UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2022

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 x 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 x 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 x	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 x

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 May 2, 2022, the registrant had 207,556,249 shares of Class A common stock outstanding.

TABLE OF CONTENTS

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:

ADO	automotive diesel oil
Bcf/yr	billion cubic feet per year
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
DOT	U.S. Department of Transportation
EPA	U.S. Environmental Protection Agency
FTA countries	countries with which the United States has a free trade agreement providing for national treatment for trade in natural gas
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
mtpa	metric tons per year
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;
- the results of our subsidiaries, affiliates, joint ventures and special purpose entities in which we invest and their ability to make dividends or distributions to us;
- construction and operational risks related to our facilities and assets, including cost overruns and delays;
- complex regulatory and legal environments related to our business, assets and operations, including actions by governmental entities or changes to regulation or legislation, in particular related to our permits, approvals and authorizations for the construction and operation of our facilities;
- delays or failure to obtain and maintain approvals and permits from governmental and regulatory agencies;
- failure to maintain sufficient working capital for the development and operation of our business and assets;
- failure to obtain a return on our investments for the development of our projects and assets and the implementation of our business strategy;
- failure to convert our customer pipeline into actual sales;
- lack of asset, geographic or customer diversification, including loss of one or more of our customers;
- competition from third parties in our business;
- failure of LNG or natural gas to be a competitive source of energy in the markets in which we operate, and seek to operate;
- cyclical or other changes in the demand for and price of LNG and natural gas;
- inability to procure LNG at necessary quantities or at favorable prices to meet customer demand, or otherwise to manage LNG supply and price risks, including hedging arrangements;
- inability to successfully develop and implement our technological solutions;
- inability to service our debt and comply with our covenant restrictions;
- inability to obtain additional financing to effect our strategy;
- inability to successfully complete mergers, sales, divestments or similar transactions related to our businesses or assets or to integrate such businesses or assets and realize the anticipated benefits, including with respect to the Mergers;
- economic, political, social and other risks related to the jurisdictions in which we do, or seek to do, business;
- weather events or other natural or manmade disasters or phenomena;
- the extent of the global COVID-19 pandemic or any other major health and safety incident;
- increased labor costs, disputes or strikes, and the unavailability of skilled workers or our failure to attract and retain qualified personnel;
- the tax treatment of, or changes in tax laws applicable to, us or our business or of an investment in our Class A shares; 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, 2021 (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 March 31, 2022 and December 31, 2021
(Unaudited, in thousands of U.S. dollars, except share amounts)

	March 31, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	$ 156,173	$ 187,509
Restricted cash	74,873	68,561
Receivables, net of allowances of $164 and $164, respectively	238,614	208,499
Inventory	54,273	37,182
Prepaid expenses and other current assets, net	82,392	83,115
Total current assets	606,325	584,866
Restricted cash	7,960	7,960
Construction in progress	1,238,313	1,043,883
Property, plant and equipment, net	2,160,025	2,137,936
Equity method investments	1,327,444	1,182,013
Right-of-use assets	419,819	309,663
Intangible assets, net	135,650	142,944
Finance leases, net	601,953	602,675
Goodwill	760,135	760,135
Deferred tax assets, net	6,048	5,999
Other non-current assets, net	102,136	98,418
Total assets	$ 7,365,808	$ 6,876,492
Liabilities		
Current liabilities		
Current portion of long-term debt	$ 100,666	$ 97,251
Accounts payable	81,126	68,085
Accrued liabilities	252,859	244,025
Current lease liabilities	60,552	47,114
Other current liabilities	83,128	106,036
Total current liabilities	578,331	562,511
Long-term debt	3,836,610	3,757,879
Non-current lease liabilities	336,399	234,060
Deferred tax liabilities, net	239,060	269,513
Other long-term liabilities	57,503	58,475
Total liabilities	5,047,903	4,882,438
Commitments and contingencies (Note 21)		
Stockholders' equity		
Class A common stock, $0.01 par value, 750.0 million shares authorized, 207.5 million issued and outstanding as of March 31, 2022; 206.9 million issued and outstanding as of December 31, 2021	2,076	2,069
Additional paid-in capital	1,888,842	1,923,990
Retained earnings (accumulated deficit)	105,870	(132,399)
Accumulated other comprehensive income (loss)	116,789	(2,085)
Total stockholders' equity attributable to NFE	2,113,577	1,791,575
Non-controlling interest	204,328	202,479
Total stockholders' equity	2,317,905	1,994,054
Total liabilities and stockholders' equity	$ 7,365,808	$ 6,876,492

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

New Fortress Energy Inc.
Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)
For the three months ended March 31, 2022 and 2021
(Unaudited, in thousands of U.S. dollars, except share and per share amounts)

	Three Months Ended March 31,	
	2022	**2021**
Revenues		
Operating revenue	$ 400,075	$ 91,196
Vessel charter revenue	92,420	—
Other revenue	12,623	54,488
Total revenues	505,118	145,684
Operating expenses		
Cost of sales	208,298	96,671
Vessel operating expenses	22,964	—
Operations and maintenance	23,168	16,252
Selling, general and administrative	48,041	33,617
Transaction and integration costs	1,901	11,564
Depreciation and amortization	34,290	9,890
Total operating expenses	338,662	167,994
Operating income (loss)	166,456	(22,310)
Interest expense	44,916	18,680
Other (income), net	(19,725)	(604)
Net income (loss) before income from equity method investments and income taxes	141,265	(40,386)
Income from equity method investments	50,235	—
Tax benefit	(49,681)	(877)
Net income (loss)	241,181	(39,509)
Net (income) loss attributable to non-controlling interest	(2,912)	1,606
Net income (loss) attributable to stockholders	$ 238,269	$ (37,903)
Net income (loss) per share – basic	$ 1.14	$ (0.21)
Net income (loss) per share – diluted	$ 1.13	$ (0.21)
Weighted average number of shares outstanding – basic	209,928,070	176,500,576
Weighted average number of shares outstanding – diluted	210,082,295	176,500,576
Other comprehensive income (loss):		
Net income (loss)	$ 241,181	$ (39,509)
Currency translation adjustment	120,830	(997)
Comprehensive income (loss)	362,011	(40,506)
Comprehensive (income) loss attributable to non-controlling interest	(4,868)	2,480
Comprehensive income (loss) attributable to stockholders	$ 357,143	$ (38,026)

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 months ended March 31, 2022 and 2021
(Unaudited, in thousands of U.S. dollars, except share amounts)

	Class A common stock		Additional paid-in capital	Retained earnings (accumulated deficit)	Accumulated other comprehensive (loss) income	Non-controlling interest	Total stockholders' equity
	Shares	Amount					
Balance as of December 31, 2021	206,863,242	$ 2,069	$ 1,923,990	$ (132,399)	$ (2,085)	$ 202,479	$ 1,994,054
Net income	—	—	—	238,269	—	2,912	241,181
Other comprehensive income	—	—	—	—	118,874	1,956	120,830
Share-based compensation expense	—	—	880	—	—	—	880
Issuance of shares for vested RSUs	1,121,255	7	—	—	—	—	7
Shares withheld from employees related to share-based compensation, at cost	(442,146)	—	(15,274)	—	—	—	(15,274)
Dividends	—	—	(20,754)	—	—	(3,019)	(23,773)
Balance as of March 31, 2022	207,542,351	$ 2,076	$ 1,888,842	$ 105,870	$ 116,789	$ 204,328	$ 2,317,905

	Class A common stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive (loss) income	Non-controlling interest	Total stockholders' equity
	Shares	Amount					
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

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 three months ended March 31, 2022 and 2021
(Unaudited, in thousands of U.S. dollars)

	Three Months Ended March 31,	
	2022	2021
Cash flows from operating activities		
Net income (loss)	$ 241,181	$ (39,509)
Adjustments for:		
Amortization of deferred financing costs and debt guarantee, net	3,424	400
Depreciation and amortization	34,852	10,160
(Earnings) of equity method investees	(50,235)	—
Drydocking expenditure	(2,454)	—
Dividends received from equity method investees	7,609	—
Change in market value of derivatives	(24,855)	—
Deferred taxes	(58,769)	(1,412)
Share-based compensation	880	1,770
Other	997	393
Changes in operating assets and liabilities, net of acquisitions:		
(Increase) in receivables	(58,462)	(19,223)
(Increase) in inventories	(18,617)	(5,171)
(Increase) in other assets	(15,440)	(36,943)
Decrease in right-of-use assets	17,016	9,772
Increase (Decrease) in accounts payable/accrued liabilities	68,520	(22,399)
Increase in amounts due to affiliates	2,035	1,879
(Decrease) in lease liabilities	(11,773)	(10,584)
(Decrease) in other liabilities	(21,527)	(1,119)
Net cash provided by (used in) operating activities	114,382	(111,986)
Cash flows from investing activities		
Capital expenditures	(189,221)	(80,810)
Entities acquired in asset acquisitions, net of cash acquired	—	(8,817)
Other investing activities	—	(630)
Net cash (used in) investing activities	(189,221)	(90,257)
Cash flows from financing activities		
Proceeds from borrowings of debt	200,836	—
Payment of deferred financing costs	(3,504)	(670)
Repayment of debt	(123,669)	—
Payments related to tax withholdings for share-based compensation	(13,054)	(29,564)
Payment of dividends	(23,773)	(17,657)
Net cash provided by (used in) financing activities	36,836	(47,891)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	12,979	—
Net (decrease) in cash, cash equivalents and restricted cash	(25,024)	(250,134)
Cash, cash equivalents and restricted cash – beginning of period	264,030	629,336
Cash, cash equivalents and restricted cash – end of period	$ 239,006	$ 379,202
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	$ 19,838	$ 26,311
Liabilities associated with consideration paid for entities acquired in asset acquisitions	—	11,845

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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 energy infrastructure company founded to help address energy poverty and accelerate the world’s transition to reliable, affordable and clean energy. The Company owns and operates natural gas and liquefied natural gas ("LNG") infrastructure and an integrated fleet of ships and logistics assets to rapidly deliver turnkey energy solutions to global markets. 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.” As a result of the Hygo Merger, the Company acquired a 50% interest in a 1.5GW power plant in Sergipe, Brazil (the “Sergipe Power Plant”) and its operating FSRU terminal in Sergipe, Brazil (the “Sergipe Facility”), as well as a terminal and power plant under development in the State of Pará, Brazil (the “Barcarena Facility” and "Barcarena Power Plant," respectively), a terminal under development on the southern coast of Brazil (the “Santa Catarina Facility”) and the *Nanook*, a newbuild FSRU moored and in service at the Sergipe Facility. As a result of the Mergers, 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”), each of which are expected to help support the Company’s existing facilities and international project pipeline. Acquired FSRUs are operating in Brazil, Kuwait, Indonesia 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. Basis of presentation

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, 2021. Certain prior year amounts have been reclassified to confirm to current year presentation.

The preparation of consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions, impacting the reported amounts of assets and liabilities, net earnings and disclosures of contingent assets and liabilities as of the date of the consolidated financial statements. Actual results could be different from these estimates.

3. Adoption of new and revised standards

(a) New standards, amendments and interpretations issued but not effective for the year beginning January 1, 2022:

The Company has reviewed recently issued accounting pronouncements and concluded that such pronouncements are either not applicable to the Company or no material impact is expected in the consolidated financial statements as a result of future adoption.

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

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 adoption of this guidance in the first quarter of 2022 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 expanded 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 determined it was the accounting acquirer of Hygo, which was accounted for under the acquisition method of accounting for business combinations. The total purchase price of the transaction was 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, including determining the appropriate assumptions and estimates. As of March 31, 2022, the allocation of the purchase price is preliminary due to the finalization of the evaluation of tax related matters. The purchase price allocation will be finalized once such matters have been resolved. Accordingly, the fair value estimates presented below relating to this item is subject to change within the measurement period not to exceed one year from the date of acquisition. 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
Construction in process	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	40,414
Net assets acquired:	1,236,587
Goodwill	$ 744,197

The fair value of Hygo's non-controlling interest ("NCI") as of April 15, 2021 was $40,414, including the fair value of the net assets of VIEs that Hygo has consolidated. These VIEs are SPVs (both defined below) 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 was $8,009, which approximated the gross contractual amount; no material amounts were expected to be uncollectible.

Goodwill was 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 workforce that will allow the Company to rapidly develop and deploy LNG to power solutions. While the goodwill is not deductible for local tax purposes, it is treated as an amortizable expense for the U.S. global intangible low-taxed income ("GILTI") computation.

The Company's results of operations for the three months ended March 31, 2022 include Hygo's result of operations for the entire quarter. Revenue and net income attributable to Hygo during the period was $21,962 and $120,698, 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 GMLP Merger, the Company acquired 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 determined it is the accounting acquirer of GMLP, which was accounted for under the acquisition method of accounting for business combinations. The total purchase price of the transaction was 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, including determining the appropriate assumptions and estimates. As of March 31, 2022, the allocation of the purchase price is preliminary due to the finalization of the evaluation of tax related matters. The purchase price allocation will be finalized once such matters have been resolved. Accordingly, the fair value estimates presented below relating to this item is subject to change within the measurement period not to exceed one year from the date of acquisition. 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		106,500
Deferred tax assets, net		963
Other non-current assets		4,400
Total assets acquired:	$	1,604,990
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		14,907
Other non-current liabilities		10,630
Total liabilities assumed:		277,629
Non-controlling interest		196,156
Net assets to be acquired:		1,131,205
Goodwill	$	15,938

The fair value of GMLP's NCI as of April 15, 2021 was $196,156, 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 was $4,797, which approximated the gross contractual amount; no material amounts were 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 was $106,500 and the fair value of the unfavorable contracts was $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 were 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 three months ended March 31, 2022 include GMLP's result of operations for the entire quarter. Revenue and net income (loss) attributable to GMLP during the period was $73,041 and $55,738, respectively.

Asset acquisitions

On January 12, 2021, the Company acquired 100% of the outstanding shares of CH4 Energia Ltda. (“CH4”), an entity that owns key permits and authorizations to develop an LNG terminal and an up to 1.37GW 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 long-term 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.

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 included 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 long-term 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.

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, one of which was terminated in 2021. As part of these financings, the vessel was sold to a single asset entity wholly owned by the lending bank (a special purpose vehicle or "SPV") and then leased back. While the Company does not hold an equity investment in these lending entities, these entities are variable interest entities ("VIEs"), and the Company has a variable interest in these lending 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. Therefore, the Company consolidates these lending entities; as NFE has no equity interest in these VIEs, all equity attributable to these VIEs is included in non-controlling interest in the consolidated financial statements. Transactions between NFE's wholly-owned subsidiaries and these VIEs are eliminated in consolidation, including sale leaseback transactions.

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.

As of March 31, 2022, the *Penguin* and *Celsius* were 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 March 31, 2022:

Vessel	End of lease term	Date of next repurchase option	Repurchase price at next repurchase option date	Repurchase obligation at end of lease term
Nanook	September 2030	June 2022	$ 196,083	$ 94,179
Penguin	December 2025	December 2022	84,668	63,040
Celsius	March 2027	March 2023	86,456	45,000

A summary of payment obligations under the bareboat charters with the lessor VIEs as of March 31, 2022, are shown below:

Vessel	Remaining 2022	2023	2024	2025	2026	2027+
Nanook	$ 17,521	$ 22,686	$ 22,004	$ 21,266	$ 20,556	$ 70,788
Penguin	9,812	12,694	12,203	8,852	—	—
Celsius	12,627	16,195	15,508	14,794	13,308	—

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 March 31, 2022 are as follows:

	Nanook	Penguin	Celsius
Assets			
Restricted cash	$ 9,541	$ 5,690	$ 26,713
Liabilities			
Long-term interest bearing debt - current portion	$ —	$ 18,850	$ 5,799
Long-term interest bearing debt - non-current portion	187,385	68,875	105,460

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 $2,014 for the three months ended March 31, 2022.

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 $4,312 for the three months ended March 31, 2022.

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 March 31, 2022 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 $372,450 and the outstanding portion of the Hilli Leaseback (defined below) which have been guaranteed by the Company.

PT Golar Indonesia (“PTGI”)

The Company acquired all of the voting stock and controls all of the economic interests in PTGI pursuant to a shareholders’ agreement with the other shareholder of PTGI, PT Pesona Sentra Utama (“PT Pesona”), as part of the acquisition of GMLP. PT Pesona holds the remaining 51% interest in the issued share capital of PTGI and provides agency and local representation services for the Company with respect to *NR Satu*. PTGI is the owner and operator of *NR Satu*. The Company determined that PTGI is a VIE, and the Company is the primary beneficiary of PTGI. Thus, PTGI has been consolidated into the financial statements.

Trade creditors of PTGI have no recourse to the Company's general credit. PTGI paid no dividends to PT Persona during the period after the Mergers.

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, and the sale of LNG cargos. Included in operating revenue is revenue from LNG cargo sales of $285,171 for the three months ended March 31, 2022. The Company had no such sales in the first quarter of 2021. Other revenue includes revenue for development services as well as interest income from the Company’s finance leases and other revenue.

Under most customer contracts, invoicing occurs once the Company’s performance obligations have been satisfied, at which point payment is unconditional. As of March 31, 2022 and December 31, 2021, receivables related to revenue from contracts with customers totaled $213,476 and $192,533, respectively, and were included in Receivables, net on the condensed consolidated balance sheets, net of current expected credit losses of $164 and $164, 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 March 31, 2022 and December 31, 2021 are detailed below:

	March 31, 2022	December 31, 2021
Contract assets, net - current	$ 7,613	$ 7,462
Contract assets, net - non-current	34,738	36,757
Total contract assets, net	$ 42,351	$ 44,219
Contract liabilities	$ 10,915	$ 2,951
Revenue recognized in the year from:		
Amounts included in contract liabilities at the beginning of the year	$ 560	$ 8,028

Contract assets are presented net of expected credit losses of $442 and $442 as of March 31, 2022 and December 31, 2021, respectively. As of March 31, 2022 and December 31, 2021, contract assets was comprised of $42,045 and $43,839 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 March 31, 2022, the Company has capitalized $10,830 of which $604 of these costs is presented within Other current assets and $10,226 is presented within Other non-current assets on the condensed consolidated balance sheets. As of December 31, 2021, the Company had capitalized $10,981, of which $604 of these costs was presented within Other current assets and $10,377 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 2022	$ 207,152
2023	520,335
2024	516,660
2025	507,868
2026	505,729
Thereafter	8,141,219
Total	$ 10,398,963

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:

	March 31, 2022	December 31, 2021
Property, plant and equipment	$ 1,275,195	$ 1,274,234
Accumulated depreciation	(43,887)	(31,849)
Property, plant and equipment, net	$ 1,231,308	$ 1,242,385

The components of lease income from vessel operating leases for the three months ended March 31, 2022 were as follows:

	Three Months Ended March 31, 2022
Operating lease income	$ 80,222
Variable lease income	10,564
Total operating lease income	$ 90,786

The Company's charter of the *Nanook* to CELSE (defined below) 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 $11,581 for the three months ended March 31, 2022 related to the finance lease of the *Nanook* included within Other revenue in the condensed consolidated statements of operations and comprehensive income (loss). The Company recognized revenue of $1,634 for the three months ended March 31, 2022 related to the operation and services agreement within Vessel charter revenue in the condensed consolidated statements of operations and comprehensive income (loss).

