON NAUTICUS(Newbuilding, Operation)
Classification Society:	DNV GL
Major Casualty Amount:	$5,000,000

Ship E

Name of Ship:	Golar Spirit
Capacity:	129,000 cbm
Year built:	1981
Type of ship:	Floating storage and regasification vessel
Owner:	Golar Spirit Corporation
Flag State:	Marshall Islands
Port of Registry:	Majuro
IMO Number:	7373327
Bareboat Charter description:	Bareboat charter dated 31 August 2021
Bareboat Charterer:	Golar Spirit UK Ltd
Classification:	X 1A1 Tanker for Liquefied Gas E0 Regas 2
Classification Society:	Det Norske Veritas
Major Casualty Amount:	$10,000,000

Ship F

Name of Ship:	Golar Winter
Capacity:	138,000 cbm
Year built:	2004
Type of ship:	Floating storage and regasification vessel
Owner:	Golar Winter Corporation
Flag State:	Marshall Islands
Port of Registry:	Majuro
IMO Number:	9256614
Bareboat Charter description:	The bareboat charter entered into between the Owner and the Bareboat Charterer (as novated from Golar LNG 2220 Corporation to the Owner pursuant to a novation agreement dated 27 June 2013 and as further supplemented and amended from time to time)
Bareboat Charterer:	Golar Winter UK Ltd.
Time Charter description:	The time charter entered into between the Bareboat Charterer and the Time Charterer dated 4 September 2007 (as amended by an interim charter party dated 12 August 2009, an amendment dated 26 March 2011, an amendment dated 16 May 2011, an amendment dated 26 January 2012 and an amendment dated 27 June 2013 and as supplemented and amended from time to time)
Time Charterer:	Petróleo Brasileiro S.A.
Classification:	X 1A1 Tanker for Liquefied Gas REGAS-2 E0 NAUT-OC LCS-SID CLEAN PLUS-2 TMON NAUTICUS(Newbuilding)
Classification Society:	Det Norske Veritas
Major Casualty Amount:	$10,000,000

Ship G

Name of Ship:	Methane Princess
Capacity:	138,000 cbm
Year built:	2003
Type of ship:	Liquefied natural gas carrier
Owner:	Golar LNG 2215 Corporation
Flag State:	Marshall Islands
Port of Registry:	Majuro
IMO Number:	9253715
Bareboat Charter description:	The bareboat charter entered into between the Owner and the Bareboat Charterer dated 27 August 2003 (as supplemented and amended from time to time)
Bareboat Charterer:	Golar 2215 UK Ltd.
Time Charter description:	The time charter entered into between the Owner and the Time Charterer dated 25 October 2001 (as amended and supplemented from time to time and as novated to the Bareboat Charterer and amended and restated pursuant to a novation agreement dated 27 August 2003)
Time Charterer:	Methane Services Limited
Classification:	X 1A1 Tanker for Liquefied Gas E0, NAUT-OC LCS-SID NAUTICUS (Newbuilding)
Classification Society:	Det Norske Veritas
Major Casualty Amount:	$5,000,000

Schedule 3

Conditions precedent

Part 1

Conditions precedent to any Utilisation

1 Original Obligors' corporate documents

(a) A copy of the Constitutional Documents of each Original Obligor.

(b) A copy of a resolution of the board of directors (or, in relation to the Parent, its equivalent) of each Original Obligor (or, if applicable, any committee of such board empowered to approve and authorise the following matters):

(i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party (Relevant Documents) and resolving that it execute the Relevant Documents to which it is a party;

(ii) authorising a specified person or persons to execute the Relevant Documents to which it is a party on its behalf; and

(iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request and any Selection Notice) to be signed and/or despatched by it under or in connection with the Relevant Documents to which it is a party.

(c) If applicable, a copy of a resolution of the board of directors (or, in relation to the Parent, its equivalent) of the relevant company, establishing any committee referred to in paragraph (b) above and conferring authority on that committee.

(d) A certified true copy of the passport (containing a specimen signature) of each person (i) authorised by the resolution referred to in paragraph (b) above in relation to the Finance Documents and related documents and (ii) who has executed any such document.

(e) A copy of a resolution signed by all the holders of the issued shares or limited liability company interests in each Original Obligor or, in the case of the Parent, of a resolution of the General Partner, approving the terms of, and the transactions contemplated by, the Relevant Documents to which such Obligor is a party.

(f) A certificate of the Parent (signed by a director) confirming that:

(i) borrowing or guaranteeing or securing, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on any Original Obligor to be exceeded; and

(ii) no consents, authorisations, licences or approvals are necessary for any Original Obligor to authorise or are required by any Original Obligor in connection with the borrowing by the Borrower of the Loan pursuant to this Agreement or the execution, delivery and performance of any Finance Document.

(g) A copy of any power of attorney under which any person is to execute any of the Relevant Documents on behalf of any Original Obligor (other than any manager of a Ship).

(h) A certificate of an authorised signatory of the relevant Original Obligor (other than any manager of a Ship) certifying that each copy document relating to it specified in this Part of this Schedule is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of this Agreement and that any such resolutions or power of attorney have not been revoked.

2 Legal opinions

The following Legal Opinions, each addressed to the Agent, the Security Agent, the Original Lenders and the Hedging Providers and capable of being relied upon by any persons who become Lenders pursuant to the primary syndication of the Facility:

(a) A Legal Opinion of Norton Rose Fulbright LLP, London on matters of English law, substantially in the form approved by all of the Lenders prior to signing this Agreement.

(b) A Legal Opinion of the legal advisers to the Agent in each jurisdiction (other than England and Wales) in which an Obligor is incorporated and/or which is or is to be the Flag State of a Ship, or in which an Account opened at the relevant time is established substantially in the form approved by all of the Lenders prior to signing this Agreement.

3 Other documents and evidence

(a) The Pre-Approved New Lender List.

(b) Evidence that any process agent referred to in clause 52.2 (*Service of process*) or any equivalent provision of any other Finance Document entered into on or before the relevant Utilisation Date, if not an Original Obligor, has accepted its appointment.