As of March 31, 2022, there were outstanding balances due from CELSE of $6,911, of which $4,388 is recognized in Receivables, net and a loan to CELSE of $2,523 is recognized in Prepaid expenses and other current assets, net on the condensed consolidated balance sheets. As of December 31, 2021, there were outstanding balances due from CELSE of $6,428 of which $4,371 was recognized in Receivables, net and a loan to CELSE of $2,057 was 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 March 31, 2022, for the remainder of 2022 through 2026 and thereafter:

	Future cash receipts	
	Financing Leases	Operating Leases
Remainder of 2022	$ 37,740	$ 209,621
2023	50,616	147,375
2024	51,442	104,148
2025	51,876	25,961
2026	52,147	—
Thereafter	1,051,956	—
Total minimum lease receivable	$ 1,295,777	$ 487,105
Unguaranteed residual value	107,000	
Gross investment in sales-type lease	$ 1,402,777	
Less: Unearned interest income	795,356	
Less: Current expected credit losses	1,551	
Net investment in leased asset	$ 605,870	
Current portion of net investment in leased asset	$ 3,917	
Non-current portion of net investment in leased asset	601,953	

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 right-of-use 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 right-of-use 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 March 31, 2022 and December 31, 2021, right-of-use assets, current lease liabilities and non-current lease liabilities consisted of the following:

	March 31, 2022	December 31, 2021
Operating right-of-use-assets	$ 396,688	$ 285,751
Finance right-of-use-assets	23,131	23,912
Total right-of-use assets	$ 419,819	$ 309,663
Current lease liabilities:		
Operating lease liabilities	$ 56,616	$ 43,395
Finance lease liabilities	3,936	3,719
Total current lease liabilities	$ 60,552	$ 47,114
Non-current lease liabilities:		
Operating lease liabilities	$ 322,416	$ 219,189
Finance lease liabilities	13,983	14,871
Total non-current lease liabilities	$ 336,399	$ 234,060

For the three months ended March 31, 2022 and 2021, the Company's operating lease cost recorded within the condensed consolidated statements of operations and comprehensive income (loss) were as follows:

	Three Months Ended March 31,	
	2022	2021
Fixed lease cost	$ 18,500	$ 11,745
Variable lease cost	470	693
Short-term lease cost	4,225	722
Lease cost - Cost of sales	$ 20,903	$ 11,036
Lease cost - Operations and maintenance	765	557
Lease cost - Selling, general and administrative	1,527	1,567

For the three months ended March 31, 2022 and 2021, the Company has capitalized $8,242 and $1,199 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 months ended March 31, 2022, the Company recognized interest expense related to finance leases of $229 which is included within Interest expense, net in the condensed consolidated statements of operations and comprehensive income (loss). For the three months ended March 31, 2022, the Company recognized amortization of the right-of-use asset related to finance leases of $379 which are included within Depreciation and amortization in the condensed consolidated statements of operations and comprehensive income (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 three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,	
	2022	2021
Operating cash outflows for operating lease liabilities	$ 27,122	$ 12,660
Financing cash outflows for finance lease liabilities	1,308	—
Right-of-use assets obtained in exchange for new operating lease liabilities	127,451	—

The future payments due under operating and finance leases as of March 31, 2022 are as follows:

	Operating Leases	Financing Leases
Due remainder of 2022	$ 66,326	$ 3,607
2023	72,928	4,362
2024	66,582	4,381
2025	58,126	4,381
2026	50,123	2,625
Thereafter	233,102	1,029
Total Lease Payments	$ 547,187	$ 20,385
Less: effects of discounting	168,155	2,466
Present value of lease liabilities	$ 379,032	$ 17,919
Current lease liability	$ 56,616	$ 3,936
Non-current lease liability	322,416	13,983

As of March 31, 2022, the weighted-average remaining lease term for operating leases was 8.6 years and finance leases was 4.9 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 March 31, 2022 and December 31, 2021 was 8.4% and 8.7%, respectively. The weighted average discount rate associated with finance leases as of March 31, 2022 and December 31, 2021 was 5.1% and 5.1%, respectively.

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 support repayment 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 March 31, 2022:

Instrument	Notional Amount (in thousands)		Maturity Dates	Fixed Interest Rate	Forward Foreign Exchange Rate
Interest rate swap: Receiving floating, pay fixed	$	348,000	March 31, 2026	2.86%	N/A
Cross currency interest rate swap - Debenture Loan, due 2024	BRL	198,600	September 2024	5.90%	5.424

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

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 March 31, 2022 and December 31, 2021:

	Fair Value Hierarchy	March 31, 2022 Carrying Value	March 31, 2022 Fair Value	December 31, 2021 Carrying Value	December 31, 2021 Fair Value	Valuation Technique
Non-Derivatives:						
Cash and cash equivalents	Level 1	$ 156,173	$ 156,173	$ 187,509	$ 187,509	Market approach
Restricted cash	Level 1	82,833	82,833	76,521	76,521	Market approach
Investment in equity securities	Level 1	11,003	11,003	11,195	11,195	Market approach
Investment in equity securities	Level 3	7,678	7,678	7,678	7,678	Market approach
Long-term debt[(1)]	Level 2	3,977,615	3,968,695	3,895,255	3,910,425	Market approach
Derivatives:						
Derivative liability[(2)(3)]	Level 3	30,331	30,331	30,686	30,686	Income approach
Equity agreement[(3)(4)]	Level 3	20,083	20,083	18,163	18,163	Income approach
Cross-currency interest rate swap asset [(5)(7)]	Level 2	5,115	5,115	—	—	Income approach
Cross-currency interest rate swap and Interest rate swap liability[(6)(7)]	Level 2	3,929	3,929	21,929	21,929	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 $40,339 and $40,125 as of March 31, 2022 and December 31, 2021, 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 current liabilities and 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 upon the satisfaction in full of all conditions precedent related to the development, construction and operation of the facility in Shannon, Ireland. The liability associated with the equity agreement is recorded within Other current liabilities on the condensed consolidated balance sheets.

(5) Cross-currency interest rate swap asset is present within Other non-current assets on the condensed consolidated balance sheets as of March 31, 2022.

(6) Interest rate swap liability is presented within Other current liabilities on the condensed consolidated balance sheets as of March 31, 2022 and December 31, 2021; this balance includes the liability for the cross-currency interest rate swap liability as of December 31, 2021.

(7) 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 March 31, 2022 and December 31, 2021 and are classified as Level 1 within 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), net in the condensed consolidated statements of operations and comprehensive income (loss) for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,	
	2022	2021
Derivative liability/Equity agreement - Fair value adjustment - (Gain)	$ (446)	$ (425)
Interest rate swap - Fair value adjustment - (Gain)	(15,833)	—
Cross currency interest rate swap - Fair value adjustment - (Gain)	(8,576)	—

During the three months ended March 31, 2022 and 2021, 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.

Under the Company's interest rate swap, the Company is required to provide cash collateral, and as of March 31, 2022 and December 31, 2021, $12,500 of cash collateral is presented as restricted cash on the condensed consolidated balance sheets.

9. Restricted cash

As of March 31, 2022 and December 31, 2021, restricted cash consisted of the following:

	March 31, 2022	December 31, 2021
Cash held by lessor VIEs	$ 41,944	$ 35,651
Collateral for letters of credit and performance bonds	27,633	27,614
Collateral for interest rate swaps	12,500	12,500
Other restricted cash	756	756
Total restricted cash	$ 82,833	$ 76,521
Current restricted cash	$ 74,873	$ 68,561
Non-current restricted cash	7,960	7,960

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 March 31, 2022 and December 31, 2021.

10. Inventory

As of March 31, 2022 and December 31, 2021, inventory consisted of the following:

	March 31, 2022	December 31, 2021
LNG and natural gas inventory	$ 27,744	$ 16,815
Automotive diesel oil inventory	8,236	4,789
Bunker fuel, materials, supplies and other	18,293	15,578
Total inventory	$ 54,273	$ 37,182

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 income (loss). No adjustments were recorded during the three months ended March 31, 2022 and 2021.

11. Prepaid expenses and other current assets

As of March 31, 2022 and December 31, 2021, prepaid expenses and other current assets consisted of the following:

	March 31, 2022	December 31, 2021
Prepaid expenses	$ 22,435	$ 19,951
Recoverable taxes	35,352	33,053
Due from affiliates	3,236	3,299
Other current assets	21,369	26,812
Total prepaid expenses and other current assets, net	$ 82,392	$ 83,115

Other current assets as of March 31, 2022 and December 31, 2021 primarily consists of deposits, as well as the current portion of contract assets (Note 6) and finance leases (Note 6).

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:

	March 31, 2022
Equity method investments as of December 31, 2021	$ 1,182,013
Dividends	(7,609)
Equity in earnings of investees	50,235
Foreign currency translation adjustment	102,805
Equity method investments as of March 31, 2022	$ 1,327,444

The carrying amount of equity method investments as of March 31, 2022 is as follows:

	March 31, 2022
Hilli LLC	$ 372,450
CELSEPAR	954,994
Total	$ 1,327,444

As of March 31, 2022 and December 31, 2021, the carrying value of the Company's equity method investments exceeded its proportionate share of the underlying net assets of its investees by $739,659 and $792,995, respectively, and the basis difference attributable to amortizable net assets is amortized to 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 50% of the Hilli Common Units as part of the GMLP Merger. 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, determines the amount of Hilli LLC's available cash and appropriate reserves, and Hilli LLC makes a distribution to the unitholders of Hilli LLC of the available cash, subject to such reserves. Hilli LLC makes distributions when declared by GLNG, provided that no distributions may be made on the Hilli Common Units unless current and accumulated Series A Distributions and Series B Distributions have been paid.

The Company is required to reimburse other investors in Hilli LLC or may receive reimbursements from other investors in Hilli LLC for 50% of the amount, if any, by which certain operating expenses and withholding taxes of Hilli LLC are above or below an annual threshold. During the three months ended March 31, 2022, operating expense reimbursements did not significantly impact distributions made by Hilli LLC.

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 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 three months ended March 31, 2022 is detailed below:

	March 31, 2022
Balance at beginning of period	$ 1,043,883
Additions	196,946
Impact of currency translation adjustment	40,327
Transferred to property, plant and equipment, net	(42,843)
Balance at end of period	$ 1,238,313

Interest expense of $13,137 and $2,641, inclusive of amortized debt issuance costs, was capitalized for the three months ended March 31, 2022 and 2021, respectively.

The Company's development activities are primarily in Latin America and the completion of such development is subject to risks related to successful completion, including those related to government approvals, site identification, financing, construction permitting and contract compliance.

14. Property, plant and equipment, net

As of March 31, 2022 and December 31, 2021, the Company’s property, plant and equipment, net consisted of the following:

	March 31, 2022	December 31, 2021
Vessels	$ 1,498,582	$ 1,461,211
Terminal and power plant equipment	213,449	206,889
CHP facilities	123,073	122,777
Gas terminals	169,142	167,614
ISO containers and other equipment	138,259	134,775
LNG liquefaction facilities	63,213	63,213
Gas pipelines	58,987	58,987
Land	54,347	55,008
Leasehold improvements	9,377	9,377
Accumulated depreciation	(168,404)	(141,915)
Total property, plant and equipment, net	$ 2,160,025	$ 2,137,936

Depreciation expense for the three months ended March 31, 2022 and 2021 totaled $26,109 and $9,842, respectively, of which $563 and $270, respectively, is included within Cost of sales in the condensed consolidated statements of operations and comprehensive income (loss).

Capitalized drydocking costs of $8,691 and $5,914 are included in the vessel cost for March 31, 2022 and December 31, 2021, respectively, which are depreciated from the completion of drydocking until the next expected dry docking.

15. Goodwill and intangible assets

Goodwill

As of March 31, 2022 and December 31, 2021, the carrying amount of goodwill was $760,135, all of which was included within the Terminals and Infrastructure segment.

Intangible assets

The following table summarizes the composition of intangible assets as of March 31, 2022 and December 31, 2021:

	March 31, 2022				
	Gross Carrying Amount	Accumulated Amortization	Currency Translation Adjustment	Net Carrying Amount	Weighted Average Life
Definite-lived intangible assets					
Favorable vessel charter contracts	$ 106,500	$ (36,630)	$ —	$ 69,870	3
Permits and development rights	48,217	(3,516)	159	44,860	38
Acquired power purchase agreements	16,585	(1,173)	3,050	18,462	17
Easements	1,556	(255)	—	1,301	30
Indefinite-lived intangible assets					
Easements	1,191	—	(34)	1,157	n/a
Total intangible assets	$ 174,049	$ (41,574)	$ 3,175	$ 135,650	

	December 31, 2021				
	Gross Carrying Amount	Accumulated Amortization	Currency Translation Adjustment	Net Carrying Amount	Weighted Average Life
Definite-lived intangible assets					
Favorable vessel charter contracts	$ 106,500	$ (27,074)	$ —	$ 79,426	3
Permits and development rights	48,217	(3,311)	(119)	$ 44,787	38
Acquired power purchase agreements	16,585	(750)	406	$ 16,241	17
Easements	1,556	(243)	—	1,313	30
Indefinite-lived intangible assets					
Easements	1,191	—	(14)	1,177	n/a
Total intangible assets	$ 174,049	$ (31,378)	$ 273	$ 142,944	

Amortization expense for the three months ended March 31, 2022 was $8,343, which is inclusive of reductions in expense for the amortization of unfavorable contract liabilities assumed in the Mergers. Amortization expense for the three months ended March 31, 2021 was $295.

16. Other non-current assets

As of March 31, 2022 and December 31, 2021, Other non-current assets consisted of the following:

	March 31, 2022	December 31, 2021
Contract asset, net (Note 6)	$ 34,738	$ 36,757
Investments in equity securities (Note 8)	18,681	18,873
Cost to fulfill (Note 6)	10,226	10,377
Upfront payments to customers	9,601	9,748
Other	28,890	22,663
Total other non-current assets, net	$ 102,136	$ 98,418

The Company recognized an unrealized (loss) gain on its investments in equity securities of $(192) and $137 for the three months ended March 31, 2022 and 2021, respectively, within Other (income), net in the condensed consolidated statements of operations and comprehensive income (loss). Investments in equity securities include investments without a readily determinable fair value of $7,678 as of March 31, 2022 and December 31, 2021.

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.

17. Accrued liabilities

As of March 31, 2022 and December 31, 2021, accrued liabilities consisted of the following:

	March 31, 2022	December 31, 2021
Accrued development costs	$ 109,597	$ 101,177
Accrued vessel operating and drydocking expenses	31,951	12,767
Accrued interest	13,553	61,630
Accrued consideration in asset acquisition	9,515	9,330
Accrued bonuses	5,832	27,591
Other accrued expenses	82,411	31,530
Total accrued liabilities	$ 252,859	$ 244,025

As of March 31, 2022, the balance presented as other accrued expenses includes accruals of $49,459 for inventory purchases completed in the first quarter of 2022.

18. Other current liabilities

As of March 31, 2022 and December 31, 2021, other current liabilities consisted of the following:

	March 31, 2022	December 31, 2021
agreements (Note 8)	$ 20,083	18,163
ed revenue	18,925	28,662
tax payable	10,481	8,881
rate swaps (Note 8)	3,929	21,929
affiliates	11,122	9,088
urrent liabilities	18,588	19,313
ther current liabilities	$ 83,128	106,036

Deferred revenue includes contract liabilities and prepayments received from lessees under charter agreements. Other current liabilities includes the value of unfavorable contracts assumed in the Mergers.

19. Debt

As of March 31, 2022 and December 31, 2021, debt consisted of the following:

	March 31, 2022	December 31, 2021
Senior Secured Notes, due September 2025	$ 1,241,721	$ 1,241,196
Senior Secured Notes, due September 2026	1,478,514	1,477,512
Vessel Term Loan Facility, due September 2024	394,239	408,991
Debenture Loan due September 2024	41,177	40,665
South Power 2029 Bonds	170,256	96,820
Revolving Facility	225,000	200,000
Subtotal (excluding lessor VIE loans)	3,550,907	3,465,184
CCBFL VIE loan:		
Golar Nanook SPV facility, due September 2030	187,385	186,638
COSCO VIE loan:		
Golar Penguin SPV facility, due December 2025	87,725	90,035
AVIC VIE loan:		
Golar Celsius SPV facility, due September 2023/May 2027	111,259	113,273
Total debt	$ 3,937,276	$ 3,855,130
Current portion of long-term debt	$ 100,666	$ 97,251
Long-term debt	3,836,610	3,757,879

Our outstanding debt as of March 31, 2022 is repayable as follows:

	March 31, 2022
Due remainder of 2022	$ 64,055
2023	135,420
2024	325,328
2025	1,337,876
2026	1,754,095
Thereafter	361,476
Total debt	$ 3,978,250
Add: fair value adjustments to assumed debt obligations	(635)
Less: deferred finance charges	(40,339)
Total debt, net deferred finance charges	$ 3,937,276

The terms of the Company's debt instruments have been described in NFE's Annual Report on Form 10-K. There have been no significant changes to the Company's outstanding debt, other than described below.

South Power 2029 Bonds

In August 2021, NFE South Power Holdings Limited (“South Power”), a wholly owned subsidiary of NFE, entered into a financing agreement (“CHP Facility”), initially receiving approximately $100,000. The CHP Facility was secured by a mortgage over the lease of the site on which the Company’s combined heat and power plant in Clarendon, Jamaica (“CHP Plant”) is located and related security. In January 2022, South Power and the counterparty to the CHP Facility agreed to rescind the CHP Facility and entered into an agreement for the issuance of secured bonds (“South Power 2029 Bonds”) and subsequently authorized the issuance of up to $285,000 in South Power 2029 Bonds. The South Power 2029 Bonds are secured by, amongst other things, the CHP Plant. Amounts outstanding at the time of the mutual rescission of the CHP Facility of $100,000 were credited towards the purchase price of the South Power 2029 Bonds. In the first quarter of 2022, the Company issued $75,783 of South Power 2029 Bonds for a total amount outstanding of $175,783 as of March 31, 2022.

The South Power 2029 Bonds bear interest at an annual fixed rate of 6.50% and mature seven years from the closing date of the final tranche. The Company expects to begin paying principal payments on a quarterly basis in July 2025. Interest payments on outstanding principal balances will be due quarterly.

South Power will be required to comply with certain financial covenants as well as customary affirmative and negative covenants. The South Power 2029 Bonds also provides for customary events of default, prepayment and cure provisions.

In conjunction with obtaining the CHP Facility, the Company incurred $3,243 in origination, structuring and other fees. The rescission of the CHP Facility and issuance of South Power 2029 Bonds was treated as a modification, and fees attributable to lenders that participated in the CHP Facility will be amortized over the life of the South Power 2029 Bonds; additional third party fees associated with such lenders of $258 were recognized as expense in the first quarter of 2022. Additional fees for new lenders participating in the South Power 2029 Bonds were recognized as a reduction of the principal balance on the condensed consolidated balance sheets. As of March 31, 2022 and December 31, 2021, the remaining unamortized deferred financing costs for the CHP Facility was $5,527 and $3,180, respectively.

Revolving Facility

In April 2021, the Company entered into a $200,000 senior secured revolving credit 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). In February 2022, the Revolving Facility was amended to increase the borrowing capacity by $115,000 to $315,000. 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 bear interest at a 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% 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 certain of the Company's subsidiaries, in addition to other collateral.

The Company incurred $5,398 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 March 31, 2022 and December 31, 2021, total remaining unamortized deferred financing costs for the Revolving Facility was $4,661 and $3,807, respectively.

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 March 31, 2022, the Company was in compliance with all covenants under debt and lease agreements.

Financial covenants under GMLP's Vessel Term Loan Facility include requirements that GMLP and the borrowing subsidiary 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 million, each as defined in the Vessel Term Loan Facility. GMLP was in compliance with these covenants as of March 31, 2022.

The Company is also required to comply with covenants under the Revolving Facility and letter of credit facility, including 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. The Company was in compliance with all covenants as of March 31, 2022.

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 months ended March 31, 2022 and 2021 consisted of the following:

	Three Months Ended March 31,	
	2022	**2021**
Interest per contractual rates	$ 55,349	$ 20,834
Amortization of debt issuance costs, premiums and discounts	2,475	487
Interest expense incurred on finance lease obligations	229	—
Total interest costs	$ 58,053	$ 21,321
Capitalized interest	13,137	2,641
Total interest expense	$ 44,916	$ 18,680

20. 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 March 31, 2022 was (25.94)%, compared to 2.20% for the three months ended March 31, 2021. The total tax benefit for the three months ended March 31, 2022 was $49,681, compared to a benefit of $877 for the three months ended March 31, 2021. The calculation of the effective tax rate includes income from equity method investments recognized for the three months ended March 31, 2022.

The decrease to the effective tax rate for the three months ended March 31, 2022 resulted principally from the remeasurement of the deferred income tax liability in conjunction with an internal reorganization. The Company’s equity method investment in CELSEPAR is now directly held by a subsidiary domiciled in the United Kingdom; the investment was previously held by a subsidiary domiciled in Brazil, and this reorganization resulted in a discrete tax benefit of $76,460. This increase in tax benefit for the three months ended March 31, 2022 was offset in part by an increase in pretax income for certain profitable operations, including GMLP and Hygo, which resulted in income tax expense for the three months ended March 31, 2022.

During the second quarter of 2021, the Company assumed a liability for tax contingencies in the Mergers primarily related to potential tax obligations for payments under certain charter agreements for acquired vessels; this liability is included in Other long-term liabilities on the condensed consolidated balance sheets. As of March 31, 2022 and December 31, 2021, the Company has recognized a liability for these uncertain tax positions of $12,370 and $12,474, respectively. In addition to the liabilities for unrecognized income tax benefits assumed in the Mergers, the Company assumed liabilities related to potential employment tax obligations that are accounted for under ASC 450.

21. 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. 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 appealed 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.

22. Earnings per share

	Three Months Ended March 31,	
	2022	2021
Numerator:		
Net income (loss)	$ 241,181	$ (39,509)
Less: net (income) loss attributable to non-controlling interests	(2,912)	1,606
Net income (loss) attributable to Class A common stock	$ 238,269	$ (37,903)
Denominator:		
Weighted-average shares - basic	209,928,070	176,500,576
Net income (loss) per share - basic	$ 1.14	$ (0.21)
Weighted-average shares - diluted	210,082,295	176,500,576
Net income (loss) per share - diluted	$ 1.13	$ (0.21)

The following table presents potentially dilutive securities excluded from the computation of diluted net income per share for the three months ended March 31, 2022 and 2021 because its effects would have been anti-dilutive.

	March 31, 2022	March 31, 2021
Unvested RSUs	—	869,262
Shannon Equity Agreement shares	472,084	464,267
Total	472,084	1,333,529

The Company declared and paid dividends of $20,754 during the first quarter of 2022, representing $0.10 per Class A share. The Company declared $17,598 and paid $17,657 during the first quarter of 2021, representing $0.10 per Class A share. The Company's dividend payment during the first quarter of 2021 included dividends that were accrued in prior periods.

During the first quarter of 2022, the Company paid a dividend of $3,019 to holders of 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.

23. 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 three months ended March 31, 2022:

	Restricted Stock Units	Weighted-average grant date fair value per share
Non-vested RSUs as of December 31, 2021	676,338	$ 13.49
Granted	12,196	29.89
Vested	(515,194)	13.99
Forfeited	—	—
Non-vested RSUs as of March 31, 2022	173,340	$ 13.27

The following table summarizes the share-based compensation expense for the Company's RSUs recorded for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,	
	2022	2021
Operations and maintenance	$ 4	$ 222
Selling, general and administrative	876	1,548
Total share-based compensation expense	$ 880	$ 1,770

For both the three months ended March 31, 2022 and 2021, no cumulative compensation expense recognized for forfeited RSU awards 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 March 31, 2022, the Company had 173,340 non-vested RSUs subject to service conditions and had unrecognized compensation costs of approximately $515. 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 0.27 years as of March 31, 2022.

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 is 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. During the fourth quarter of 2021, the Company determined that the 2020 Grant will vest at a multiple of two, resulting in the recognition of all compensation cost associated with this award. As of March 31, 2022, the Company determined that it was not probable that the performance condition required for the 2021 Grant to vest would be achieved, and as such, no compensation expense has been recognized for this award.

PSUs Granted	Units Granted	Range of Vesting	Units Vested / Probable of Vesting	Unrecognized Compensation Cost[1]	Weighted Average Remaining Vesting Period
Q1 2020 ("2020 Grant")	1,109,777	0 to 2,219,554	2,105,522	$ —	0
Q1 2021 ("2021 Grant")	400,507	0 to 801,014	—	30,878	0.75 years

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

24. 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 $1,515 and $1,927 for the three months ended March 31, 2022 and 2021, respectively. Costs associated with the Administrative Agreement are included within Selling, general and administrative in the condensed consolidated statements of operations and comprehensive income (loss). As of March 31, 2022 and December 31, 2021, $7,057 and $5,700 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 $1,022 and $1,609 for the three months ended March 31, 2022 and 2021, respectively. As of March 31, 2022 and December 31, 2021, $1,022 and $944 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 and $126 during the three months ended March 31, 2022 and 2021, respectively, which was included within Operations and maintenance in the condensed consolidated statements of operations and comprehensive income (loss). As of March 31, 2022 and December 31, 2021, the Company has recorded a lease liability of $3,321 and $3,314, respectively, 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. Subsequent to the restructuring of the consulting agreement, the Company recognized approximately $98 in expense for the three months ended March 31, 2022. As of March 31, 2022 and December 31, 2021, $98 and $88 was due to DevTech, respectively.

Fortress affiliated entities

The Company provides certain administrative services to related parties including Fortress affiliated entities. 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 subleasing a portion of office space and related administrative services to an affiliate of an entity managed by Fortress, and for the three months ended March 31, 2022 and 2021, $195 and $153 of rent and office related expenses were incurred by this affiliate, respectively. As of March 31, 2022 and December 31, 2021, $712 and $1,241 were due from all Fortress affiliated entities, 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 $600 and $803 for the three months ended March 31, 2022 and 2021, respectively. As of March 31, 2022 and December 31, 2021, $3,043 and $2,444 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 $191 for the three months ended March 31, 2022.

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. As of March 31, 2022, Company has guaranteed $348,000 under the Partnership Guarantee.

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.

The fair value of debt guarantees after amortization of $4,918 and $1,090, has been presented within Other current liabilities and Other long-term liabilities, respectively, on the condensed consolidated balance sheet. As of March 31, 2022, the Company was in compliance with the covenants and ratios for both Hilli guarantees.

25. Segments

As of March 31, 2022, 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 Segment 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 months ended March 31, 2022 and 2021:

	Three Months Ended March 31, 2022				
(in thousands of $)	**Terminals and Infrastructure[1]**	**Ships[2]**	**Total Segment**	**Consolidation and Other[3]**	**Consolidated**
Statement of operations:					
Total revenues	$ 480,349	$ 114,942	$ 595,291	$ (90,173)	$ 505,118
Cost of sales	235,532	—	235,532	(27,234)	208,298
Vessel operating expenses	3,492	25,942	29,434	(6,470)	22,964
Operations and maintenance	30,242	—	30,242	(7,074)	23,168
Segment Operating Margin	**$ 211,083**	**$ 89,000**	**$ 300,083**	**$ (49,395)**	**$ 250,688**
Balance sheet:					
Total assets[4]	$ 5,291,601	$ 2,074,207	$ 7,365,808	$ —	$ 7,365,808
Other segmental financial information:					
Capital expenditures[4][5]	$ 196,390	$ 3,289	$ 199,679	$ —	$ 199,679

	Three Months Ended March 31, 2021				
(in thousands of $)	**Terminals and Infrastructure[1]**	**Ships[2]**	**Total Segment**	**Consolidation and Other[3]**	**Consolidated**
Statement of operations:					
Total revenues	$ 145,684	$ —	$ 145,684	$ —	$ 145,684
Cost of sales	96,671	—	96,671	—	96,671
Vessel operating expenses	—	—	—	—	—
Operations and maintenance	16,252	—	16,252	—	16,252
Segment Operating Margin	**$ 32,761**	**$ —**	**$ 32,761**	**$ —**	**$ 32,761**
Balance sheet:					
Total assets[4]	$ 1,832,111	$ —	$ 1,832,111	$ —	$ 1,832,111
Other segmental financial information:					
Capital expenditures[4][5]	$ 106,895	$ —	$ 106,895	$ —	$ 106,895

[(1)] Terminals and Infrastructure includes the Company's effective share of revenues, expenses and operating margin attributable to 50% ownership of CELSEPAR. The earnings attributable to the investment of $36,680 for the three months ended March 31, 2022 are reported in income from equity method investments in the condensed consolidated statements of operations and comprehensive income (loss). Terminals and Infrastructure does not include the unrealized mark-to-market gain on derivative instruments of $2,492 for the three months ended March 31, 2022 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 $13,555 for the three months ended March 31, 2022, are reported in income from equity method investments in the condensed consolidated statements of operations and comprehensive income (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 the 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 income (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 (benefit) provision.

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

	Three Months Ended March 31,	
(in thousands of $)	**2022**	**2021**
Net income (loss)	$ 241,181	$ (39,509)
Add:		
Selling, general and administrative	48,041	33,617
Transaction and integration costs	1,901	11,564
Depreciation and amortization	34,290	9,890
Interest expense	44,916	18,680
Other (income), net	(19,725)	(604)
Tax benefit	(49,681)	(877)
(Income) from equity method investments	(50,235)	—
Consolidated Segment Operating Margin	$ 250,688	$ 32,761

26. Subsequent events

On May 4, 2022, the Company entered into an amendment to the Revolving Facility to increase the commitments thereunder by $125,000, for a total capacity under the Revolving Facility of $440,000. The Applicable Margin for borrowings under the Revolving Facility based on the current usage of the facility has not changed. No changes were made to the maturity date or covenants.

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, 2021 (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 like 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. Unless the context otherwise requires, references to "Company," "NFE," "we," "our," "us" or like terms refer to (i) prior to the completion of Mergers, New Fortress Energy Inc. and its subsidiaries, excluding Hygo Energy Transition Ltd. ("Hygo") and its subsidiaries and Golar LNG Partners LP ("GMLP") and its subsidiaries, and (ii) after completion of the Mergers, New Fortress Energy Inc. and its subsidiaries, including Hygo and its subsidiaries and GMLP and its subsidiaries.

Overview

We are a global energy infrastructure company founded to help address energy poverty and accelerate the world's transition to reliable, affordable, and clean energy. We own and operate natural gas and liquefied natural gas ("LNG") infrastructure, and an integrated fleet of ships and logistics assets to rapidly deliver turnkey energy solutions to global markets. 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 our Annual Report, "Items 1 and 2: Business and Properties" under "Sustainability—Toward a Carbon-Free Future."

On April 15, 2021, we completed the acquisitions of Hygo and GMLP; referred to as the "Hygo Merger" and "GMLP Merger," respectively and, collectively, the "Mergers." As a result of the Hygo Merger, the Company acquired a 50% interest in a 1.5GW power plant in Sergipe, Brazil (the "Sergipe Power Plant") and its operating FSRU terminal in Sergipe, Brazil (the "Sergipe Facility"), as well as a terminal and power plant under development in the State of Pará, Brazil (the "Barcarena Facility" and "Barcarena Power Plant," respectively), a terminal under development on the southern coast of Brazil (the "Santa Catarina Facility") and the Nanook, a newbuild FSRU moored and in service at the Sergipe Facility. As a result of the Mergers, we acquired a fleet of six other FSRUs, six LNG carriers and an interest in a floating liquefaction vessel, the *Hilli Episeyo* (the "Hilli"), each of which are expected to help support our existing facilities and international project pipeline. Acquired FSRUs are operating in Brazil, Indonesia 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. We centrally manage our LNG supply and the deployment of our vessels utilized in our terminal or logistics operations, which allows us to optimally manage our LNG supply and acquired and leased fleet. The Terminals and Infrastructure segment includes all terminal operations in Jamaica, Puerto Rico, Mexico 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 liquefaction facility in Dade County, Florida ("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") in addition to supplying our customers through long-term LNG contracts.

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 61,000 MMBtu of LNG 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 up to 750,000 MMBtus of LNG per day. The Old Harbour Facility commenced commercial operations in June 2019 and supplies natural gas to the 190MW Old Harbour power plant ("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 ("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

Our San Juan Facility became fully operational in the third quarter of 2020. It is designed as a landed micro-fuel handling facility located in the Port of San Juan, Puerto Rico. The San Juan Facility has multiple truck loading bays to provide LNG to on-island industrial users. The San Juan Facility is near the PREPA San Juan Power Plant and serves as our supply hub for the PREPA San Juan Power Plant and other industrial end-user customers in Puerto Rico. We have delivered natural gas to PREPA's power plant under the Fuel Sale and Purchase Agreement with PREPA since April 2020.

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 1.5GW combined cycle power plant, receives natural gas from the Sergipe Facility through a dedicated 8-kilometer pipeline. The Sergipe Power Plant is one of the largest natural gas-fired thermal power stations in Latin America and was built to provide electricity on demand throughout the Brazilian electric integrated system, particularly during dry seasons when hydropower is unable to meet the growing demand for electricity in the country. CELSE has executed multiple PPAs pursuant to which the Sergipe Power Plant is delivering power to 26 committed offtakers (utilities) 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 own expansion rights with respect to the Sergipe Power Plant, which are owned by Centrais Elétricas Barra dos Coqueiros S.A. ("CEBARRA"), a joint venture with Ebrasil Energia Ltda. ("Ebrasil"), an affiliate of Eletricidade do Brasil S.A., of which we own 75%. These rights include 190 acres of land and regulatory permits for two new power generation projects of 2.0GW in the aggregate. 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 per day and storing up to 170,000 cubic meters of LNG and supplies approximately 230,000 MMBtu per day (30% of the Sergipe Facility's maximum regasification capacity) of 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 8,300 MMBtu of LNG 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"). The La Paz Facility is expected to supply approximately 22,300 MMBtu of LNG per day to our 100MW of power supplied by gas-fired modular power units (the "La Paz Power Plant") following the start of operations. Natural gas supply to the La Paz Power Plant may be increased to approximately 29,000 MMBtu of LNG per day for up to 135MW of power.

Puerto Sandino Facility

We are developing an offshore facility consisting of an FSRU and associated infrastructure, including mooring and offshore pipelines, in Puerto Sandino, Nicaragua (the "Puerto Sandino Facility"). We have entered into a 25-year PPA with Nicaragua's electricity distribution companies, and we expect to utilize approximately 57,500 MMBtu of LNG per day to provide natural gas to the Puerto Sandino Power Plant in connection with the 25-year power purchase agreement.

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 per day and storing up to 170,000 cubic meters of LNG. The Barcarena Facility is expected to supply gas to a new 605MW combined cycle thermal power plant to be located in Pará, Brazil (the "Barcarena Power Plant"), which is supported by multiple 25-year power purchase agreement to supply electricity to the national electricity grid. The power project is scheduled to deliver power to nine committed offtakers for 25 years beginning in 2025.

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 570,000 MMBtu per day and LNG storage capacity of up to 170,000 cubic meters.

We are also developing a 33-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 cubic meters per day.

Suape Facility

We are developing our LNG terminal in the State of Pernambuco, Brazil (the “Suape Facility”). We intend for the Suape Facility to supply LNG to a 288MW thermoelectric power plant to also be located in the State of Pernambuco, Brazil (the “Suape Power Plant”). With the purchase of CH4 Energia Ltda. on January 12, 2021, we have obtained certain key permits and authorizations to develop an LNG terminal and up to 1.37GW of gas-fired power at the Port of Suape. We also own certain 15-year power purchase agreements totaling 288MW for the development of two thermoelectric power plants, in the State of Bahia, Brazil, following the acquisition of 100% of the outstanding shares of Pecém Energia S.A. (“Pecém”) and Energética Camaçari Muricy II S.A. (“Muricy”) on March 11, 2021. As of January 2022, we had commenced power sales under these power purchase agreements via forward selling agreements. 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 Suape Facility and to update the technical characteristics to develop and construct an initial 288MW gas-fired power plant and LNG import terminal at the Port of Suape.

Sri Lanka Facility

We plan to develop an offshore LNG receiving, storage and regasification terminal to supply the Kerawalapitya Power Complex, in Colombo, Sri Lanka, where 310 MW of power is operational today and an additional 700 MW is scheduled to be built. We expect to initially provide the equivalent of an estimated 35,000 MMBtu of LNG per day, with the expectation of significant growth as new power plants become operational.

Ireland Facility

We intend to develop and operate an LNG facility (the “Ireland Facility”) and power plant on the Shannon Estuary, near Tarbert, Ireland. We are in the process of obtaining final planning permission from An Bord Pleanála (“ABP”) in Ireland, and we intend to begin construction of the Ireland Facility after we have obtained the necessary consents and secured contracts with downstream customers with volumes sufficient to support the development.