(c) Each Fee Letter duly executed by the parties thereto.

(d) A copy, certified by an approved person to be a true and complete copy, of each of the Charter Documents and the OSAs.

(e) A copy of any other authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable (if it has notified the Borrower accordingly) in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document.

(f) The Original Financial Statements, together with a Compliance Certificate.

(g) Evidence that the fees, commissions, costs and expenses then due from the Borrower pursuant to clause 11 (*Fees*) and clause 16 (*Costs and expenses*) have been paid or will be paid by the relevant Utilisation Date.

4 Hedging Contract Security

Evidence that:

(a) If a Hedging Master Agreement has been executed, the Borrower has executed the Hedging Contract Security in favour of the Security Agent; and

(b) any notice required to be given to each Hedging Provider under the Hedging Contract Security has been given to it and acknowledged by it in the manner required by the Hedging Contract Security.

5 "Know your customer" information

Such documentation and information as any Finance Party may reasonably request through the Agent to comply with "know your customer" or similar identification procedures under all laws and regulations applicable to that Finance Party.

6 Taxation

If relevant, evidence in a form acceptable to the Agent that any withholding tax will be paid or any necessary applications have been or will be sent to the relevant tax authorities.

7 Further documentation

Such further documentation, evidence, authorisations or opinions as the Agent may reasonably require.

Part 2
Ship and security conditions precedent

1 Corporate documents

(a) A certificate of an authorised signatory of the relevant Owner certifying that each copy document relating to it specified in Part 1 of this Schedule remains correct, complete and in full force and effect as at a date no earlier than a date approved for this purpose and that any resolutions or power of attorney referred to in Part 1 of this Schedule in relation to it have not been revoked or amended.

(b) A certificate of an authorised signatory of each other Obligor which is party to any of the Original Security Documents required to be executed at or before the relevant Utilisation Date certifying that each copy document relating to it specified in Part 1 of this Schedule remains correct, complete and in full force and effect as at a date no earlier than a date approved for this purpose and that any resolutions or power of attorney referred to in Part 1 of this Schedule in relation to it have not been revoked or amended.

2 Security

(a) The Mortgage and the Assignment Deed in respect of each Ship (other than Ship H) duly executed.

(b) Any Manager's Undertaking in respect of each Ship (other than Ship H) then required pursuant to the Finance Documents duly executed by the relevant manager.

(c) Duly executed notices of assignment and acknowledgements of those notices as required by any of the above Security Documents and in respect of the acknowledgments required from each Time Charterer, the relevant acknowledgments shall be provided as conditions subsequent in accordance with clause 4.7(a) (*Conditions subsequent*).

(d) If Quiet Enjoyment Letters are required by the relevant Time Charterer pursuant to the terms of the relevant Time Charter, evidence acceptable to the Agent that the Quiet Enjoyment Letters are in a form agreed to by the Security Agent and the relevant Owner, Bareboat Charterer and Time Charterer (which have consented to the relevant Security Documents) and that the duly executed and dated Quiet Enjoyment Letters will follow as conditions subsequent in accordance with clause 4.7(b) (*Conditions subsequent*). The forms of quiet enjoyment letters entered into in respect of previous finance agreements entered into by the Borrower in respect of the Ships are deemed to be in a form agreed by the Security Agent.

3 Registration of Ships

Evidence that each of the Ships (other than Ship H):

(a) is legally and beneficially owned by the relevant Owner and registered in the name of the relevant Owner through the relevant Registry as a ship under the laws and flag of the relevant Flag State;

(b) is classed with the relevant Classification free of all material overdue requirements and recommendations of the relevant Classification Society;

(c) is insured in the manner required by the Finance Documents;

(d) where applicable, has been delivered, and accepted for service, under its Time Charter and Bareboat Charter;

(e) is free of any other charter commitment which would require approval under the Finance Documents;

(f) is managed on terms approved pursuant to clause 22.4 (*Manager*); and

(g) any prior registration (other than through the relevant Registry in the relevant Flag State) of each of the Ships has been or will be cancelled.

4 Mortgage registration

Evidence that the Mortgage in respect of each of the Ships (other than Ship H) has been registered against each of the Ships (other than Ship H) through the relevant Registry under the laws and flag of the relevant Flag State.

5 Legal opinions

To the extent required by the Agent, the following further Legal Opinions, each addressed to the Agent, the Security Agent, the Original Lenders and the Hedging Providers and capable of being relied upon by any persons who become Lenders pursuant to the primary syndication of the Facility:

(a) A Legal opinion of Norton Rose Fulbright LLP, London on matters of English law, substantially in the form approved by all of the Lenders prior to signing this Agreement in relation to Security Documents.

(b) A Legal opinion of the legal advisers to the Security Agent and the Agent in each jurisdiction (other than England and Wales) in which an Obligor is incorporated and/or which is or is to be the Flag State of a Ship (other than Ship H), or in which an Account opened at the relevant time is established substantially in the form approved by all of the Lenders prior to signing this Agreement.

6 Insurance

In relation to each of the Ships (other than Ship H)' Insurances:

(a) an opinion from insurance consultants appointed by the Agent on such Insurances;

(b) evidence that such Insurances have been placed in accordance with clause 24 (*Insurance*); and

(c) evidence that approved brokers, insurers and/or associations have issued or will issue letters of undertaking in favour of the Security Agent in an approved form in relation to the Insurances.

7 ISM and ISPS Code

Copies of:

(a) the document of compliance issued in accordance with the ISM Code to the person who is the operator of each of the Ships for the purposes of that code;

(b) the safety management certificate in respect of each of the Ships issued in accordance with the ISM Code; and

(c) the international ship security certificate in respect of each of the Ships issued under the ISPS Code.

8 Value of security

Valuations obtained (not more than 90 days before the relevant Utilisation Date) in accordance with clause 25 (*Minimum security value*) showing that the Security Value will be not less than 115 per cent of the Loan upon execution of the Security Documents specified in paragraph 2 (*Security*) of this Part 2 of this Schedule and the relevant Utilisation.