Fast LNG

We are currently developing a series of modular floating liquefaction facilities to provide a source of 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, semi-submersible rigs or similar marine floating infrastructure to enable a much lower cost and faster deployment schedule than today’s floating liquefaction vessels. Semi-permanently moored FSU(s) will serve as LNG storage alongside the floating liquefaction infrastructure, which can be deployed anywhere there is abundant and stranded natural gas.

Other Projects

We are in active discussions to develop projects in multiple regions around the world that may have significant demand for additional power, LNG and natural gas, although there can be no assurance that these discussions will result in additional contracts or that we will be able to achieve our target pricing or margins.

Recent Developments

Cargo Sales

Since August 2021, LNG prices have increased materially, and global events, such as Russia’s invasion of Ukraine, have generated further energy pricing volatility. 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 optimized our supply portfolio to sell a portion of these cargos in the market, and these sales have positively impacted our results for the first quarter of 2022. Cargo sales of 9.7 TBtus were completed in the first quarter of 2022, increasing our revenues and results of operations for the three months ended March 31, 2022.

COVID-19 Pandemic

We continue to closely monitor 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. From the beginning of 2020 to March 31, 2022, we have incurred approximately $2.2 million to date 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 was 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. 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, which remains pending.

Results of Operations – Three Months Ended March 31, 2022 compared to Three Months Ended December 31, 2021 and Three Months Ended March 31, 2021

Segment performance is evaluated based on operating margin and the tables below present our segment information for the three months ended March 31, 2022, December 31, 2021 and March 31, 2021:

	Three Months Ended March 31, 2022				
(in thousands of $)	Terminals and Infrastructure[1]	Ships[2]	Total Segment	Consolidation and Other[3]	Consolidated
Total revenues	480,349	114,942	595,291	(90,173)	505,118
Cost of sales	235,532	—	235,532	(27,234)	208,298
Vessel operating expenses	3,492	25,942	29,434	(6,470)	22,964
Operations and maintenance	30,242	—	30,242	(7,074)	23,168
Segment Operating Margin	**211,083**	**89,000**	**300,083**	**(49,395)**	**250,688**

	Three Months Ended December 31, 2021				
(in thousands of $)	Terminals and Infrastructure[1]	Ships[2]	Total Segment	Consolidation and Other[3]	Consolidated
Total revenues	$ 689,770	$ 117,796	$ 807,566	$ (158,935)	$ 648,631
Cost of sales	382,816	—	382,816	(100,339)	282,477
Vessel operating expenses	3,442	23,000	26,442	(5,466)	20,976
Operations and maintenance	25,158	—	25,158	(6,802)	18,356
Segment Operating Margin	**$ 278,354**	**$ 94,796**	**$ 373,150**	**$ (46,328)**	**$ 326,822**

	Three Months Ended March 31, 2021				
(in thousands of $)	Terminals and Infrastructure	Ships	Total Segment	Consolidation and Other	Consolidated
Total revenues	$ 145,684	$ —	$ 145,684	$ —	$ 145,684
Cost of sales	96,671	—	96,671	—	96,671
Vessel operating expenses	—	—	—	—	—
Operations and maintenance	16,252	—	16,252	—	16,252
Segment Operating Margin	**$ 32,761**	**$ —**	**$ 32,761**	**$ —**	**$ 32,761**

[1] Terminals and Infrastructure includes our effective share of revenues, expenses and operating margin attributable to 50% ownership of CELSEPAR. The earnings and losses attributable to the investment of $36,680 and $18,580 for the three months ended March 31, 2022 and December 31, 2021, respectively, are reported in income (loss) from equity method investments in the consolidated statements of operations and comprehensive income (loss). Terminals and Infrastructure does not include the unrealized mark-to-market gain and loss on derivative instruments of $2,492 and $472 for the three months ended March 31, 2022 and December 31, 2021, respectively, reported in Cost of sales.
[2] Ships includes our effective share of revenues, expenses and operating margin attributable to 50% ownership of the Hilli Common Units. The earnings attributable to the investment of $13,555 and $10,065 for the three months ended March 31, 2022 and December 31, 2021, respectively, are reported in income (loss) from equity method investments in the consolidated statements of operations and comprehensive income (loss).
[3] Consolidation and Other adjust for the inclusion of our 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 Segment

	Three Months Ended,				
(in thousands of $)	**March 31, 2022**	**December 31, 2021**	**Change**	**March 31, 2021**	**Change**
Total revenues	$ 480,349	$ 689,770	$ (209,421)	$ 145,684	$ 334,665
Cost of sales	235,532	382,816	(147,284)	96,671	138,861
Vessel operating expenses	3,492	3,442	50	—	3,492
Operations and maintenance	30,242	25,158	5,084	16,252	13,990
Segment Operating Margin	**$ 211,083**	**$ 278,354**	**$ (67,271)**	**$ 32,761**	**$ 178,322**

Total revenue

Total revenue for the Terminals and Infrastructure Segment decreased $209,421 for the three months ended March 31, 2022 as compared to the three months ended December 31, 2021. The decrease was primarily driven by lower revenue from LNG cargo sales to third parties. Revenue from cargo sales was $285,171 for the three months ended March 31, 2022 and $422,880 for the three months ended December 31, 2021. Our revenue was also negatively impacted by decreases to the Henry Hub index in the first quarter. Our contracts with customers in this segment typically include a portion of pricing based on the Henry Hub index, and the average Henry Hub index pricing used to invoice our customers decreased by 15% for the three months ended March 31, 2022 as compared to the three months ended December 31, 2021.

Total revenue for the Terminals and Infrastructure Segment increased $334,665 for the three months ended March 31, 2022 as compared to the three months ended March 31, 2021. We recognized revenue for LNG cargos sold to third parties and our share of revenue from our investment in CELSEPAR during the first quarter of 2022, totaling $348,560. We did not have any cargo sales transactions in the first quarter of 2021, and the acquisition of our investment in CELSEPAR in the Mergers occurred subsequent to March 31, 2021. Accordingly, the increased revenue was primarily driven by these transactions.

The following table summarizes the volumes delivered, exclusive of LNG cargo volumes sold to third parties, in the three months ended March 31, 2022 as compared to the three months ended December 31, 2021 and the three months ended March 31, 2021:

	Three Months Ended				
(in TBtu)	**March 31, 2022**	**December 31, 2021**	**Change**	**March 31, 2021**	**Change**
Old Harbour Facility	3.0	3.2	(0.2)	4.4	(1.4)
Montego Bay Facility	0.5	1.0	(0.5)	2.0	(1.5)
San Juan Facility	1.1	1.1	—	4.0	(2.9)
Other	1.7	1.2	0.5	0.3	1.4
Total volumes delivered in the current period	6.3	6.5	(0.2)	10.7	(4.4)

A summary of the impact to revenue from our operations at our Old Harbour Facility is as follows:

- Sales at the Old Harbour Facility decreased by $4,888 from $62,491 for the three months ended December 31, 2021 to $57,603 for the three months ended March 31, 2022. The decrease in revenue from the Old Harbour Facility was due to revenue deferred for volumes delivered below the take-or-pay minimums in our contracts and a decrease in the Henry Hub index used to invoice our customers as compared to the three months ended December 31, 2021.

- Sales at the Old Harbour Facility increased by $6,065 from $51,538 for the three months ended March 31, 2021 to $57,603 for the three months ended March 31, 2022. The increase in revenue from the Old Harbour Facility was due to an increase in the Henry Hub index used to invoice our customers as compared to the three months ended March 31, 2021, which was partially offset by a decrease in volumes delivered at the Old Harbour Power Plant.

- The Jamalco refinery experienced a fire in August 2021, and no gas volumes have been consumed by their boilers since this event. Revenue from the delivery of power and steam from the CHP Plant decreased by $5,713 and $5,591 from the three months ended December 31, 2021 and March 31, 2021, respectively, to $1,651 for the three months ended March 31, 2022.

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

- During the first quarter of 2022, no volumes were consumed by the Bogue Power Plant, leading to the significant decrease in volumes delivered at the Montego Bay Facility, due to the port authority at the Port of Montego Bay where our facility resides requiring a reconfiguration and partial relocation of our assets. We expect this reconfiguration to be completed in the second quarter of 2022, and at that time, we will recommence deliveries to the Bogue Power Plant.

- As no volumes were delivered to the Bogue Power Plant, our revenue from the Montego Bay Facility decreased by $7,417 from $18,129 for the three months ended December 31, 2021 to $10,712 for the three months ended March 31, 2022. Similarly, sales at the Montego Bay Facility decreased by $14,067 from $24,779 for the three months ended March 31, 2021 to $10,712 for the three months ended March 31, 2022.

The San Juan Power Plant completed additional maintenance activities in the first quarter of 2022, leading to lower consumption of natural gas. Sales at the San Juan Facility decreased by $3,959 from $14,953 for the three months ended December 31, 2021 to $10,994 for the three months ended March 31, 2022. Sales at the San Juan Facility also decreased by $34,624 for the three months ended March 31, 2022.

Revenue from cargo sales was $285,171 for the three months ended March 31, 2022 as compared to $422,880 for the three months ended December 31, 2021. For the three months ended March 31, 2021, we did not have any cargo sale transactions in the first quarter of 2021.

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 $63,389 for the three months ended March 31, 2022 and $132,876 for the three months ended December 31, 2021, which was primarily comprised of fixed capacity payments received under CELSE's PPAs. Revenue recognized from the operation of the Sergipe Power Plant was significantly increased in the fourth quarter of 2021 by emergency dispatch due to poor hydrological conditions in Brazil. As hydrology conditions have improved in the first quarter of 2022, the Sergipe Power Plant has been dispatched less, reducing revenue from our share of our investment in CELSEPAR

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. 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 decreased $147,284 for the three months ended March 31, 2022 as compared to the three months ended December 31, 2021.

- The decrease was primarily due to lower cost and volume of LNG cargo sales in the market. We recognized $86,462 during the three months ended March 31, 2022 to acquire cargos sold to third parties, as compared to $166,027 for the three months ended December 31, 2021. Due to the significant increase in market pricing of LNG in the second half of 2021 and continued increase in the first quarter of 2022, we have optimized our supply portfolio to sell a portion of our committed cargos in the market. LNG cargo sales in the market decreased by 6.6 TBtus from 16.3 TBtus for the three months ended December 31, 2021 to 9.7 TBtus for the three months ended March 31, 2022. The weighted-average cost of LNG from the sale of a portion of our cargos also decreased from $10.20 per MMBtu for the three months ended December 31, 2021 to $8.81 per MMBtu for the three months ended March 31, 2022.

- During the first quarter of 2022, the Sergipe Power Plant was dispatched substantially less than in the fourth quarter of 2021 due to improved hydrology conditions in Brazil. Our share of cost of sales from our investment in CELSEPAR, which was primarily comprised of LNG costs to fuel the power plant, was $24,742 for the three months ended March 31, 2022, as compared to $100,811 for the three months ended December 31, 2021

- Cost of LNG purchased from third parties for sale to our customers decreased $6,633 for the three months ended March 31, 2022 as compared to the three months ended December 31, 2021. The decrease was primarily attributable to a 3% decrease in volumes delivered compared to the three months ended December 31, 2021, and a slight decrease in LNG cost. The weighted-average cost of LNG purchased from third parties decreased from $9.57 per MMBtu for the three months ended December 31, 2021 to $9.49 per MMBtu for the three months ended March 31, 2022.

Cost of sales increased $138,861 for the three months ended March 31, 2022 as compared to the three months ended March 31, 2021.

- We recognized cost to acquire LNG cargos sold to third parties and our share of cost of sales from our investment in CELSEPAR during the first quarter of 2022, totaling $111,204. We did not have any cargo sale transactions in the first quarter of 2021, and the acquisition of our investment in CELSEPAR in the Mergers occurred subsequent to March 31, 2021. Accordingly, the increased costs of sales was primarily driven by these transactions.

- Cost of LNG purchased from third parties for sale to our customers decreased $5,017 for the three months ended March 31, 2022 as compared to the three months ended March 31, 2021. We delivered 41% less volumes to our terminal customers in the current quarter as compared to the three months ended March 31, 2021. Our cost of LNG was significantly higher in the current quarter, and as such, the decrease of cost of sales to deliver to our terminal customers did not fully correspond with the decrease in volumes. The weighted-average cost of LNG purchased from third parties increased from $6.17 per MMBtu for the three months ended March 31, 2021 to $9.49 per MMBtu for the three months ended March 31, 2022.

The weighted-average cost of our LNG inventory balance to be used in our operations as of March 31, 2022 and December 31, 2021 was $8.21 per MMBtu and $9.51 per MMBtu, respectively.

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 $5,084 and $13,990 for the three months ended March 31, 2022 as compared to the three months ended December 31, 2021 and March 31, 2021, respectively.

- The increase for the three months ended March 31, 2022 as compared to the three months ended December 31, 2021 and March 31, 2021 was primarily attributable to higher logistics costs associated with our ISO container distribution system. In the first quarter of 2022, we continued to source LNG from our Miami Facility to service industrial end users in Jamaica due to the reconfiguration and partial relocation of our assets at the Port of Montego Bay, and we incurred additional costs to distribute LNG to customers via our ISO container distribution system.

- Additionally, the increased costs in the first quarter of 2022 when compared to the first quarter of 2021 was due to the inclusion of our share of Operations and maintenance from our investment in CELSEPAR of $7,074 for the three months ended March 31, 2022, 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.

Ships Segment

	Three Months Ended,				
(in thousands of $)	**March 31, 2022**	**December 31, 2021**	**Change**	**March 31, 2021**	**Change**
Total revenues	114,942	$ 117,796	$ (2,854)	$ —	$ 114,942
Cost of sales	—	—	—	—	—
Vessel operating expenses	25,942	23,000	2,942	—	25,942
Operations and maintenance	—	—	—	—	—
Segment Operating Margin	**$ 89,000**	**$ 94,796**	**$ (5,796)**	**$ —**	**$ 89,000**

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.

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*. We include the interest income earned under sales-type leases as revenue as amounts earned under chartering and operating service agreements represent our ongoing ordinary business operations.

At the completion of the Mergers, five of the FSRUs and two LNGCs were on hire under long-term charter agreements, and one LNGCs, the *Grand*, was operating in the spot market. In the third quarter, 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 from the third quarter of 2021 onward. The *Spirit* and the *Mazo* continue to be in cold lay-up, and no vessel charter revenue was generated from these vessels.

Total revenue

Total revenue for the Ships segment decreased $2,854 for the three months ended March 31, 2022 as compared to the three months ended December 31, 2021. The decrease was primarily driven by lower revenue as a result of a change in on-hire days quarter over quarter. The calendar quarter is two days shorter in the first quarter, and as such, revenue decreased slightly due to lower number of commercial on-hire days.

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, management fees and costs to operate the *Hilli*. 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.

Vessel operating expenses increased $2,942 for the three months ended March 31, 2022 as compared to the three months ended December 31, 2021, primarily due to increased customs claims in Jordan where one of our FSRUs operates. As all operations of the Ships segment were acquired in the Mergers, there were no comparable transactions for the three months ended March 31, 2021.

Other operating results

	Three Months Ended,				
(in thousands of $)	**March 31, 2022**	**December 31, 2021**	**Change**	**March 31, 2021**	**Change**
Selling, general and administrative	$ 48,041	$ 74,927	$ (26,886)	$ 33,617	$ 14,424
Transaction and integration costs	1,901	2,107	(206)	11,564	(9,663)
Depreciation and amortization	34,290	30,297	3,993	9,890	24,400
Total operating expenses	84,232	107,331	(23,099)	55,071	29,161
Operating income (loss)	166,456	219,491	(53,035)	(22,310)	188,766
Interest expense	44,916	46,567	(1,651)	18,680	26,236
Other (income), net	(19,725)	(3,692)	(16,033)	(604)	(19,121)
Loss on extinguishment of debt, net	—	10,975	(10,975)	—	—
Net income (loss) before income from equity method investments and income taxes	141,265	165,641	(24,376)	(40,386)	181,651
Income (loss) from equity method investments	50,235	(8,515)	58,750	—	50,235
Tax (benefit) provision	(49,681)	5,403	(55,084)	(877)	(48,804)
Net income (loss)	$ 241,181	$ 151,723	$ 89,458	$ (39,509)	$ 280,690

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 decreased $26,886 for the three months ended March 31, 2022, as compared to the three months ended December 31, 2021. The decrease was primarily attributable to a decrease in share-based compensation expense. In the fourth quarter of 2021, due to the significant impact of cargo sales on our results of operations, we determined that the performance metric associated with our performance share units granted in 2020 was probable of vesting, and we recognized $30,467 of share-based compensation expense. We also have incurred higher payroll costs, insurance expenses, management fees and professional fees due to the continue expansion of our operations as compared to the fourth quarter of 2021.

Selling, general and administrative increased $14,424 for the three months ended March 31, 2022, as compared to the three months ended March 31, 2021. The increase was primarily attributable to higher payroll, professional fees and managements fees associated with the continued expansion of our operations.

Transaction and integration costs

For the three months ended March 31, 2022, we incurred $1,901 for transaction and integration costs, as compared to $2,107 and $11,564 for the three months ended December 31, 2021 and March 31, 2021, respectively. For the three months ended March 31, 2021, we incurred transaction and integration costs were incurred in connection with the Mergers, which consisted primarily of financial advisory, legal, accounting and consulting costs. Our integration costs decreased in both the fourth quarter of 2021 and the first quarter of 2022 as the integration of GMLP and Hygo has progressed since the acquisition date.

Depreciation and amortization

Depreciation and amortization increased $3,993 for the three months ended March 31, 2022 as compared to the three months ended December 31, 2021. For the three months ended March 31, 2022, we incurred higher amortization of favorable and unfavorable contracts acquired in the Mergers as the amortization of certain unfavorable contract liabilities (reduction to expense) was completed in the fourth quarter of 2021.

Depreciation and amortization increased $24,400 for the three months ended March 31, 2022 as compared to the three months ended December 31, 2021. 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 $14,070 of incremental depreciation expense for the acquired vessels during the three months ended March 31, 2022

- Amortization of the value recorded for favorable and unfavorable contracts acquired in the Mergers of $8,346 for the three months ended March 31, 2022.

Interest expense

Interest expense decreased by $1,651 for the three months ended March 31, 2022 as compared to the three months ended December 31, 2021. The decrease was primarily due to the termination of the sale leaseback agreement of the Eskimo assumed in the Mergers.

Interest expense increased by $26,236 for the three months ended March 31, 2022, as compared to the three months ended March 31, 2021. The increase was primarily due to an increase in total principal outstanding due to the issuance of the 2026 Notes in April 2021, draws on the Revolving Facility, borrowings under the Vessel Term Loan Facility and the South Power 2029 Bonds (all defined in our Annual Report); principal balance on outstanding facilities was $3,978,250 as of March 31, 2022 as compared to total outstanding debt of $1,250,000 as of March 31, 2021.

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 $389,946 as of December 31, 2021. 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. For the three months ended March 31, 2022, we recognized additional interest expense attributable to assumed debt of $3,378.

Other (income) expense, net

Other (income) expense, net increased by $16,033 and $19,121 for the three months ended March 31, 2022, as compared to the three months ended December 31, 2021 and March 31, 2021, respectively. Income recognized in the first quarter of 2022 was primarily comprised of the following:

- Changes in the fair value of the cross-currency interest rate swap and the interest rate swaps acquired in connection with the Mergers, resulted in income of $24,409 for the three months ended March 31, 2022.

- Changes in the fair value adjustments for the equity agreement and derivatives related to contingent payments due to sellers in asset acquisitions resulted in additional expense of $2,765 for the three months ended March 31, 2022.

Loss on extinguishment of debt, net

Loss on extinguishment of debt for the three months ended December 31, 2021 was $10,975. In November 2021, we exercised our option to terminate the sale leaseback agreement of the *Eskimo* assumed in the Mergers in exchange for a total payment of $190,518. The counterparty to this sale leaseback arrangement ("Eskimo SPV") had been consolidated in our financial statements subsequent to the Mergers. In connection with the termination of this financing arrangement, we recognized a loss on extinguishment of debt based on the difference between the repurchase price under the sale leaseback arrangement and the carrying value of the net assets of the Eskimo SPV upon deconsolidation. There were no comparable transactions for the three months ended March 31, 2022 or March 31, 2021.

Tax provision

We recognized a tax benefit for the three months ended March 31, 2022 of $49,681 compared to a tax provision of $5,403 for the three months ended December 31, 2021 and a tax benefit of $877 for the three months ended March 31, 2021.

The increase to the tax benefit and associated decrease to the effective tax rate for the three months ended March 31, 2022 was primarily driven by the remeasurement of a deferred income tax liability in conjunction with an internal reorganization. Our equity method investment in CELSEPAR is now directly held by a subsidiary domiciled in the United Kingdom; the investment was previously held by a subsidiary domiciled in Brazil resulting in a discrete tax benefit of $76,460 recognized in the first quarter of 2022. This increase in benefit for the three months ended March 31, 2022 was partially offset by an increase in pretax income for certain profitable operations, including GMLP and Hygo, for the three months ended March 31, 2022.

The Company has not recorded any material changes in liabilities for uncertain tax positions as of March 31, 2022.

Income from equity method investments

We recognized income (loss) from our investments in Hilli and CELSEPAR of $50,235 for the three months ended March 31, 2022 and $(8,515) for the three months ended December 31, 2021, respectively. Our share of earnings from CELSEPAR was significantly impacted by a foreign currency remeasurement gain of $42,466, net of applicable statutory rate for the three months ended March 31, 2022 as a result of the remeasurement of the *Nanook* finance lease obligation, as compared to a remeasurement loss of $(6,788), net of applicable statutory rate for the three months ended December 31, 2021.

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.*** 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 a 50% interest in the Sergipe Facility and the Sergipe Power Plant, as well as the Barcarena Facility and Barcarena Power Plant 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 after the acquisitions also included transaction and integration costs associated with these acquisitions, some of which would not be expected in future periods. Our future results of operations may continue to be impacted by costs to integrate the operations of Hygo and GMLP, including costs to exit or modify transition service agreements or vessel management agreements, all of 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 months ended March 31, 2022 include our Montego Bay Facility, Old Harbour Facility, San Juan Facility, certain industrial end-users and our Miami Facility. We recently placed a portion of our La Paz Facility into service, and in the fourth quarter of 2021, our revenue and results of operations began to be impacted by operations in Mexico. We are continuing to develop of our La Paz Power Plant and our 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, Barcarena Facility, Santa Catarina Facility and Ireland Facility.

- ***Our historical financial results do not reflect new LNG supply agreements, as well as our Fast LNG solution that will lower the cost of our LNG supply.*** We currently purchase the majority of our supply of LNG from third parties, sourcing approximately 94% of our LNG volumes from third parties for the three months ended March 31, 2022. We have entered into LNG supply agreements at a price indexed to Henry Hub through 2030, resulting in expected pricing below the pricing in our previous long-term supply agreement. We have entered into supply agreements to secure supply of 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; pricing under these agreements is indexed to Henry Hub, resulting in expected pricing below our historical supply agreements. 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 optimized our supply portfolio to sell a portion of our committed cargos in the market with delivery throughout 2022, and these cargo sales are expected to increase our 2022 revenues and results of operations.

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 opportunistically elect to generate additional liquidity through future debt or equity issuances and asset sales 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 (below terms defined in our Annual Report):

- 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 February 2022, we expanded capacity under the Revolving Facility to $315,000.

- In August 2021, we entered into the CHP Facility and initially drew $100,000, which may be increased to $285,000. In January 2022, we agreed to rescind the CHP Facility and entered into an agreement for the issuance of secured bonds. Amounts outstanding at the time of the mutual rescission of the CHP Facility of $100,000 were credited towards the purchase price of the South Power 2029 Bonds. Through the first quarter of 2022, we have received proceeds of $175,783 from the issuance of South Power 2029 Bonds.

- In September 2021, Golar Partners Operating LLC, our indirect subsidiary, closed on the Vessel Term Loan Facility. 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 $2,080 million, with approximately $1,584 million having already been spent through March 31, 2022. This estimate represents the committed expenditures for our Fast LNG project, as well as committed expenditures necessary to complete the La Paz Facility, Puerto Sandino Facility, the Suape Facility, the Barcarena Facility, Santa Catarina Facility and the Sri Lanka Facility. We expect to be able to fund all such committed projects with a combination of cash on hand, cash flows from operations and proceeds from the South Power 2029 Bonds (defined below). We may also enter into other financing arrangements to generate proceeds to fund our developments. As of March 31, 2022, 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. Our current air permit required to construct the Pennsylvania Facility is expected to expire in July 2022. We intend to apply for an updated air permit for the Pennsylvania Facility with the aim of obtaining this permit to coincide with the commencement of construction activities.

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, 2021. There were no material changes to our contractual obligations in the first quarter 2022.

(in thousands)	**Total**	**Year 1**	**Years 2 to 3**	**Year 4 to 5**	**More than 5 years**
Long-term debt obligations	$ 4,936,353	$ 305,575	$ 878,471	$ 3,341,677	$ 410,630
Purchase obligations	5,265,356	784,060	1,637,783	1,450,817	1,392,696
Lease obligations	420,329	67,131	101,295	68,393	183,510
Total	$ 10,622,038	$ 1,156,766	$ 2,617,549	$ 4,860,887	$ 1,986,836

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, 2021.

Purchase obligations

We are 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, 2021. We have secured supply of LNG for 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 have construction purchase commitments in connection with our development projects, including the La Paz Facility, Puerto Sandino Facility, Suape Facility, Barcarena Facility, Santa Catarina Facility, as well as our Fast LNG solution. Commitments included in the table above include commitments under engineering, procurement and construction contracts where a notice to proceed has been issued.

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.

As of December 31, 2021, the Company had seven vessels under time charter leases with remaining non-cancellable terms ranging from one month to ten 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. The Company has executed a lease for an LNG carrier that has not commenced as of December 31, 2021, which has a noncancelable terms of seven years and includes fixed payments of approximately $198,100; these payments are not included in the table above.

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 space shared with affiliated companies in New York, as well as offices in Miami, New Orleans, and Rio de Janeiro, which have lease terms between three to seven years.

Cash Flows

The following table summarizes the changes to our cash flows for the three months ended March 30, 2022 and March 31, 2021, respectively:

	Three Months Ended March 31,		
(in thousands)	**2022**	**2021**	**Change**
Cash flows from:			
Operating activities	$ 114,382	$ (111,986)	$ 226,368
Investing activities	(189,221)	(90,257)	(98,964)
Financing activities	36,836	(47,891)	84,727
Net (decrease) in cash, cash equivalents, and restricted cash	$ (38,003)	$ (250,134)	$ 212,131

Cash provided by operating activities

Our cash flow provided by operating activities was $114,382 for the three months ended March 31, 2022, which increased by $226,368 from cash used in operating activities of $111,896 for the three months ended March 31, 2021. Our net income for the three months ended March 31, 2022, when adjusted for non-cash items, increased by $180,828 from the three months ended March 31, 2021. Changes in working capital accounts, primarily increases in accounts payable and accrued liabilities, also contributed to additional cash provided by operating activities.

Cash used in investing activities

Our cash flow used in investing activities was $189,221 for the three months ended March 31, 2022, which increased by $98,964 from cash used in investing activities of $90,257 for the three months ended March 31, 2021. Cash outflows for investing activities during the three months ended March 31, 2022 were also used for continued development of our Fast LNG solution, Santa Catarina Facility, Barcarena Facility, as well as expenditures to complete our La Paz Facility and Puerto Sandino Facility.

Cash outflows for investing activities during the three months ended March 31, 2021 were primarily used for development projects in Nicaragua and Mexico.

Cash provided by financing activities

Our cash flow provided by financing activities was $36,836 for the three months ended March 31, 2022, which increased by $84,727 from cash used in financing activities of $47,891 for the three months ended March 31, 2021. Cash provided by financing activities during the three months ended March 31, 2022 was due to proceeds from issuance of debt of $200,836, offset by repayments of debt of $123,669 and payment of dividends of $23,773.

Cash flow used in financing activities during the three months ended March 31, 2021 was due to payments of $29,564 related to tax withholdings for share-based compensation, as well as dividends paid of $17,657.

Long-Term Debt and Preferred Stock

The terms of our debt instruments and associated obligations have been described in our Annual Report. There have been no significant changes to the terms of our outstanding debt, covenant requirements or payment obligations, other than described below.

South Power 2029 Bonds

In August 2021, NFE South Power Holdings Limited ("South Power"), a wholly owned subsidiary of NFE, entered into a financing agreement ("CHP Facility"), initially receiving approximately $100,000. The CHP Facility was secured by a mortgage over the lease of the site on which our CHP Plant is located and related security. In January 2022, South Power and the counterparty to the CHP Facility agreed to rescind the CHP Facility and entered into an agreement for the issuance of secured bonds ("South Power 2029 Bonds") and subsequently authorized the issuance of up to $285,000 in South Power 2029 Bonds. The South Power 2029 Bonds are secured by, amongst other things, the CHP Plant. Amounts outstanding at the time of the mutual rescission of the CHP Facility of $100,000 were credited towards the purchase price of the South Power 2029 Bonds. In the first quarter of 2022, South Power issued $75,783 of South Power 2029 Bonds for a total amount outstanding of 175,783 as of March 31, 2022.

The South Power 2029 Bonds bear interest at an annual fixed rate of 6.50% and mature seven years from the closing date of the final tranche. No principal payments will be due until 2025. We expect that beginning in May 2025, principal payments will be due on a quarterly basis. Interest payments on outstanding principal balances will be due quarterly. Principal payments and interest payments on the South Power 2029 Bonds are guaranteed by NFE.

South Power will be required to comply with certain financial covenants as well as customary affirmative and negative covenants. The South Power 2029 Bonds also provides for customary events of default, prepayment and cure provisions.

In conjunction with obtaining the CHP Facility, we incurred $3,243 in origination, structuring and other fees. The rescission of the CHP Facility and issuance of South Power 2029 Bonds was treated as a modification, and fees attributable to lenders that participated in the CHP Facility will be amortized over the life of the South Power 2029 Bonds; additional fees associated with such lenders of $258,000 were recognized as expense in the first quarter of 2022. Additional fees for new lenders participating in the South Power 2029 Bonds were recognized as a reduction of the principal balance on the condensed consolidated balance sheets. As of March 31, 2022 and December 31, 2021, the remaining unamortized deferred financing costs for the CHP Facility was $5,527 and $3,180, respectively.

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 March 31, 2022, the Company was in compliance with all covenants under debt and lease agreements.

Financial covenants under GMLP's Vessel Term Loan Facility include requirements that GMLP and the borrowing subsidiary 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 million, each as defined in the Vessel Term Loan Facility. GMLP was in compliance with these covenants as of March 31, 2022.

The Company is also required to comply with covenants under the Revolving Facility and letter of credit facility, including 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. The Company was in compliance with all covenants as of March 31, 2022.

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, and the debt obligations of these entities are not reported separately in our consolidated financial statements. The key terms of CELSEPAR's and Hilli LLC's debt obligations are summarized in our Annual Report.

In July 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. Standby letters of credit are guaranteed, jointly but not severally, by CELSE's shareholders, NFE and Ebrasil. 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 referenced to Libor+, and contractual margins. As of March 31, 2022, there were no standby letters of credit issued under this facility.

Off Balance Sheet Arrangements

As of March 31, 2022 and December 31, 2021, we had no off-balance sheet arrangements that may have a current or future material effect on our consolidated financial position or operating results.

Critical Accounting Policies and Estimates

A complete discussion of our critical accounting policies and estimates is included in our Annual Report for the year ended December 31, 2021. There have been no significant changes in our critical accounting policies and estimates in the current year.

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.

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 $95,000. 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 $4,300.

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 indebtednesss.

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 March 31, 2022. 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 March 31, 2022 at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

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 March 31, 2022 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".

Unless the context otherwise requires, references to "Company," "NFE," "we," "our," "us" or like terms refer to (i) prior to the completion of Mergers, New Fortress Energy Inc. and its subsidiaries, excluding Hygo Energy Transition Ltd. ("Hygo") and its subsidiaries and Golar LNG Partners LP ("GMLP") and its subsidiaries, and (ii) after completion of the Mergers, New Fortress Energy Inc. and its subsidiaries, including Hygo and its subsidiaries and GMLP 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;

Risks Related to Our Business

- We have a limited operating history, which may not be sufficient to evaluate our business and prospects
- We are a holding company and our operational and consolidated financial results are dependent on the results of our subsidiaries, affiliates, joint ventures and special purpose entities in which we invest;
- 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 ability to implement our business strategy may be materially and adversely affected by many known and unknown factors;
- We are subject to various construction risks;
- Operation of our infrastructure, facilities and vessels involves significant risks;
- We operate in a highly regulated environment and our operations could be adversely affected by actions by governmental entities or changes to regulations and legislation;
- Failure to obtain and maintain permits, approvals and authorizations from governmental and regulatory agencies and third parties on favorable terms could impede operations and construction;
- 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;
- Failure to maintain sufficient working capital could limit our growth and harm our business, financial condition and results of operations;
- Our ability to generate revenues is substantially dependent on our current and future long-term agreements and the performance by customers under such agreements;
- 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;

- Because we are currently dependent upon a limited number of customers, the loss of a significant customer could adversely affect our operating results;
- Competition in the LNG industry is intense, and some of our competitors have greater financial, technological and other resources than we currently possess;
- 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;
- 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;
- We may not be able to purchase or receive physical delivery of LNG or natural gas in sufficient quantities and/or at economically attractive prices to satisfy our delivery obligations under the GSAs, PPAs and SSAs;
- We seek to develop innovative and new technologies as part of our strategy that are not yet proven and may not realize the time and cost savings we expect to achieve;
- We have incurred, and may in the future incur, a significant amount of debt;
- 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 may engage in mergers, sales and acquisitions, reorganizations or similar transactions related to our businesses or assets in the future and we may fail to successfully complete such transaction or to realize the expected value;
- Weather events or other natural or manmade disasters or phenomena, some of which may be adversely impacted by global climate change, could have a material adverse effect on our operations and projects, as well as on the economies in the markets in which we operate or plan to operate;
- 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;
- We may experience increased labor costs and regulation, and the unavailability of skilled workers or our failure to attract and retain qualified personnel, as well as our ability to comply with such labor laws, could adversely affect;

Risks Related to the Jurisdictions in Which We Operate

- We are subject to the economic, political, social and other conditions in the jurisdictions in which we operate;
- Our financial condition and operating results may be adversely affected by foreign exchange fluctuations;
- A change in tax laws in any country in which we operate could adversely affect us;

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.

In 2021, we consummated the Mergers, which involve the integration of Hygo and GMLP with our existing business. The integration of these businesses is a complex, costly and time-consuming process. 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. 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.

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. 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.

Risks Related to Our Business

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. In 2021, we recognized income of $92.7 million. Our limited operating history also means that we continue to develop and implement our strategies, policies and procedures, including those related to project development planning, operational supply chain planning, data privacy and other matters. We cannot give you any assurance that our strategy will be successful or 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. Furthermore, in 2021, we consummated the Mergers, which involve the integration of Hygo and GMLP with our existing business. Our operating history prior to 2021 does not reflect the combination of these businesses and our limited operating history may not accurately reflect our business following consummation of the Mergers. The success of our business 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, failure of which could result in a material adverse effect upon our operations and business. See "—We may be unable to successfully integrate the businesses and realize the anticipated benefits of the Mergers."

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. We achieved profitability for the first time in 2021. Several of our projects have not reached commercial operations and we will not receive any material increase in operating cash flows until a project is completed. Even if completed, we may construct facilities to capture anticipated future energy consumption growth in a region in which such growth does not materialize. For example, the purchase of the project company holding the rights to develop and operate the Ireland Facility (as defined herein) is subject to several 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 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, as well as all related infrastructure, and we will need to make significant additional investments to develop, improve and operate them. We also expect to make significant expenditures and investments in identifying, acquiring and/or developing other future projects, including in connection with the Mergers and new technologies. We expect to incur significant expenses in connection with the growth of our business, including costs for LNG purchases, rail and truck transportation, shipping and logistics and personnel, as well as any technologies we develop. We will need to raise significant additional debt and equity funding to achieve our goals. We cannot assure you that we will 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 ability to implement our business strategy may be materially and adversely affected by many known and unknown factors.

Our business strategy relies on a variety of factors, including our ability to successfully market LNG, natural gas, steam, and power to end-users, develop and maintain cost-effective logistics in our supply chain and construct, develop and operate energy-related infrastructure in the countries where we operate, expand our projects and operations to other countries where we do not currently operate, and successfully integrate Hygo and GMLP into our business. These assumptions are subject to significant economic, competitive, regulatory and operational uncertainties, contingencies and risks, many of which are beyond our control, including, among others:

- 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 strategic relationships;
- failure to obtain required governmental and regulatory approvals for the construction and operation of these projects and other relevant approvals;
- unfavorable laws and regulations, changes in laws or unfavorable interpretation or application of laws and regulations; and
- 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.

Furthermore, as part of our business strategy, we 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. Our credit procedures and policies may be inadequate to sufficiently eliminate risks of nonpayment and nonperformance.