9 Management Agreement

Where a manager of the relevant Ship has been approved in accordance with clause 22.4 *(Manager)*, a copy, certified by an approved person to be a true and complete copy, of the agreement between the relevant Owner and the manager relating to the appointment of the manager.

10 Bank Accounts

Evidence that any Account required to be established under clause 27 (*Bank accounts*) has been opened and established, that any Account Security in respect of each such Account (other than relative to Ship H) has been executed and delivered by the relevant Account Holder in favour of the Security Agent and that any notice required to be given to the Account Bank under that Account Security has been given to it and acknowledged by it in the manner required by that Account Security and that an amount has been credited to it.

11 Share Security

The Share Security in respect of each of the Owners (other than relative to Ship H) and the Bareboat Charterers duly executed by the relevant Holding Company together with all letters, transfers, certificates and other documents required to be delivered under the Share Security.

12 People with Significant Control (PSC Regime)

In respect of each Bareboat Charterer, either:

(a) a certificate of an authorised signatory of that Bareboat Charterer certifying that:

(i) each Group Member has complied within the relevant timeframe with any notice it has received pursuant to Part 21A of the Companies Act 2006 from that Bareboat Charterer; and

(ii) no Warning Notice or Restrictions Notice has been issued in respect of its shares, together with a copy of the PSC register of that Bareboat Charterer, which is certified by an authorised signatory of that Bareboat Charterer to be correct, complete and not amended or superseded as at a date no earlier than the date three Business Days before the relevant Utilisation Date; or

(b) a certificate of an authorised signatory of that Bareboat Charterer certifying that it is not required to comply with Part 21A of the Companies Act 2006.

13 Beneficial Ownership Regulation

Receipt by each Lender of the documentation and other information requested by such Lender to comply with the requirements of the Beneficial Ownership Regulation.

Part 3
Conditions Precedent required to be delivered by the Additional Guarantor

1 An Accession Letter, duly executed by the Additional Guarantor.

2 A copy of the Constitutional Documents of the Additional Guarantor.

3 A copy of a resolution of the board of directors or sole member, as applicable, of the Additional Guarantor (or, if applicable, any committee empowered to approve and authorise the following matters):

(a) approving the terms of, and the transactions contemplated by, the Accession Letter and the Finance Documents and resolving that it execute the Accession Letter and any other Finance Documents to which the Additional Guarantor is a party;

(b) authorising a specified person or persons to execute the Accession Letter and any other Finance Documents to which the Additional Guarantor is a party on its behalf; and

(c) authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents.

4 If applicable, a copy of a Resolution of the board of directors of the relevant company, establishing any committee referred to in paragraph 3 above and conferring authority on that committee.

5 A notarised passport copy (containing a specimen signature) of each person authorised by the resolution referred to in paragraph 3 above.

6 A copy of a resolution signed by all the holders of the issued shares in the Additional Guarantor, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Additional Guarantor is a party.

7 A copy of a resolution of the board of directors or sole member, as applicable, of any member or shareholder of the Additional Guarantor approving the terms of the resolution referred to in 6 above.

8 A certificate of the Additional Guarantor (signed by a director) confirming that guaranteeing, as appropriate, the Total Commitments would not cause any guaranteeing or similar limit binding on it to be exceeded.

9 A copy of a goodstanding certificate in respect of the Additional Guarantor.

10 A certificate of an authorised signatory of the Additional Guarantor certifying that each copy document listed in this Part 3 of Schedule 3 is correct, complete and in full force and effect as at a date no earlier than the date of the Accession Letter.

11 A copy of a power of attorney under which any person is appointed by an Additional Guarantor to execute any of the Finance Documents on its behalf.

12 Such documentation and information as any Finance Party may reasonably request through the Agent to comply with "know your customer" or similar identification procedures under all laws and regulations applicable to that Finance Party.

13 A legal opinion of Norton Rose Fulbright LLP, London addressed to the Agent, the Security Agent and the Original Lenders.

14 A legal opinion of the legal advisers to the Agent, the Security Agent and the Original Lenders in the jurisdiction in which the Additional Guarantor is formed.

15 Evidence that the process agent specified in clause 52.2 (*Service of process*) has accepted its appointment in relation to the proposed Additional Guarantor.

Part 4
Golar Eskimo and security conditions precedent

1 Corporate documents

(a) A certificate of an authorised signatory of the Owner of Ship H certifying that each copy document relating to it specified in Part 3 of this Schedule remains correct, complete and in full force and effect as at a date no earlier than a date approved for this purpose and that any resolutions or power of attorney referred to in Part 3 of this Schedule in relation to it have not been revoked or amended.

(b) A certificate of an authorised signatory of each other Obligor which is party to any of the Original Security Documents required to be executed at or before the relevant Utilisation Date certifying that each copy document relating to it specified in Part 1 of this Schedule remains correct, complete and in full force and effect as at a date no earlier than a date approved for this purpose and that any resolutions or power of attorney referred to in Part 1 of this Schedule in relation to it have not been revoked or amended.

2 Security

(a) The Mortgage and the Assignment Deed in respect of Ship H duly executed.

(b) Any Manager's Undertaking in respect of Ship H then required pursuant to the Finance Documents duly executed by the relevant manager.

(c) Duly executed notices of assignment and acknowledgements of those notices as required by any of the above Security Documents and in respect of the acknowledgments required from the relevant Time Charterer, the relevant acknowledgments shall be provided as conditions subsequent in accordance with clause 4.7(a) (*Conditions subsequent*).

(d) If Quiet Enjoyment Letters are required by the relevant Time Charterer pursuant to the terms of the relevant Time Charter, evidence acceptable to the Agent that the Quiet Enjoyment Letters are in a form agreed to by the Security Agent and the relevant Owner and Time Charterer (which have consented to the relevant Security Documents) and that the duly executed and dated Quiet Enjoyment Letters will follow as conditions subsequent in accordance with clause 4.7(b) (*Conditions subsequent*). The forms of quiet enjoyment letters entered into in respect of previous finance agreements entered into by the Borrower in respect of Ship H are deemed to be in a form agreed by the Security Agent.