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 ability to execute our business strategy and adversely affect our business, financial condition and results of operations.

We are subject to various construction risks.

We are involved in the development of complex small, medium and large-scale engineering and construction projects, including our Facilities, Liquefaction Facilities, power plants, and related infrastructure, which 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. In addition to our facilities, these infrastructure projects can include the development and construction of facilities as part of our customer contracts. Projects of this type are subject to a number of risks including, among others:

- engineering, environmental or geological problems;
- shortages or delays in the delivery of equipment and supplies;
- government or regulatory approvals, permits or other authorizations;
- failure to meet technical specifications or adjustments being required based on testing or commissioning;
- construction accidents that could result in personal injury or loss of life;
- lack of adequate and qualified personnel to execute the project;
- weather interference; and
- potential labor shortages, work stoppages or labor union disputes

Furthermore, because of the nature of our infrastructure, we are dependent on interconnection with transmission systems and other infrastructure projects of third parties, including our customers, and/or governmental entities. Such third-party projects can be greenfield or brownfield projects, including modifications to existing infrastructure or increases in capacity to existing facilities, among others, and are subject to various construction risks. Delays from such third parties or governmental entities could prevent connection to our projects and generate delays in our ability to develop our own projects. In addition, 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. These risks can be increased in 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. See “–Risks Related to the Jurisdictions in which we Operate—We are subject to the economic, political, social and other conditions in the jurisdictions in which we operate”.

The occurrence of any one of these factors, whatever the cause, could result in unforeseen delays or cost overruns to our projects. Delays in the development beyond our estimated timelines, or amendments or change orders to our construction contracts, could result in increases to our development costs beyond our original estimates, which could require us to obtain additional financing or funding and could make the project less profitable than originally estimated or possibly not profitable at all. Further, any such delays could cause a delay in our anticipated receipt of revenues, a loss of one or more customers in the event of significant delays, and our inability to meet milestones or conditions precedents in our customer contracts, which could lead to delay penalties and potentially a termination of agreements with our customers. We have experienced time delays and cost overruns in the construction and development of our projects as a result of the occurrence of various of the above factors, and no assurance can be given that we will not continue to experience in the future similar events, any of which could have a material adverse effect on our business, operating results, cash flows and liquidity.

Operation of our infrastructure, facilities and vessels involves significant risks.

Our existing infrastructure, facilities and vessels and expected future operations and businesses face operational risks, including, but not limited to, the following:

- performing below expected levels of efficiency or capacity or required changes to specifications for continued operations;
- breakdowns or failures of equipment or shortages or delays in the delivery of supplies;
- operational errors by trucks, including trucking accidents while transporting natural gas, LNG or any other chemical or hazardous substance;
- tankers or tug operators;
- operational errors by us or any contracted facility, port or other operator of related infrastructure;
- failure to maintain the required government or regulatory approvals, permits or other authorizations;
- accidents that could result in personal injury or loss of life;
- lack of adequate and qualified personnel;
- potential labor shortages, work stoppages or labor union disputes;
- weather-related or natural disaster interruptions of operations;
- pollution or environmental contamination affecting operation;
- inability, or failure, of any counterparty to any facility-related agreements to perform their contractual obligations;
- decreased demand by our customers, including as a result of the COVID-19 pandemic; and
- planned and unplanned power outages or failures to supply due to scheduled or unscheduled maintenance.

Furthermore, we are subject to risks related to marine LNG operations with respect to our FSRUs and LNG carriers, which operations are complex and technically challenging and subject to mechanical risks and problems. Marine LNG operations are subject to a variety of risks, including, among others, marine disasters, piracy, bad weather, mechanical failures, environmental accidents, epidemics, 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 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 and result in higher than anticipated operating expenses or require additional capital expenditures. 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. Our marine 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. 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 our 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 our business, financial condition and results of operations.

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, our facilities or assets.

We depend on third-party contractors, operators and suppliers.

We rely on third-party contractors, equipment manufacturers, suppliers and operators for the development, construction and operation of our projects and assets. We have not yet entered into binding contracts for the construction, development and operation of all of our facilities and assets, and we cannot assure you that we will be able to enter into the contracts required on commercially favorable terms, if at all, which could expose us to fluctuations in pricing and potential changes to our planned schedule. If we are unable to enter into favorable contracts, we may not be able to construct and operate these assets as expected, or at all. Furthermore, these agreements are the result of arms-length negotiations and subject to change. There can be no assurance that contractors and suppliers will perform their obligations successfully under their agreements with us. 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. For example, each of our vessels is operated and maintained by GLNG or its affiliates pursuant to ship management agreements. Any failure by GLNG or its affiliates in the operation of our vessels could have an adverse effect on our maritime operations and could result in our failure to deliver LNG to our customers as required under our customer agreements. Although some agreements may provide for liquidated damages if the contractor or supplier fails to perform in the manner required with respect to its obligations, the events that trigger such liquidated damages may delay or impair the completion or operation of the 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, including, among others, any covenants or obligations by us to pay liquidated damages or penalties under our agreements with our customers, development services, the supply of natural gas, LNG or steam and the supply of power, as well as increased expenses or reduced revenue. Such liquidated damages may also be subject to caps on liability, and we may not have full protection to seek payment from our contractors to compensate us for such payments and other consequences. 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. 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. If we are unable to construct and commission our facilities and assets 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.

We operate in a highly regulated environment and our operations could be adversely affected by actions by governmental entities or changes to regulations and legislation

Our business is highly regulated and subject to numerous governmental laws, rules, regulations and requires permits, authorizations and various governmental and agency approvals, in the various jurisdictions in which we operate, that impose various restrictions and obligations that may have material effects on our business and results of operations. 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, have retroactive effects, 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.

In addition, these rules and regulation are subject to decision, administration and implementation by various governmental agencies and bodies, which take actions or decisions that adversely affect our business or operations. 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 has been suspended by Mexican courts in response to various challenges from industry participants and the Mexican government may not implement such amendment until all such challenges have been resolved by a final judgment or dismissed. In addition, the amendment was determined to be unconstitutional by the Mexican Supreme Court, in a non-binding majority vote. Furthermore, 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 by several private actors in Mexican courts. 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. In addition, the Brazilian government implemented fundamental changes in the regulation of the power industry in legislation passed in 2004 known as the New Regulatory Framework (*Lei do Novo Modelo do Setor Elétrico*). 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 our Brazilian business and 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. 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.

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. 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, which remains pending.

We may not comply with each of these requirements in the future, or at all times, including any changes to such laws and regulations or their interpretation. The failure to satisfy any applicable legal requirements may result in the suspension of our operations, the imposition of fines and/or remedial measures, suspension or termination of permits or other authorization, as well as potential administrative, civil and criminal penalties, which may significantly increase compliance costs and the need for additional capital expenditures.

Failure to obtain and maintain permits, approvals and authorizations from governmental and regulatory agencies and third parties on favorable terms could impede operations and construction.

The design, construction and operation of our infrastructure, facilities and businesses, including our FSRUs, FLNGs and LNG carriers, the import and export of LNG and the transportation of natural gas, among others, are highly regulated activities at the national, state and local levels and are subject to various approvals and permits. The process to obtain the permits, approvals and authorizations we need to conduct our business, and the interpretations of those rules, is complex, time-consuming, challenging and varies in each jurisdiction in which we operate. We may be unable to obtain such approvals on terms that are satisfactory for our operations and on a timeline that meets our commercial obligations. 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. We may also be (and have been in select circumstances) subject to local opposition, including citizens groups or non-governmental organizations such as environmental groups, which may create delays and challenges in our permitting process and may attract negative publicity, which may create an adverse impact on our reputation. In addition, such rules change frequently and are often subject to discretionary interpretations, including administrative and judicial challenges by regulators, all of which may make compliance more difficult and may increase the length of time it takes to receive regulatory approval for our operations, particularly in countries where we operate, such as Mexico and Brazil. For example, in Mexico, we have obtained substantially all permits but are awaiting regasification and transmission permits for our power plant and permits necessary to operate our terminal. We do not know the precise date when we will receive the permits we need to commence full commercial operations. We intend to apply for an updated air permit for the Pennsylvania Facility with the aim of obtaining this permit to coincide with the commencement of construction activities. We cannot assure if or when we will receive this permit, which is needed prior to commencing certain construction activities related to the facility. Any administrative and judicial challenges can delay and protract the process for obtaining and implementing permits and can also add significant costs and uncertainty. We cannot control the outcome of any review or approval process, including whether or when any such permits 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 and authorizations or the terms thereof. Furthermore, we are developing new technologies and operate in jurisdictions that may lack mature legal and regulatory systems and may experience legal instability, which may be subject to regulatory and legal challenges, instability or clarity of application of laws, rules and regulations to our business and new technology, which can result in difficulties and instability in obtaining or securing required permits or authorizations. There is no assurance that we will obtain and maintain these permits and authorizations on favorable terms, or that we will be able to obtain them on a timely basis, and we may not be able to complete our projects, start or continue our operations, recover our investment in our projects and may be subject to financial penalties or termination under our customer and other agreements, which could have a material adverse effect on our business, financial condition, operating results, liquidity and prospects.

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, steam or power. This strategy requires us to invest capital and time to develop a project in exchange for the ability to sell our products and generate fees from customers in the future. When we develop these projects, 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.

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.

Our ability to generate revenues is substantially dependent on our current and future long-term agreements and the performance by customers under such agreements.

Our business strategy relies upon our ability to successfully market our products to our existing and new customers and enter into or replace our long-term supply and services agreements for the sale of natural gas, LNG, steam and power. If we contract with our customers on short-term contracts, our pricing can be subject to more fluctuations and less favorable terms, and our earnings are likely to become more volatile. An increasing emphasis on the short-term or spot LNG market may in the future require us to enter into contracts 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. Our 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. 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, 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 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 2022 will be dependent upon our assets and customers in Jamaica, Brazil and Puerto Rico. 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. We commenced our operations in Brazil in 2021, following the Mergers, and have been operating in Brazil through our joint venture for the Sergipe Facility and the Sergipe Power Plant. Jamaica, Brazil 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. 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. See "—Risks Related to the Jurisdictions in which we Operate—We are subject to the economic, political, social and other conditions in the jurisdictions in which we operate". 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 and 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, including the COVID-19 pandemic, severe weather or natural disasters. Due to our current lack of asset and geographic diversification, an adverse development at our Facilities in Jamaica, Brazil or Puerto Rico, in the energy industry or in the economic conditions in Jamaica, Brazil 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.

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 results of operations and liquidity are, and will continue to be in the near future, substantially dependent upon a limited number of customers, including 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, and which 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. 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. The loss of any of these customers could have an adverse effect on our revenues and we may not be able to enter into a replacement agreement on terms as favorable as the terminated agreement. 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.

We may not be able to convert our anticipated customer pipeline into binding long-term 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 contracts for the sale of LNG, natural gas, steam, and power with multiple counterparties in multiple jurisdictions. Counterparties commemorate their purchasing commitments for these products in various degrees of formality ranging from traditional contracts to less formal arrangements, including 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. In addition, the effectiveness of our binding agreements can be subject to a number of conditions precedent that may not materialize, rendering such agreements non-effective. Moreover, while certain of our long-term contracts contain minimum volume commitments, our expected sales to customers under existing contracts may be 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 nominate in excess of such minimum quantities and to perform their obligations under their respective contracts. Given the variety of sales processes and counterparty acknowledgements of the 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 or awards under requests for proposals. "In Discussion" volumes generally refer to volumes related to potential customers that management is actively negotiating, responding to a request for proposals, or with respect to which management anticipates a request for proposals or competitive bid process to be announced based on discussions with potential customers. Management's estimations of "Committed" and "In Discussion" volumes may prove to be incorrect. 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 never sign a binding agreement to sell our products to the counterparty, or we may sell much less volume than we estimate, which could result in our inability to generate the revenues and profits we anticipate, having a material adverse effect on our results of operations and financial condition.

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.

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 industry for LNG 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, in the various markets in which we operate and many of which have been in operation longer than us. Various 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, including , 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 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 or through our Fast LNG solution. Various competitors have and are developing LNG facilities in other markets, which will compete with our LNG facilities, including our Fast LNG solution. Some of these competitors have longer operating histories, more development experience, greater name recognition, larger staffs, larger and more versatile fleets, and substantially greater financial, technical and marketing resources than we currently possess. We also face competition for the contractors needed to build our facilities and skilled employees. See "—We may experience increased labor costs and regulation, and the unavailability of skilled workers or our failure to attract and retain qualified personnel, as well as our ability to comply with such labor laws, could adversely affect us". 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. We anticipate that an increasing number of marine transportation companies, including many with strong reputations and extensive resources and experience will enter the LNG transportation market and the FSRU market. This increased competition may cause greater price competition for our products. As a result of these factors, we may be unable to expand our relationships with existing customers or to obtain new customers on a favorable basis, if at all, which would have a material adverse effect on our business, results of operations and financial condition.

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 Organization of the Petroleum Exporting Countries ("OPEC") have significantly impacted energy markets, and the price of oil has recently traded at historic low prices, making it a more competitive fuel source to LNG. Potential expansion in the Caribbean, Latin America 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. In Brazil, hydroelectric power generation is the predominant source of electricity and LNG is one of several other energy sources used to supplement hydroelectric generation. The success of our operations is dependent, in part, on the extent to which LNG can, for significant periods and in significant volumes, be produced internationally and delivered to our 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 and Latin America, may also impede the willingness or ability of LNG suppliers and merchants in such countries to export LNG to the Caribbean, Latin America and other countries where we operate or seek to operate. Furthermore, some foreign suppliers of LNG may have economic or other reasons to direct their LNG to other 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 on a commercial basis, 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.

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.

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 may 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 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. Conversely, current market conditions have made LNG values high relative to long term pricing benchmarks, which has given LNG sellers the potential ability to fail to deliver volumes, pay the contractual penalty, but divert LNG to more profitable markets. 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 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. 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. 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.

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.

We may not be able to purchase or receive physical delivery of LNG or natural gas in sufficient quantities and/or at economically attractive prices to satisfy our delivery obligations under the GSAs, PPAs and SSAs.

Under our GSAs, PPAs and SSAs, we are required to deliver to our customers specified amounts of LNG, natural gas, power and steam, respectively, at specified times and within certain specifications, all of which requires us to obtain sufficient amounts of LNG from third-party LNG suppliers or our own portfolio. 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, or subject us to penalties and indemnification obligations under those agreements. While we have entered into supply agreements for the purchase of approximately 630 TBtu of LNG between 2022 and 2030, we may need to purchase significant additional LNG volumes to meet our delivery obligations to our downstream customers. 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. Failure to secure contracts for the purchase of a sufficient amount of LNG or at favorable prices could materially and adversely affect our business, operating results, cash flows and liquidity. Additionally, 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 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 LNG on the spot market or receive a sufficient quantity of LNG in order to satisfy our delivery obligations under our GSAs, PPAs and SSAs or at favorable terms. 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, as our vessels maybe be too small for those obligations. Any such failure to purchase or receive delivery of LNG or natural gas in sufficient quantities could result in our failure to satisfy our obligations to our customers, which could lead to delay penalties and potentially a termination of agreements with our customers. Any such failure to sell our inventory of natural gas or LNG at attractive prices could materially and adversely affect our business, operating results, cash flows and liquidity.

We may not be able to fully utilize the capacity of our FSRUs and other facilities.

Our FSRU facilities have significant excess capacity that is currently not dedicated to a particular anchor customer. Part of our business strategy is to utilize undedicated excess capacity of our FSRU facilities to serve additional downstream customers in the regions in which we operate. However, we have not secured, and we may be unable to secure, commitments for all of our excess capacity. Factors which could cause us to contract less than full capacity include difficulties in negotiations with potential counterparties and factors outside of our control such as the price of and demand for LNG. For example, the owner and operator of the Sergipe Facility, CELSE, has the right to utilize 100% of the capacity at the Sergipe Facility pursuant to the Sergipe FSRU Charter. In order to utilize the excess capacity of the Sergipe Facility, we would need to obtain the consent of CELSE and the senior lenders under CELSE's financing arrangements. Failure to secure commitments for less than full capacity could impact our future revenues and materially adversely affect our business, financial condition and operating results.

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

LNG processed and stored on FSRUs may be subject to loss or damage resulting from equipment malfunction, faulty handling, ageing or otherwise. We could bear the risk of loss or damage to all LNG for the period of time during which LNG is stored on an FSRU or is dispatched to a pipeline. Any such disruption to the supply of LNG and natural gas may lead to delays, disruptions or curtailments in the production of power at our Facilities, which could materially and adversely affect our revenues, financial condition and results of operations.

The operation of our vessels is dependent on our ability to deploy our vessels to an NFE terminal or to long-term charters.

Our principal strategy for our FSRU and LNG carriers is to provide steady and reliable shipping, regasification and marine operations to NFE terminals and, to the extent favorable to our business, replace or enter into new long-term carrier time charters for our vessels. 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, propulsion technology and emissions profile, 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. We may also face increased difficulty entering into long-term time charters upon the expiration or early termination of our contracts. 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. If we lose any of our charterers and are unable to re-deploy the related vessel to a NFE terminal or into a new replacement contract 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, it is an event of default under the credit facilities related to all of our vessels if the time charter of any vessel related to any such credit facility is cancelled, rescinded or frustrated and we are 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.

We rely on tankers and other vessels outside of our fleet for our LNG transportation and transfer.

In addition to our own fleet of vessels, we rely on third-party ocean-going tankers and freight carriers (for ISO containers) for the transportation of LNG and ship-to-ship kits to transfer LNG between ships. We may not be able to successfully enter into contracts or renew existing contracts to charter tankers on favorable terms or at all, which may result in us not being able to meet our obligations. Our ability to enter into contracts or renew existing contracts 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 charter rates and contract provisions. 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 highly unpredictable, the nature, timing, direction and degree of changes in industry conditions are also unpredictable. 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.

Furthermore, our ability to provide services to our customers could be adversely impacted by shifts in tanker market dynamics, shortages in available cargo carrying 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, emissions standards, maritime regulatory changes and other factors not within our control. The availability of the tankers could be delayed to the detriment of our LNG business and our customers because the construction and delivery of LNG tankers require significant capital and long construction lead times. 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.

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; epidemics; 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 readily 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.

Hire rates for FSRUs and LNG carriers may fluctuate substantially. If rates are lower when we are seeking a new charter, our 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 of our 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 23, 2022, the LNG carrier order book totaled

187 vessels, including two FSRUs/FSUs. We believe 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 our ability to charter or re-charter our vessels at acceptable rates or to acquire and profitably operate new vessels. Accordingly, this could have a material adverse effect on our earnings, financial condition, operating results and prospects.