3 Registration of Ship H

Evidence that Ship H:

(a) is legally and beneficially owned by the relevant Owner and registered in the name of the relevant Owner through the relevant Registry as a ship under the laws and flag of the relevant Flag State;

(b) is classed with the relevant Classification free of all material overdue requirements and recommendations of the relevant Classification Society;

(c) is insured in the manner required by the Finance Documents;

(d) where applicable, has been delivered, and accepted for service, under its Time Charter;

(e) is free of any other charter commitment which would require approval under the Finance Documents;

(f) is managed on terms approved pursuant to clause 22.4 (*Manager*); and

(g) any prior registration (other than through the relevant Registry in the relevant Flag State) of Ship H has been or will be cancelled.

4 Mortgage registration

Evidence that the Mortgage in respect of Ship H has been registered against Ship H through the relevant Registry under the laws and flag of the relevant Flag State.

5 Legal opinions

To the extent required by the Agent, the following further Legal Opinions, each addressed to the Agent, the Security Agent, the Original Lenders and the Hedging Providers and capable of being relied upon by any persons who become Lenders pursuant to the primary syndication of the Facility:

(a) A Legal opinion of Norton Rose Fulbright LLP, London on matters of English law, substantially in the form approved by all of the Lenders prior to signing this Agreement in relation to Security Documents.

(b) A Legal opinion of the legal advisers to the Security Agent and the Agent in each jurisdiction (other than England and Wales) in which an Obligor is incorporated and/or which is or is to be the Flag State of Ship H, or in which an Account opened at the relevant time is established substantially in the form approved by all of the Lenders prior to signing this Agreement.

6 Termination of Golar Eskimo Lease

Evidence that the Golar Eskimo Lease has terminated and any amounts due and payable by the Golar Eskimo Lessee thereunder have been paid prior to the relevant Utilisation Date

7 Insurance

In relation to Ship H's Insurances:

(a) an opinion from insurance consultants appointed by the Agent on such Insurances;

(b) evidence that such Insurances have been placed in accordance with clause 24 (*Insurance*); and

(c) evidence that approved brokers, insurers and/or associations have issued or will issue letters of undertaking in favour of the Security Agent in an approved form in relation to the Insurances.

8 Value of security

Valuations obtained (not more than 90 days before the relevant Utilisation Date) in accordance with clause 25 (*Minimum security value*) showing that the Security Value will be not less than 115 per cent of the Loan upon execution of the Security Documents specified in paragraph 2 (*Security*) of this Part 2 of this Schedule and the relevant Utilisation.

9 Management Agreement

Where a manager of Ship H has been approved in accordance with clause 22.4 *(Manager)*, a copy, certified by an approved person to be a true and complete copy, of the agreement between the relevant Owner and the manager relating to the appointment of the manager.

10 Bank Accounts

Evidence that any Account required to be established under clause 27 (*Bank accounts*) has been opened and established, that any Account Security in respect of each such Account relative to Ship H has been executed and delivered by the relevant Account Holder in favour of the Security Agent and that any notice required to be given to the Account Bank under that Account Security has been given to it and acknowledged by it in the manner required by that Account Security and that an amount has been credited to it.

11 Share Security

The Share Security in respect of the Owner relative to Ship H duly executed by the relevant Holding Company together with all letters, transfers, certificates and other documents required to be delivered under the Share Security.

Schedule 4
Utilisation Request

From: **Golar Partners Operating LLC**

To: [●]

Dated: [●]

Dear Sirs

Up to $725,000,000 Facility Agreement dated [●] 2021 (the Agreement)

1 We refer to the Agreement. This is a Utilisation Request. Terms defined in the Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.

2 We wish to borrow an Advance on the following terms:

Proposed Utilisation Date:	[●] (or, if that is not a Business Day, the next Business Day)
Amount:	$[•]

3 We confirm that each condition specified in clause 4.5 (*Further conditions precedent*) is satisfied on the date of this Utilisation Request.

4 The purpose of this Advance is [[●] and its proceeds should be credited to [●]].

5 [We request that the first Interest Period for the Loan be [●] months.][We note that the Interest Period for this Advance shall expire on [●].]

6 This Utilisation Request is irrevocable.

Yours faithfully

authorised signatory for

Golar Partners Operating LLC

Schedule 5

Selection Notice

From: **Golar Partners Operating LLC**

To: [●]

Dated: [●]

Dear Sirs

Up to $725,000,000 Facility Agreement dated [●] 2021 (the Agreement)

1 We refer to the Agreement. This is a Selection Notice. Terms defined in the Agreement have the same meaning in this Selection Notice unless given a different meaning in this Selection Notice.

2 We request that the next Interest Period for the Loan be [●] months.

3 This Selection Notice is irrevocable.

Yours faithfully

authorised signatory for

Golar Partners Operating LLC

Schedule 6

Form of Transfer Certificate

To: [●] as Agent

From: [●] (the **Existing Lender**) and [●] (the **New Lender**)

Dated:

Up to $725,000,000 Facility Agreement dated [●] 2021 (the Agreement)

1 We refer to the Agreement. This is a Transfer Certificate. Terms defined in the Agreement have the same meaning in this Transfer Certificate unless given a different meaning in this Transfer Certificate.

2 We refer to clause 33.5 (*Procedure for assignment*):

(a) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Agreement and the other Finance Documents which relate to that portion of the Existing Lender's Commitment(s) and participations in the Loans under the Agreement as specified in the Schedule.

(b) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender's Commitment(s) and participations in the Loans under the Agreement specified in the Schedule.

(c) The New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.

(d) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of clause 41.2 (*Addresses*) are set out in the Schedule.

3 The proposed Transfer Date is [●].

4 The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in sub-clause (c) of clause 33.4 *(Limitation of responsibility of Existing Lenders)*.