Vessel values may fluctuate substantially and, if these values are lower at a time when we are attempting to dispose of vessels, we 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, steel 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 our vessels age, the expenses associated with maintaining and operating them are expected to increase, which could have an adverse effect on our business and operations if we do 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, we will not be permitted to sell it to take advantage of increases in vessel values without the charterers' consent. If a charter terminates, we may be unable to re-deploy the affected vessels at attractive rates or for our operations and, rather than continue to incur costs to maintain and finance them, we may seek to dispose of them. When vessel values are low, we may not be able to dispose of vessels at a reasonable price when we wish to sell vessels, and conversely, when vessel values are elevated, we may not be able to acquire additional vessels at attractive prices when we wish to acquire additional vessels, which could adversely affect our business, results of operations, cash flow, and financial condition.

The carrying values of our 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. Our vessels are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Although we did not recognize an impairment charge on any of its vessels for the year ended December 31, 2021, we cannot assure you that we will not recognize impairment losses on our vessels in future years. Any impairment charges incurred as a result of declines in charter rates could negatively affect our business, financial condition, or operating results.

Maritime claimants could arrest our vessels, which could interrupt our cash flow.

If we are in default on certain kinds of obligations related to our vessels, such as those to our lenders, crew members, suppliers of goods and services to our vessels or shippers of cargo, these parties may be entitled to a maritime lien against one or more of our 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 our fleet for claims relating to another of our vessels. The arrest or attachment of one or more of our vessels could interrupt our cash flow and require us to pay to have the arrest lifted. Under some of our 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 us, we may be in default of our charter and the charterer may terminate the charter. This would negatively impact our revenues and cash flows.

We seek to develop innovative and new technologies as part of our strategy that are not yet proven and may not realize the time and cost savings we expect to achieve.

We analyze and seek to implement innovative and new technologies that complement our businesses to reduce our costs, achieve efficiencies for our business and our customers and advance our long-term goals, such as our ISO container distribution system, our Fast LNG solution and our green hydrogen project. 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. 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. See "—Our Fast LNG technology is a novel technology that is not yet proven and we may not be able to implement it as planned or at all." We are also 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 we made our first hydrogen-related investment in H2Pro, an Israel-based company developing a novel, efficient, and low-cost green hydrogen production technology. We continue to develop our ISO container distribution systems in the various markets where we operate. 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. We may not be able to successfully develop these technologies, and even if we succeed, we may ultimately not be able to realize the time, revenues and cost savings we currently expect to achieve from these strategies, which could adversely affect our financial results.

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.

Our Fast LNG technology is a novel technology that is not yet proven and we may not be able to implement it as planned or at all.

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. Our ability to create and maintain a competitive position in the natural gas liquefaction industry may be adversely affected by our inability to effectively implement our Fast LNG technology. We are in the process of designing and constructing our first Fast LNG solution, and are therefore subject to construction risks, risks associated with third-party contracting and service providers, permitting and regulatory risks. See "—We are subject to various construction risks" and "—We depend on third-party contractors, operators and suppliers". Because our Fast LNG technology is a new technology that has not been previously implemented, tested or proven, we are also exposed to unknown and unforeseen risks associated with the development of new technologies, including failure to meet design and engineering specifications, incompatibility of systems, inability to contract or employ third parties with sufficient experience in technologies used or inability by contractors to perform their work, delays and schedule changes, high costs and expenses that may be subject to increase or difficult to anticipate, regulatory and legal challenges, instability or clarity of application of laws, rules and regulations to the technology, and added difficulties in obtaining or securing required permits or authorizations, among others. See "—Failure to obtain and maintain permits, approvals and authorizations from governmental and regulatory agencies and third parties on favorable terms could impede operations and construction". The success and profitability of our Fast LNG technology is also dependent on the volatility of the price of natural gas and LNG compared to the related levels of capital spending required to implement the technology. Natural gas and LNG prices have at various times been and may become volatile due to one or more of factors. Volatility or weakness in natural gas or LNG prices could render our LNG procured through Fast LNG too expensive for our customers, and we may not be able to obtain our anticipated return on our investment or make our technology profitable. In addition, we may seek to construct and develop floating offshore liquefaction units as part of our Fast LNG in jurisdictions with increased political, economic, social and legal instability, lack of regulatory clarity of application of laws, rules and regulations to our technology, and could potentially expose us to additional jurisdictional risks related to currency exchange, tariffs and other taxes, changes in laws, civil unrest, and similar risks. See "—Risks Related to the Jurisdictions in which we Operate—We are subject to the economic, political, social and other conditions in the jurisdictions in which we operate". Furthermore, as part of our business strategy for Fast LNG, we may enter into tolling agreements with third parties, including in developing countries, and these counterparties may have greater credit risk than typical. Therefore, we may be exposed to greater customer credit risk than other companies in the industry. Our credit procedures and policies may be inadequate to sufficiently eliminate risks of nonpayment and nonperformance. We may not be able to successfully develop, construct and implement our Fast LNG solution, and even if we succeed in developing and constructing the technology, we may ultimately not be able to realize the cost savings and revenues we currently expect to achieve from it, which could result in a material adverse effect upon our operations and business.

We have incurred, and may in the future incur, a significant amount of debt.

On an ongoing basis, we engage with lenders and other financial institutions in an effort to improve our liquidity and capital resources. As of December 31, 2021 and March 31, 2022, we had approximately $3,896 million and $3,978 million, respectively, aggregate principal amount of indebtedness outstanding on a consolidated basis. In connection with the Mergers, we assumed a significant amount of indebtedness, including guarantees and preferred shares, and we incurred a significant amount of debt to pay a portion of the purchase price for the GMLP Merger, to refinance certain debt of GMLP and its subsidiaries, to pay related fees and expenses, and for general corporate purposes. The terms and conditions of our indebtedness, including some of the indebtedness we assumed as part of the Mergers, include restrictive covenants that may limit our ability to operate our business, to incur or refinance our debt, engage in certain transactions, and require us to maintain certain financial ratios, among others, any of which may limit our ability to finance future operations and capital needs, react to changes in our business and in the economy generally, and to pursue business opportunities and activities. If we fail to comply with any of these restrictions or are unable to pay our debt service when due, our debt could be accelerated or cross-accelerated, and we cannot assure you that we will have the ability to repay such accelerated debt. Any such default could also have adverse consequences to our status and reporting requirements, reducing our ability to quickly access the capital markets. Our ability to service our existing and any future debt will depend on our performance and operations, which is subject to factors that are beyond our control and compliance with covenants in the agreements governing such debt. 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, which could have a material adverse effect on our business, results of operation and financial condition.

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. 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. We cannot assure you that such additional funding will be available on acceptable terms, or at all. Our ability to raise additional capital on acceptable terms 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, 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. Additional debt financing, if available, may subject us to increased restrictive covenants that could limit our flexibility in conducting future business activities and could result in us expending significant resources to service our obligations. 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. 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, we may be unable to pay or refinance our indebtedness or to fund our other liquidity needs, and our financial condition or results of operations may be materially adversely affected.

Our current and any future sale and leaseback agreements contain or may contain restrictive covenants that may limit our liquidity and corporate activities.

Hygo’s sale and leaseback agreements for the Nanook, Penguin and Celsius contain, and any future sale and leaseback agreements we may enter into are expected to contain, customary covenants and event of default clauses, including specified financial ratios and financial covenants, including minimum consolidated leverage ratio and the minimum free liquidity covenants, as well as cross-default provisions and restrictive covenants and performance requirements that may affect our operational and financial flexibility. Such restrictions could affect, and in many respects limit or prohibit, among other things, Hygo’s or our ability to incur additional indebtedness, create liens, sell assets, or engage in mergers or acquisitions, as well as our ability to plan for or react to market conditions or meet extraordinary capital needs or otherwise restrict corporate activities. A failure by Hygo to meet payment and other obligations, including the financial covenant requirements, could lead to defaults under other sale and leaseback agreements or any future sale and leaseback agreements. If we are not in compliance with our covenants and are not able to obtain covenant waivers or modifications, the current or future owners of our leased vessels, as appropriate, could retake possession of the vessels or require us to pay down our indebtedness or sell vessels in our fleet. We could lose our vessels if we default on our bareboat charters in connection with the sale and leaseback agreements, which would negatively affect our revenues, results of operations and financial condition. In addition, Hygo also assigns the shares in its subsidiaries which are the charterers of these vessels to the owners/lessors. There can be no assurance that such restrictions will not adversely affect our ability to finance future operations or capital needs. As a result of these restrictions in current sale and leaseback agreements, or similar restrictions in future sale and leaseback agreements, we may need to seek permission from the owners of our leased vessels to engage in certain corporate actions. Their interests may be different from ours and we may not be able to obtain their permission when needed. This may prevent us from taking actions that we believe are in our best interest, which may adversely impact our revenues, results of operations and financial condition.

We have entered into, and may in the future enter into or modify existing, joint ventures that might restrict our operational and corporate flexibility or require credit support.

We have entered into, and may in the future enter, into joint venture arrangements with third parties in respect of our projects and assets. For example, the Sergipe Facility and Sergipe Power Plant are part of a 50/50 joint venture between Hygo and Ebrasil and our interest in the Hilli is the result of an acquisition by GMLP in July 2018 of 50% of the common units in Hilli LLC (the "Hilli Acquisition"), the disponent owner of Hilli Corp. (as defined herein), the owner of the Hilli, which 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. As we do not operate the assets owned by these joint ventures, our control over their operations is limited by provisions of the agreements we have entered into with our joint venture partners and by our percentage ownership in such joint ventures. Because we do not control all of the decisions of our joint ventures, it may be difficult or impossible for us to cause the joint venture to take actions that we believe would be in its or the joint venture's best interests. For example, we cannot unilaterally cause the distribution of cash by our joint ventures. Additionally, as the joint ventures are separate legal entities, any right we 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, trade creditors and any other third parties that require such subordination, such as lenders and other creditors).

Moreover, joint venture arrangements involve various risks and uncertainties, such as our commitment to fund operating and/or capital expenditures, the timing and amount of which we may not control, and our joint venture partners may not satisfy their financial obligations to the joint venture. We have provided and may in the future provide guarantees or other forms of credit support to our joint ventures and/or affiliates. For example, 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, a wholly owned subsidiary of Hilli LLC, under 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"), pursuant to a Deed of Amendment, Restatement and Accession relating to a guarantee between GLNG, Fortune and GMLP dated July 12, 2018. The Hilli Facility provided for post-construction financing for the Hilli in the amount of $960 million. These guarantees or credit support contain and can contain certain financial restrictions and other covenants that may restrict our business and financing activities. We backstop the GMLP guarantee of Hilli Corp's debt under the Hiili Leaseback by separately guaranteeing GMLP's performance. Failure by any of our joint ventures (e.g., Hilli Corp), 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 our 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 relevant assets or vessels securing the loans or seek repayment of the loan from us, or both. Either of these possibilities could have a material adverse effect on our business. Further, by virtue of our guarantees with respect to our joint ventures and/or affiliates, this may reduce our ability to gain future credit from certain lenders.

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 have entered and may in the future 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.

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.

We have entered and may in the future 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. 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 the cost and availability of the swaps that we may use for hedging, including, without limitation, rules setting limits on the positions in certain contracts, rules regarding aggregation of positions, requirements to clear through specific derivatives clearing organizations and trading platforms, requirements for posting of margins, regulatory requirements on swaps market participants. Our counterparties that are also subject to the capital requirements set out by the Basel Committee on the Banking Supervision in 2011, commonly referred to as "Basel III," 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. Our subsidiaries and affiliates operating in Europe and the Caribbean may be subject to the European Market Infrastructure Regulation ("EMIR") and the Regulation on Wholesale Energy Market Integrity and Transparency ("REMIT") as wholesale energy market participants, which may impose increased regulatory obligations, 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, as well as requiring liquid collateral. 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.

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, decline of our market capitalization, reduced estimates of future cash flows for our business segments or disruptions to our business, or adverse actions by governmental entities, changes to regulation or legislation 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.

Weather events or other natural or manmade disasters or phenomena, some of which may be adversely impacted by global climate change, could have a material adverse effect on our operations and projects, as well as on the economies in the markets in which we operate or plan to operate.

Weather events such as storms and related storm activity and collateral effects, or other disasters, accidents, catastrophes or similar events, natural or manmade, such as explosions, fires, seismic events, floods or accidents, could result in damage to our Facilities, Liquefaction Facilities, or related infrastructure, interruption of our operations or our supply chain, 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 nature of our operations, we are particularly exposed to the risks posed by hurricanes, tropical storms and their collateral effects, in particular with respect to fleet operations, floating offshore liquefaction units and other infrastructure we may develop in connection with our Fast LNG technology. In particular, we may seek to construct and develop floating offshore liquefaction units as part of our Fast LNG in locations that are subject to risks posed by hurricanes and similar severe weather conditions or natural disasters or other adverse events or conditions that could severely affect our infrastructure, resulting in damage or loss, contamination to the areas, and suspension of our operations. For example, our operations in coastal regions in southern Florida, the Caribbean, and Latin America are frequently exposed to natural hazards such as sea-level rise, coastal flooding, cyclones, extreme heat, hurricanes, and earthquakes. These climate risks can affect our operations, potentially even damaging or destroying our facilities, leading to production downgrades, costly delays, reduction in workforce productivity, and potential injury to our people. In addition, jurisdictions with increased political, economic, social and legal instability, lack of regulatory clarity of application of laws, rules and regulations to our technology, and could potentially expose us to additional jurisdictional risks related to currency exchange, tariffs and other taxes, changes in laws, civil unrest, and similar risks. In addition, because of the location of some of our operations, we are subject to other natural phenomena, including earthquakes, such as the one that occurred near Puerto Rico in January 2020, which resulted in a temporary delay of development of our Puerto Rico projects. If one or more tankers, pipelines, Facilities, Liquefaction Facilities, vessels, 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 or similar event, our construction projects and our operations could be significantly interrupted, damaged or destroyed. These delays, interruptions and damages could involve substantial damage to people, property or the environment, and repairs could take a significant amount of time, particularly in the event of a major interruption or substantial damage. 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. See "—Our insurance may be insufficient to cover losses that may occur to our property or result from our operations". The occurrence of a significant event, or the threat thereof, could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

Existing and future environmental, social, health and safety laws and regulations could result in increased or more stringent compliance requirements, which may be difficult to comply with or result in additional costs and may otherwise lead to significant liabilities and reputational damage.

Our business is now and will in the future be subject to extensive national, federal, state, municipal and local laws, rules and regulations, in the United States and in the jurisdictions where we operate, relating to the environment, social, health and safety and hazardous substances. 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, natural gas and other substances; the handling, storage and disposal of hazardous materials, hazardous waste and petroleum products; and remediation associated with the release of hazardous substances. Many of these laws and regulations, such as the CAA and the CWA, and analogous laws and regulations in the jurisdictions in which we operate, 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 vessels, and require us to obtain and maintain permits and provide governmental authorities with access to our facilities and vessels 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. Changes or new environmental, social, health and safety laws and regulations could cause additional expenditures, restrictions and delays in our business and operations, 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 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.

Any failure in environmental, social, 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 or fines for non-compliance with relevant regulatory requirements or litigation. 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. As the owner and operator of our facilities and vessels, we may be liable, 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 at or from our facilities and for any resulting damage to natural resources, which could result in substantial liabilities, fines and penalties, capital expenditures related to cleanup efforts and pollution control equipment, and restrictions or curtailment of our operations. Any such liabilities, fines and penalties that exceed the limits of our insurance coverage. See "—Our insurance may be insufficient to cover losses that may occur to our property or result from our operations". Individually or collectively, these developments could adversely impact our ability to expand our business, including into new markets.

Greenhouse Gases/Climate Change. The threat of climate change continues to attract considerable attention in the United States and around the world. 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, Brazil, 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 and worldwide. 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, executive orders may be issued or federal legislation or regulatory initiatives may be adopted to achieve U.S. goals under the Paris Agreement.

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. 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. Furthermore, 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.

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. 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 regulators and governmental agencies in the jurisdictions in which we operate can impose similar siting, design, construction and operational requirements that can affect our projects, facilities, infrastructure and operations. 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. Hydraulic fracturing activities can be regulated at the national, federal or local levels, with governmental agencies asserting 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. Such authorities 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).

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 jurisdictions 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. See "—Failure to obtain and maintain permits, approvals and authorizations from governmental and regulatory agencies and third parties on favorable terms could impede operations and construction". 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, some local jurisdictions have adopted or considered adopting land use restrictions, such as city or municipal ordinances, that may restrict the performance of or prohibit the well drilling in general and/or hydraulic fracturing in particular. 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.

Indigenous Communities. Indigenous communities—including, in Brazil, Afro-indigenous ("Quilombola") communities—are subject to certain protections under international and national laws. Brazil has ratified the International Labor Organization's Indigenous and Tribal Peoples Convention ("ILO Convention 169"), which states 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 our Brazilian operations, are consulted through appropriate procedures and through their representative institutions, particularly using the principle of consultation and participation of indigenous and traditional communities under the basis of free, prior, and informed consent ("FPIC"). 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 our operations, we are 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).

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. We 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 our existing development agreements or negotiations for outstanding development agreements with indigenous communities in the areas in which we operate.

There are several indigenous communities that surround our operations in Brazil. Hygo has entered into agreements with some of these communities that mainly provide for the use of their land for our operations, and negotiations with other such communities are ongoing. If we are not able to timely obtain the necessary authorizations or obtain them on favorable terms for our operations in areas where indigenous communities reside, our relationship with these communities deteriorates in future, or that such communities do not comply with any existing agreements related to our operations, we could face construction delays, increased costs, or otherwise experience adverse impacts on its business and results of operations.

International Waters. 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, thus increasing the cost of fuel and increasing expenses for us. Likewise, the European Union is considering extending its emissions trading scheme to maritime transport to reduce GHG emissions from vessels. We contract with industry 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.

We are subject to numerous governmental export laws, and trade and economic sanctions laws and regulations, and anti-corruption laws and regulation.

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, Latin America, Europe and the other countries in which we seek to do business. We must also comply with 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. For example, in 2018, U.S. legislation was approved to restrict U.S. aid to Nicaragua and 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. 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, changes thereto or otherwise, we may face an array of issues, including, but not limited to, (i) having to suspend our development or operations on a temporary or permanent basis, (ii) being unable to recuperate prior invested time and capital or being subject to lawsuits, or (iii) 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 and Mexico or other countries in Latin America, Asia and Africa. 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 trade and economic sanctions laws and 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, the imposition of an independent compliance monitor, as well as potential personnel change and disciplinary actions. In addition, non-compliance with such 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. In addition, in certain countries we serve or expect to serve our customers through third-party agents and other intermediaries. Violations of applicable import, export, trade and economic sanctions, and anti-corruption 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 these provisions in the future. 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. 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 we believe that we have been in compliance with all applicable sanctions, embargo and anti-corruption laws and regulations, and intend to maintain such compliance, there can be no assurance that we 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 our ability to access U.S. capital markets and conduct our 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, which could adversely affect our ability to access funding and liquidity, our financial condition and prospects.