5 This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Transfer Certificate.

6 This Transfer Certificate and any non-contractual obligations connected with it are governed by English law.

7 This Transfer Certificate has been entered into on the date stated at the beginning of this Transfer Certificate.

The Schedule

Rights to be assigned and obligations to be released and undertaken

[insert relevant details]

[Facility Office address, fax number and attention details for notices and account details for payments. To also include the Market Entity Identifier for Existing Lender and New Lender.]

[Existing Lender]	**[New Lender]**
By:	By:

This is accepted by the Agent as a Transfer Certificate and the Transfer Date is confirmed as [•].

Signature of this Transfer Certificate by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment referred to herein, which notice the Agent receives on behalf of each Finance Party.

[Agent]

By:

Schedule 7

Form of Compliance Certificate

To: [●] as Agent

From: [Golar LNG Partners LP] (the **Company**)

Dated: [●]

Dear Sirs

Up to $725,000,000 Facility Agreement dated [●] 2021 (the Agreement)

1 I refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.

2 I confirm that:

(a) the aggregate value of the Free Liquid Assets of the Group is $[●], and was at all times in the period for which the financial statements [and managements accounts] attached hereto relate, not less than the higher of: (i) $30,000,000 and the lower of (x) an amount equal to four per cent. of Total Indebtedness on a consolidated basis minus debt in relation to Hilli Episeyo and (y) $50,000,000.

(b) the ratio of EBITDA (including distributable cash in relation to Hilli Episeyo) to Consolidated Debt Service for the previous twelve months has been [●], calculated on a trailing four quarter basis (EBITDA: [●] and Consolidated Debt Service: [●]);

(c) the ratio of Net Debt to EBITDA for the previous twelve months has been [●], on a trailing four quarter basis (Net Debt: [●] and EBITDA: [●]); and

(d) the Company's Consolidated Net Worth is $[●] and was at all times in the period for which the financial statements and management accounts attached hereto relate, greater than $250,000,000.

3 [I confirm that no Default is continuing.] [If this statement cannot be made, the certificate should identify any Default that is continuing and the steps, if any, being taken to remedy it.]

4 [I confirm that the Borrower is in compliance with the provisions of clause 25 (*Minimum security value*) of the Facility Agreement and attach evidence demonstrating such compliance over the last twelve months.]

5 I attach the financial statements and management accounts required to be provided pursuant to clause 19.2 (*Financial statements*) of the Facility Agreement.

Signed by:

Chief Financial Officer

Schedule 8
Permitted Security Interests

Security Interests covered by (b) of the definition of Permitted Security Interests as at the Utilisation Date

A. Existing Security Interests as at the Utilisation Date:

1. In relation to each Ship:

(a) a second mortgage dated on or about the Utilisation Date executed by the relevant Owner of each Ship in favour of Citigroup Global Markets Limited; and

(b) a second assignment deed dated on or about the Utilisation Date executed by the relevant Owner and, where applicable, Bareboat Charterer in favour of Citigroup Global Markets Limited.

2. In relation to the Golar Eskimo:

a) an account security deed dated 25 November 2015 and made between Golar Eskimo Corporation as bareboat charterer and Sea 23 Leasing Co. Limited as owner in relation to certain accounts of the bareboat charterer from time to time;

b) an account pledge agreement dated 26 July 2021 and made between Golar Eskimo Corporation as pledgor and Sea 23 Leasing Co. Limited as pledgee in relation to certain accounts of the pledgor from time to time;

c) an assignment of time charter documents relating to m.v. Golar Eskimo dated 25 November 2015 and made between Golar Eskimo Corporation as bareboat charterer and Sea 23 Leasing Co. Limited as owner;

d) a bareboat charter guarantee dated 4 November 2015 and made between Golar LNG Partners LP. as guarantor and Sea 23 Leasing Co. Limited as owner and seller;

e) a general assignment dated 25 November 2015 and made between Golar Eskimo Corporation as bareboat charterer and Sea 23 Leasing Co. Limited as owner;

f) an insurance undertaking dated 25 November 2015 and made by Golar LNG Partners L.P. in favour of Sea 23 Leasing Co. Limited;

g) a manager’s undertaking dated 25 November 2015 made by Golar Management Ltd in favour of Sea 23 Leasing Co. Limited;

(g) a manager’s undertaking dated 25 November 2015 made by Wilhelmsen Ship Management AS in favour of Sea 23 Leasing Co. Limited;

(h) a manager’s undertaking dated 25 November 2015 made by Wilhelmsen Ship Management (Norway) AS in favour of Sea 23 Leasing Co. Limited; and

(i) a shares security dated 25 November 2015 and made between Golar Partners Operating LLC as shareholder and Sea 23 Leasing Co. Limited as charge in relation to the shares in Golar Eskimo Corporation.

3. In relation to the Hilli Episeyo:

a) a shares security dated 12 July 2018 and made between Golar Hilli LLC as shareholder and Fortune Lianjiang Shipping S.A. as chargee in relation to the shares in Golar Hilli Corporation;

b) a general assignment dated 20 June 2018 and made between Golar Hilli Corporation as bareboat charterer and Fortune Lianjiang Shipping S.A. as owner;

c) a bareboat charter guarantee dated 28 November 2018 and made by Golar LNG Partners LP as guarantor in favour of Standard Chartered Bank;

d) a manager's undertaking dated 20 June 2018 made by Golar Management Norway AS in favour of Fortune Lianjiang Shipping S.A.;

e) a manager's undertaking dated 20 June 2018 made by Golar Management Ltd in favour of Fortune Lianjiang Shipping S.A.;

f) a corporate guarantee dated 29 November 2016 and made by Golar LNG Limited as guarantor in favour of Standard Chartered Bank;

g) an account security deed dated 20 June 2018 and made between Golar Hilli Corporation as bareboat charterer and Fortune Lianjiang Shipping S.A. as owner in relation to certain accounts of the bareboat charterer from time to time; and

h) an account pledge agreement dated [●] 2021 and made between Golar Hilli Corporation as pledgor and Fortune Lianjiang Shipping S.A. as pledgee in relation to certain accounts of the pledgor from time to time.

B. Security to be granted in connection with any refinancing of the Golar Eskimo or the Nusantara Regas Satu pursuant to Clause 28.4:

Any Security Interest in connection with (a) the Golar Eskimo or the Golar Eskimo Lessee or (b) the Nusantara Regas Satu or the Nusantara Regas Satu Owner which is equivalent to the Security Interests in respect of these ships set out in section (A) above.

Schedule 9
Screen Rate Contingency Period

Screen Rate	**Period**
LIBOR	One month

Schedule 10
Compounded Rate Terms

Definitions

Additional Business Days: An RFR Banking Day.

Backstop Rate Switch Date: 31 March 2023 or any other date agreed as such by the Agent, the Lenders and the Borrower.

Break Costs: None.

Business Day Conventions (definition of "Month" and clause 9.3 (*Non-Business Days*)):

(a) If any period is expressed to accrue by reference to a Month or any number of Months then, in respect of the last Month of that period:

(i) subject to paragraph (iii) below, if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;

(ii) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and

(iii) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

(b) If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

(a) The short-term interest rate target set by the US Federal Open Market Committee as published by the Federal Reserve Bank of New York from time to time; or

Central Bank Rate:

(b) if that target is not a single figure, the arithmetic mean of:

(i) the upper bound of the short-term interest rate target range set by the US Federal Open Market Committee and published by the Federal Reserve Bank of New York; and

(ii) the lower bound of that target range,

and shall include any successor rate to, or replacement rate for, that rate which is identified as such in a Compounded Rate Supplement.

Central Bank Rate Adjustment:

In relation to the Central Bank Rate prevailing at close of business on any RFR Banking Day, the 20 per cent trimmed arithmetic mean (calculated by the Agent) of the Central Bank Rate Spread for the 5 most immediately preceding RFR Banking Days for which the RFR is available.

For this purpose the **Central Bank Rate Spread** means, in relation to a RFR Banking Day, the difference expressed as a percentage rate (per annum) calculated by the Agent between (a) the RFR for that RFR Banking Day and (b) the Central Bank Rate prevailing at close of business on that RFR Banking Day.

Credit Adjustment Spread:

The percentage rate per annum specified in the column entitled "Relevant Spread Adjustment" below for each Relevant Tenor, where "Relevant Tenor" is determined as set out below:

Length of Interest Period	**Relevant Tenor**	**Relevant Spread Adjustment (%)**
One Month or less	One Month	0.11448
Three Months or less, but greater than one Month	Three Months	0.26161
Greater than three Months	Six Months	0.42826

or as otherwise agreed by the Agent (acting on the instructions of the Majority Lenders and each acting reasonably and taking into account guidance from a Relevant Nominating Body) and the Borrower.

For this purpose the **Relevant Nominating Body** means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

Daily Rate: The "**Daily Rate**" for any RFR Banking Day is:

(a) the RFR for that RFR Banking Day; or

(b) if the RFR is not available for that RFR Banking Day, the percentage rate per annum which is the aggregate of:

(i) the Central Bank Rate for that RFR Banking Day; and

(ii) the applicable Central Bank Rate Adjustment; or

(c) if paragraph (b) above applies but the Central Bank Rate for that RFR Banking Day is not available, the percentage rate per annum which is the aggregate of:

(i) the most recent Central Bank Rate for a day which is no more than 5 RFR Banking Days before that RFR Banking Day; and

(ii) the applicable Central Bank Rate Adjustment,

rounded, in either case, to four decimal places and if, in either case, the aggregate of that rate and the applicable Credit Adjustment Spread is less than zero, the Daily Rate shall be deemed to be such a rate that the aggregate of the Daily Rate and the Credit Adjustment Spread is zero.

Lookback Period: Five RFR Banking Days.

Market Disruption Rate: None.

Relevant Market: The market for overnight cash borrowing collateralised by US Government securities.

Reporting Day:	The Business Day which follows the day which is the Lookback Period prior to the last day of the Interest Period.
RFR:	The secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).
RFR Banking Day:	Any day other than: (a) a Saturday or Sunday; and (b) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.
RFR Contingency Period	Five Business Days

Interest Periods

Length of Interest Period in absence of selection (clause 9.1(c) (*Selection of Interest Periods*)):	Three Months.
Periods capable of selection as Interest Periods (clause 9.1(d) (*Selection of Interest Periods*)):	At any time prior to Completion, three or six Months.

Schedule 11
Daily Non-Cumulative Compounded RFR Rate

The "**Daily Non-Cumulative Compounded RFR Rate**" for any RFR Banking Day "**i**" during an Interest Period for a Compounded Rate Loan is the percentage rate per annum (without rounding, to the extent reasonably practicable for the Agent, taking into account the capabilities of any software used for that purpose) calculated as set out below:

$$(UCCDR_i - UCCDR_{i-1}) \times \frac{dcc}{n_i}$$

where:

"**$UCCDR_i$**" means the Unannualised Cumulative Compounded Daily Rate for that RFR Banking Day "**i**";

"**$UCCDR_{i-1}$**" means, in relation to that RFR Banking Day "**i**", the Unannualised Cumulative Compounded Daily Rate for the immediately preceding RFR Banking Day (if any) during that Interest Period;

"**dcc**" means 360 or, in any case where market practice in the Relevant Market is to use a different number for quoting the number of days in a year, that number;

"**n_i**" means the number of calendar days from, and including, that RFR Banking Day "**i**" up to, but excluding, the following RFR Banking Day; and

the "**Unannualised Cumulative Compounded Daily Rate**" for any RFR Banking Day (the "**Cumulated RFR Banking Day**") during that Interest Period is the result of the below calculation (without rounding, to the extent reasonably practicable for the Agent, taking into account the capabilities of any software used for that purpose):

$$ACCDR \times \frac{tn_i}{dcc}$$

where:

"**ACCDR**" means the Annualised Cumulative Compounded Daily Rate for that Cumulated RFR Banking Day;

"**tn_i**" means the number of calendar days from, and including, the first day of the Cumulation Period to, but excluding, the RFR Banking Day which immediately follows the last day of the Cumulation Period;

"**Cumulation Period**" means the period from, and including, the first RFR Banking Day of that Interest Period to, and including, that Cumulated RFR Banking Day;

"**dcc**" has the meaning given to that term above; and

the "**Annualised Cumulative Compounded Daily Rate**" for that Cumulated RFR Banking Day is the percentage rate per annum (rounded to 4 decimal places) calculated as set out below:

$$\left[\prod_{i=1}^{d_0}\left(1 + \frac{DailyRate_{i-LP} \times n_i}{dcc}\right) - 1\right] \times \frac{dcc}{tn_i}$$

where:

"**d_0**" means the number of RFR Banking Days in the Cumulation Period;

"**Cumulation Period**" has the meaning given to that term above;

"**i**" means a series of whole numbers from one to d_0, each representing the relevant RFR Banking Day in chronological order in the Cumulation Period; and

"**$DailyRate_{i\text{-}LP}$**" means, for any RFR Banking Day "**i**" in the Cumulation Period, the Daily Rate for the RFR Banking Day which is the applicable Lookback Period prior to that RFR Banking Day "**i**".

"**n_i**" means, for any RFR Banking Day "**i**" in the Cumulation Period, the number of calendar days from, and including, that RFR Banking Day "**i**" up to, but excluding, the following RFR Banking Day;

"**dcc**" has the meaning given to that term above; and

"**tn_i**" has the meaning given to that term above.

Schedule 12
Form of Accession Letter – Additional Guarantor

To: [●] as Agent

From: Golar Eskimo Corporation as **Additional Guarantor**

Dated: [●]

Dear Sirs

Up to $725,000,000 Facility Agreement dated [●] 2021 (the Agreement)

1 We refer to the Agreement. This is an Accession Letter. Terms defined in the Agreement have the same meaning in this Accession Letter unless given a different meaning in this Accession Letter.

2 Golar Eskimo Corporation agrees to become the Additional Guarantor and to be bound by the terms of the Agreement as the Additional Guarantor pursuant to clause 34.2 (*Additional Guarantor*) of the Agreement.

3 Golar Eskimo Corporation is a limited liability company duly formed under the laws of the Marshall Islands.

4 Golar Eskimo Corporation's administrative details are as set out in Schedule 13 to the Agreement.

5 Golar Eskimo Corporation intends to give a guarantee and indemnity under the terms of clause 17 (*Guarantee and indemnity*) of the Agreement.

6 This Accession Letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

7 This Accession Letter is entered into as a deed.

EXECUTED as a **DEED**)
for and on behalf of)
GOLAR ESKIMO CORPORATION) _____
under a power of attorney dated [●] Attorney-in-fact
in the presence of:)

_____
Witness
Name:
Address:
Occupation:

Schedule 13
Additional Guarantor and Ship H

The Additional Guarantor

Name:	Golar Eskimo Corporation
Original Jurisdiction	Marshall Islands
Registration number (or equivalent, if any)	60998
English process agent (if not incorporated in England)	Golar Management Ltd
Registered office	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960
Address for service of notices	6th Floor, The Zig Zag, 70 Victoria Street, London, SW1E 6SQ, England

Ship H

Name of Ship:	Golar Eskimo
Capacity:	160,000 cbm
Year built:	2014
Type of Ship:	Floating storage and regasification vessel
Owner:	Golar Eskimo Corporation
Flag State:	Marshall Islands
Port of Registry:	Majuro
IMO Number:	9624940
Time Charter description:	The FSRU Lease Agreement entered into in 2013 between The Government of the Hashemite Kingdom of Jordan, represented by the Ministry of Energy and Mineral Resources of the Hashemite Kingdom of Jordan and Golar Eskimo Corporation
Time Charterer:	The Government of the Hashemite Kingdom of Jordan, represented by the Ministry of Energy and Mineral Resources of the Hashemite Kingdom of Jordan
Classification:	✠ 1A1 Tanker for liquefied gas BIS Clean COAT-PSPC(B) COMF (C-3, V-2) CSA(2) E0 Gas fuelled NAUT(OC) NAUTICUS(Newbuilding) Recylcable REGAS(2) TMON
Classification Society:	DNVGL
Major Casualty Amount:	$10,000,000

Schedule 14
Form of Increase Confirmation

To: [●] as Agent, and

From: the [Accordion] Lender[s] (the [**Accordion**] **Lender[s]**) and the Borrower

Dated: [●]

Dear Sirs

Up to $725,000,000 Facility Agreement dated [●] 2021 (the Agreement)

1 We refer to the Agreement. This is an Increase Confirmation. Terms defined in the Agreement have the same meaning in this Increase Confirmation unless given a different meaning in this Increase Confirmation.

2 We refer to clause [2.3 (*Ship H*)][clause 2.4 (*Additional Advances*)] of the Agreement.

3 The [Accordion] Lender[s] agree[s] to assume and will assume all of the obligations corresponding to the Commitment specified in the Schedule (the **Relevant Commitment**) [as if it was an Original Lender under the Agreement].

4 The proposed date on which the increase in relation to the [Accordion] Lender[s] and the Relevant Commitment is to take effect (the **Increase Date**) is [●].

5 [On the Increase Date, the Accordion Lender[s] become[s] a party to the relevant Finance Documents as a Lender.]

6 The repayment instalments for the purposes of clause 6.2(a) of the Agreement shall be:

Repayment Date	**Amount ($)**
First to Twelfth	[●]

7 [The Facility Office and address and attention details for notices to the Accordion Lender for the purposes of clause 41.2 (*Addresses*) are set out in the Schedule.]

8 This Increase Confirmation may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Increase Confirmation.

9 This Increase Confirmation and any non-contractual obligations arising out of or in connection with it are governed by English law.

10 This Increase Confirmation has been entered into on the date stated at the beginning of this Increase Confirmation.

The Borrower

GOLAR PARTNERS OPERATING LLC

By:

Name:

Title:

[Lender/Accordion Lender]

[*Insert name of Lender/Accordion Lender*]

By:

Name:

Title:

Signatures

The Borrower

GOLAR PARTNERS OPERATING LLC

By: /s/ Cameron MacDougall

Name: Cameron MacDougall

Title: Attorney in fact

The Parent

GOLAR LNG PARTNERS LP

By: /s/ Cameron MacDougall

Name: Cameron MacDougall

Title: Attorney in fact

The Guarantors

GOLAR LNG PARTNERS LP

By: /s/ Cameron MacDougall

Name: Cameron MacDougall

Title: Attorney in fact

GOLAR LNG HOLDING CO.

By: /s/ Cameron MacDougall

Name: Cameron MacDougall

Title: Attorney in fact

GOLAR FREEZE HOLDING CO.

By: /s/ Cameron MacDougall

Name: Cameron MacDougall

Title: Attorney in fact

GOLAR HULL M2024 CORPORATION

By: /s/ Cameron MacDougall

Name: Cameron MacDougall

Title: Attorney in fact

GOLAR GRAND CORPORATION

By: /s/ Cameron MacDougall

Name: Cameron MacDougall

Title: Attorney in fact

GOLAR 2226 UK LIMITED

By: /s/ Cameron MacDougall

Name: Cameron MacDougall

Title: Attorney in fact

GOLAR HULL M2031 CORP.

By: /s/ Cameron MacDougall

Name: Cameron MacDougall

Title: Attorney in fact

GOLAR LNG 2234 LLC

By: /s/ Cameron MacDougall

Name: Cameron MacDougall

Title: Attorney in fact

GOLAR SPIRIT CORPORATION

By: /s/ Cameron MacDougall

Name: Cameron MacDougall

Title: Attorney in fact

GOLAR SPIRIT UK LTD.

By: /s/ Cameron MacDougall

Name: Cameron MacDougall

Title: Attorney in fact

GOLAR WINTER CORPORATION

By: /s/ Cameron MacDougall

Name: Cameron MacDougall

Title: Attorney in fact

GOLAR WINTER UK LTD.

By: /s/ Cameron MacDougall

Name: Cameron MacDougall

Title: Attorney in fact

GOLAR LNG 2215 CORPORATION

By: /s/ Cameron MacDougall

Name: Cameron MacDougall

Title: Attorney in fact

GOLAR 2215 UK LTD.

By: /s/ Cameron MacDougall

Name: Cameron MacDougall

Title: Attorney in fact

The Mandated Lead Arrangers

CITIGROUP GLOBAL MARKETS LIMITED

By: /s/ Andrew Mason

Name: Andrew Mason

Title: Director

MORGAN STANLEY SENIOR FUNDING, INC.

By: /s/ Maya Venkatraman

Name: Maya Venkatraman

Title: Authorized Signatory

HSBC BANK USA, N.A.

By: /s/ James Edmons

Name: James Edmons

Title: Director

The Arranger

GOLDMAN SACHS BANK USA

By: /s/ Jacob Elder

Name: Jacob Elder

Title: Authorized Signatory

The Bookrunners

CITIGROUP GLOBAL MARKETS LIMITED

By: /s/ Andrew Mason

Name: Andrew Mason

Title: Director

MORGAN STANLEY SENIOR FUNDING, INC.

By: /s/ Maya Venkatraman

Name: Maya Venkatraman

Title: Authorized Signatory

The Co-ordinators

CITIGROUP GLOBAL MARKETS LIMITED

By: /s/ Andrew Mason

Name: Andrew Mason

Title: Director

MORGAN STANLEY SENIOR FUNDING, INC.

By: /s/ Maya Venkatraman

Name: Maya Venkatraman

Title: Authorized Signatory

The Agent

CITIBANK EUROPE PLC, UK BRANCH

By: /s/ Gary Brine

Name: Gary Brine

Title: Vice President

The Security Agent

CITIBANK N.A., LONDON BRANCH

By: /s/ Vanessa Evans

Name: Vanessa Evans

Title: Vice President

The Lenders

CITIBANK, N.A.

By: /s/ Andrew Mason

Name: Andrew Mason

Title: Director

MORGAN STANLEY SENIOR FUNDING, INC.

By: /s/ Maya Venkatraman

Name: Maya Venkatraman

Title: Authorized Signatory

HSBC BANK USA, N.A.

By: /s/ James Edmons

Name: James Edmons

Title: Director

GOLDMAN SACHS BANK USA

By: /s/ Jacob Elder

Name: Jacob Elder

Title: Authorized Signatory

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Wesley R. Edens, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q (the "report") of New Fortress Energy Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2021

By: /s/ Wesley R. Edens
Wesley R. Edens
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Christopher S. Guinta, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q (the "report") of New Fortress Energy Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2021

By: /s/ Christopher S. Guinta
Christopher S. Guinta
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION OF
CHIEF EXECUTIVE OFFICER UNDER SECTION 906
OF THE SARBANES OXLEY ACT OF 2002, 18 U.S.C. § 1350

In connection with the Quarterly Report on Form 10-Q of New Fortress Energy Inc. (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Wesley R. Edens, Chief Executive Officer of the Company, certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 3, 2021

By: /s/ Wesley R. Edens
Wesley R. Edens
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 32.2

CERTIFICATION OF
CHIEF FINANCIAL OFFICER UNDER SECTION 906
OF THE SARBANES OXLEY ACT OF 2002, 18 U.S.C. § 1350

In connection with the Quarterly Report on Form 10-Q of New Fortress Energy Inc. (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Christopher S. Guinta, Chief Financial Officer of the Company, certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 3, 2021

By: /s/ Christopher S. Guinta
Christopher S. Guinta
Chief Financial Officer
(Principal Financial Officer)