Our Charterers may inadvertently violate applicable sanctions and/or call on ports located in, or engage in transactions with, countries that are subject to restrictions imposed by the U.S. or other governments, which could adversely affect its business.

None of our vessels 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. When we charter our vessels to third parties we conduct comprehensive due diligence of the charterer and include prohibitions on the charterer calling on ports in countries subject to comprehensive U.S. sanctions or otherwise engaging in commerce with such countries. However, our vessels may be sub-chartered out to a sanctioned party or call on ports of a sanctioned nation on charterers' instruction, and without our knowledge or consent. If our charterers or sub-charterers violate applicable sanctions and embargo laws and regulations as a result of actions that do not involve us, those violations could in turn negatively affect our reputation and cause us to incur significant costs associated with responding to any investigation into such violations.

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

We are developing a transportation system specifically dedicated to transporting LNG using ISO tank containers and trucks to our customers and Facilities. 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 in the various countries where we operate, 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, 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. 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. In addition to increased costs, fines and penalties, any non-compliance or violation of these regulations, could result in the suspension of our operations, which could have a material adverse effect on our business and consolidated results of operations and financial position.

Our chartered vessels operating in certain jurisdictions, including the United States, now or in the future, may 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 in which we operate. 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.

We do not own the land on which our projects are located and are subject to leases, rights-of-ways, easements and other property rights for our operations.

We have obtained long-term leases and corresponding rights-of-way agreements and easements with respect to the land on which various of our projects are located, including 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, facilities in Brazil such as the Garuva-Itapoa pipeline connecting the TBG pipeline to the Sao Francisco do Sul terminal, rights of way to the Petrobras/Transpetro OSPAR oil pipeline facilities, among others. In addition, our operations will require agreements with ports proximate to our facilities capable of handling the transload of LNG direct from our occupying vessel to our transportation assets. We do not own the land on which these facilities are located. As a result, we are subject to the possibility of increased costs to retain necessary land use rights as well as applicable law and regulations, including permits and authorizations from governmental agencies or third parties. If we were to lose these rights or be required to relocate, we would not be able to continue our operations at those sites and our business could be materially and adversely affected. For example, 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. 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 our assets as anticipated, or at all, which could negatively affect our business, results of operations and financial condition.

We could be negatively impacted by environmental, social, and governance ("ESG") and sustainability-related matters.

Governments, investors, customers, employees and other stakeholders are increasingly focusing on corporate ESG practices and disclosures, and expectations in this area are rapidly evolving. We have announced, and may in the future announce, sustainability-focused goals, initiatives, investments and partnerships. These initiatives, aspirations, targets or objectives reflect our current plans and aspirations and are not guarantees that we will be able to achieve them. Our efforts to accomplish and accurately report on these initiatives and goals present numerous operational, regulatory, reputational, financial, legal, and other risks, any of which could have a material negative impact, including on our reputation and stock price.

In addition, the standards for tracking and reporting on ESG matters are relatively new, have not been harmonized and continue to evolve. Our selection of disclosure frameworks that seek to align with various voluntary reporting standards may change from time to time and may result in a lack of comparative data from period to period. Moreover, our processes and controls may not always align with evolving voluntary standards for identifying, measuring, and reporting ESG metrics, our interpretation of reporting standards may differ from those of others, and such standards may change over time, any of which could result in significant revisions to our goals or reported progress in achieving such goals. In this regard, the criteria by which our ESG practices and disclosures are assessed may change due to the quickly evolving landscape, which could result in greater expectations of us and cause us to undertake costly initiatives to satisfy such new criteria. The increasing attention to corporate ESG initiatives could also result in increased investigations and litigation or threats thereof. If we are unable to satisfy such new criteria, investors may conclude that our ESG and sustainability practices are inadequate. If we fail or are perceived to have failed to achieve previously announced initiatives or goals or to accurately disclose our progress on such initiatives or goals, our reputation, business, financial condition and results of operations could be adversely impacted.

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 construction of energy-related infrastructure, LNG, natural gas, power and maritime operations, shipping and transportation of hazardous substances, including explosions, pollution, release of toxic substances, fires, seismic events, hurricanes and other adverse weather conditions, acts of aggression or terrorism, and other risks or 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. We do not, nor do we intend to, maintain insurance against all of these risks and losses. In particular, we do not generally carry business interruption insurance or political risk insurance with respect to political disruption in the countries in which we operate and that may in the future experience significant political volatility. Therefore, the occurrence of one or more significant events not fully insured or indemnified against could create significant liabilities and losses or delays to our development timelines, which could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. Even if we choose to carry insurance for these events in the future, it may not be adequate to protect us from loss, which may include, for example, 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. In addition, our insurance may be voidable by the insurers as a result of certain of our actions. Furthermore, 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. Changes in the insurance markets attributable to terrorist attacks or political change may also make certain types of insurance more difficult or costly for us to obtain.

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.

We may experience increased labor costs and regulation, and the unavailability of skilled workers or our failure to attract and retain qualified personnel, as well as our ability to comply with such labor laws, could adversely affect us.

We are dependent upon the available labor pool of skilled employees for the construction and operation of our Facilities and Liquefaction Facilities, as well as our FSRUs, FLNGs and LNG carriers. 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 infrastructure and assets and to provide our customers with the highest quality service. In addition, the tightening of the labor market due to the shortage of skilled employees may affect our ability to hire and retain skilled employees, impair our operations and require us to pay increased wages. We are subject to labor laws in the jurisdictions in which we operate and hire our personnel, which can govern such matters as minimum wage, overtime, union relations, local content requirements and other working conditions. For example, Brazil and Indonesia, where some of our vessels operate, require we hire a certain portion of local personnel to crew our vessels. Any inability to attract and retain qualified local crew members could adversely affect our operations, business, results of operations and financial condition. Furthermore, should there be an outbreak of COVID-19 on our Facilities or vessels, adequate staffing or crewing may not be available to fulfill the obligations under our contracts. Due to COVID-19, we could face (i) difficulty in finding healthy qualified replacement employees; (ii) local or international transport or quarantine restrictions limiting the ability to transfer infected employees from or to our facilities or vessels, and (iii) restrictions in availability of supplies needed for our projects due to disruptions to third-party suppliers or transportation alternatives. See "—General Risks—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". A shortage in the labor pool of skilled workers 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 business could be affected adversely by labor disputes, strikes or work stoppages.

Some of our employees, particularly those in our Latin American operations, are represented by a labor union and are covered by collective bargaining agreements pursuant to applicable 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.

Risks Related to the Jurisdictions in Which We Operate

We are subject to the economic, political, social and other conditions in the jurisdictions in which we operate.

Our projects are located in Jamaica and the United States (including Puerto Rico), the Caribbean, Brazil, Mexico, Ireland, Nicaragua and other geographies and we have operations and derive revenues from additional markets. Furthermore, part of our strategy consists in seeking to expand our operations to other jurisdictions. As a result, our projects, operations, business, results of operations, financial condition and prospects are materially dependent upon economic, political, social and other conditions and developments in these jurisdictions. Some of these countries have experienced political, security, and social economic instability in the recent past and may experience instability in the future, including devaluation, depreciation, currency exchange controls, inflation, economic downturns, political instability, social unrest, terrorism, corruption and bribery. For example, 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. The governments in these jurisdictions differ widely with respect to structure, constitution and stability and some countries lack mature legal and regulatory systems. Governments may seek to impose controls on prices, exchange rates, local and foreign investment and international trade, restrict the ability of companies to dismiss employees, expropriate private sector assets and prohibit the remittance of profits to foreign investors. As our operations depend on governmental approval and regulatory decisions, we may be adversely affected by changes in the political structure or government representatives in each of the countries in which we operate. Any extreme levels of political instability resulting in changes of governments, internal conflict, unrest and violence, especially from terrorist organizations prevalent in the region, could lead to economic disruptions and shutdowns in industrial activities. In addition, these jurisdictions, particularly emerging countries, are subject to risk of contagion from the economic, political and social developments in other emerging countries and markets.

Furthermore, some of the regions in which we operate have been subject to significant levels of terrorist activity and social unrest, particularly in the shipping and maritime industries. 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. For example, the operations of Hilli Corp in Cameroon, which has experienced instability in its socio-political environment, under the LTA are subject to higher political and security risks than operations in other areas of the world. 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. See "—Our Charterers may inadvertently violate applicable sanctions and/or call on ports located in, or engage in transactions with, countries that are subject to restrictions imposed by the U.S. or other governments, which could adversely affect its business". We do not, nor do we intend to, maintain insurance (such as business interruption insurance or terrorism) against all of these risks and losses. Any claims covered by insurance will be subject to deductibles, which may be significant, and we may not be fully reimbursed for all the costs related to any losses created by such risks. See "—Our insurance may be insufficient to cover losses that may occur to our property or result from our operations". As a result, the occurrence of any economic, political, social and other instability or adverse conditions or developments in the jurisdictions in which we operate, could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

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

While our consolidated financial statements are presented in U.S. dollars, we generate revenues and incur operating expenses and indebtedness in local currencies in the countries where we operate, such as, among others, the euro, the Mexican peso and the Brazilian real. The amount of our revenues denominated in a particular currency in a particular country typically varies from the amount of expenses or indebtedness incurred by our operations in that country given that certain costs may be incurred in a currency different from the local currency of that country, such as the U.S. dollar. Therefore, fluctuations in exchange rates used to translate other currencies into U.S. dollars could result in potential losses and reductions in our margins resulting from currency fluctuations, which may 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 and elect to intervene by implementing exchange rate regimes, including sudden devaluations, periodic mini devaluations, exchange controls, dual exchange rate markets and a floating exchange rate system. 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. For example, the Mexican peso and the Brazilian real have experienced significant fluctuations relative to the U.S. dollar in the past. We may choose not to hedge, or we may not be effective in efforts to hedge, this foreign currency risk. See "—Risks Related to our Business—Any use of hedging arrangements may adversely affect our future operating results or liquidity". Depreciation or volatility of these currencies against the U.S. dollar 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.

Risks Related to Ownership of Our Class A 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, Randal A. Nardone and affiliates of Fortress Investment Group LLC ("Founder Entities") 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 March 31, 2022 hold approximately 16% 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 March 31, 2022, affiliates of the Founder Entities own an aggregate of approximately 87,136,768 shares of Class A common stock, representing 42.0% of our voting power. As of March 31, 2022, Wesley R. Edens, Randal A. Nardone and Fortress Investment Group LLC directly or indirectly own 47,540,925 shares, 26,196,526 shares and 13,399,317 shares, respectively, of our Class A common stock, representing 22.9%, 12.6% 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 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 security holders. These provisions include:

- dividing our board of directors into three classes of directors, with each class serving staggered three-year terms;
- providing that any vacancies 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 (provided that vacancies that results from newly created directors requires 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 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 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 or the Delaware Limited Liability Company Act ("DGCL"), 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.

General Risks

We are a holding company and our operational and consolidated financial results are dependent on the results of our subsidiaries, affiliates, joint ventures and special purpose entities in which we invest.

We conduct our business mainly through our operating subsidiaries and affiliates, including joint ventures and other special purpose entities, which are created specifically to participate in projects or manage a specific asset. Our ability to meet our financial obligations is therefore related in part to the cash flow and earnings of our subsidiaries and affiliates and the ability or willingness of these entities to make distributions or other transfers of earnings to us in the form of dividends, loans or other advances and payments, which are governed by various shareholder agreements, joint venture financing and operating arrangements. In addition, some of our operating subsidiaries, joint venture and special purpose entities are subject to restrictive covenants related to their indebtedness, including restrictions on dividend distributions. Any additional debt or other financing could include similar restrictions, which would limit their ability to make distributions or other transfers of earnings to us in the form of dividends, loans or other advances and payments. Similarly, we may fail to realize anticipated benefits of any joint venture or similar arrangement, which could adversely affect our financial condition and results of operation.

We may engage in mergers, sales and acquisitions, divestments, reorganizations or similar transactions related to our businesses or assets in the future and we may fail to successfully complete such transaction or to realize the expected value.

In furtherance of our business strategy, we may engage in mergers, purchases or sales, divestments, reorganizations or other similar transactions related to our businesses or assets in the future. Any such transactions may be subject to significant risks and contingencies, including the risk of integration, valuation and successful implementation, and we may not be able to realize the benefits of any such transactions. We may also engage in sales of our assets or sale and leaseback transactions that seek to monetize our assets and there is no guarantee that such sales of assets will be executed at the prices we desire or higher than the values we currently carry these assets at on our balance sheet. We do not know if we will be able to successfully complete any such transactions or whether we will be able to retain key personnel, suppliers or distributors. Our ability to successfully implement our strategy through such transactions depends upon our ability to identify, negotiate and complete suitable transactions and to obtain the required financing on terms acceptable to us. These efforts could be expensive and time consuming, disrupt our ongoing business and distract management. If we are unable to successfully complete our transactions, our business, financial condition, results of operations and prospects could be materially adversely affected.

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 and other commodities. 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, as well as other monetary and financial policies enacted by governments (including monetary policy, taxation, exchange controls, interest rates, regulation of banking and financial services and other industries, government budgeting and public sector financing); 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. 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 operations and financial condition of our customers and potential customers, as well as 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.

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. 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.

We are and may be involved in legal proceedings and may experience unfavorable outcomes.

We are and may in the future be subject to material legal proceedings in the course of our business or otherwise, including, but not limited to, actions relating to contract disputes, business practices, intellectual property, real estate and leases, and other commercial, tax, regulatory and permitting 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. Moreover, the process of litigating requires substantial time, which may distract our management. Even if we are successful, any litigation may be costly, and may approximate the cost of damages sought. These actions could also expose us to adverse publicity, which might adversely affect our reputation and therefore, our results of operations. 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.

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.

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	First amendment to Credit Agreement, dated as of July 16, 2021 to the Credit Agreement, dated as of April 15, 2021, by and among the Company, as the borrower, the guarantors from time to time partly thereto, the several lenders and issuing banks from time to time partly thereto, and Morgan Stanley Senior Funding, Inc., as administrative agent (incorporated by reference to Exhibit 10.30 to the Registrant's Quarterly Report on Form 10-K, filed with the SEC on March 1, 2022).
10.31	Second Amendment to Credit Agreement, dated as of February 28, 2022 to the 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 10.31 to the Registrant's Quarterly Report on Form 10-K, filed with the SEC on March 1, 2022).

10.32*	Third Amendment to Credit Agreement, dated as of May 4, 2022 to the 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.
10.33	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).
10.34	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).
10.35	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).
10.36	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).
10.37	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 (incorporated by reference to Exhibit 10.34 to Registrant's Quarterly Report on Form 10-Q, filed with the SEC on November 3, 2021).
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: May 5, 2022

By: /s/ Wesley R. Edens

Name: Wesley R. Edens

Title: Chief Executive Officer and Chairman

(Principal Executive Officer)

Date: May 5, 2022

By: /s/ Christopher S. Guinta

Name: Christopher S. Guinta

Title: Chief Financial Officer

(Principal Financial Officer)

Date: May 5, 2022

By: /s/ Yunyoung Shin

Name: Yunyoung Shin

Title: Chief Accounting Officer

(Principal Accounting Officer)

THIRD AMENDMENT TO CREDIT AGREEMENT

This **THIRD AMENDMENT TO CREDIT AGREEMENT** (this "Amendment"), dated as of May 4, 2022, is among **NEW FORTRESS ENERGY INC.**, a Delaware corporation (the "Borrower"), each of the undersigned guarantors (the "Guarantors"), the Lenders party hereto and **MORGAN STANLEY SENIOR FUNDING, INC.**, as administrative agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the "Administrative Agent") and as collateral agent for the Secured Parties (in such capacity, together with its successors and assigns in such capacity, the "Collateral Agent").

R E C I T A L S

A. The Borrower, the Guarantors, the Administrative Agent, the Collateral Agent and the Lenders are parties to that certain Credit Agreement dated as of April 15, 2021 (as amended by the First Amendment to Credit Agreement, dated as of July 16, 2021, as further amended by the Second Amendment to Credit Agreement, dated as of February 28, 2022 and as further amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof pursuant to the terms thereof, the "Existing Credit Agreement," and the Existing Credit Agreement, as amended by this Amendment, the "Credit Agreement"), pursuant to which the Lenders have made certain credit available to and on behalf of the Borrower.

B. The Borrower, the Guarantors, the Administrative Agent, the Collateral Agent and the Lenders constituting the Required Lenders have agreed to amend certain provisions of the Existing Credit Agreement as more fully set forth herein.

C. On the terms and subject to the conditions set forth in the Existing Credit Agreement, the Lenders under the Existing Credit Agreement (collectively, the "Existing Lenders") previously agreed to extend credit in the form of Loans and the Issuing Banks to issue Letters of Credit, in each case, at any time during the Revolving Availability Period such that the Aggregate Revolving Exposure will not exceed the respective Commitments of such Lenders.

D. The Third Amendment Lenders (as defined below) have agreed to provide additional Commitments in an amount set forth next to such Lender's name on Schedule 1.1A hereto under the heading "Third Amendment Commitments," which Third Amendment Commitments total $125,000,000 in the aggregate.

E. NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Defined Terms. Each capitalized term which is defined in the Credit Agreement, but which is not defined in this Amendment, shall have the meaning ascribed to such term in the Credit Agreement. Unless otherwise indicated, all section, exhibit and schedule references in this Amendment refer to sections, exhibits or schedules of the Credit Agreement.

Section 2. Amendments to Existing Credit Agreement

2.1 Subject to the satisfaction of the conditions precedent set forth in Section 4, as of the Third Amendment Effective Date, the Existing Credit Agreement is hereby amended as follows:

(a) The cover page is amended to add MUFG Bank, Ltd. as a Joint Lead Arranger and Joint Bookrunner.

(b) The second recital to the Existing Credit Agreement is amended by replacing the reference to "$315,000,000" with "$440,000,000".

(c) The definition of "Agreement" appearing in Section 1.1 of the Existing Credit Agreement is amended by replacing the reference to "and the Second Amendment" with ", the Second Amendment and the Third Amendment".

(d) The definition of "Commitment" appearing in Section 1.1 of the Existing Credit Agreement is amended by replacing the final sentence of such definition with the following: "The aggregate amount of the Commitments as of the Third Amendment Effective Date is $440,000,000."

(e) Section 1.1 of the Existing Credit Agreement is amended to add the following defined terms in alphabetical order therein:

"Third Amendment": that certain Third Amendment to Credit Agreement, dated as of the Third Amendment Effective Date, among the Borrower, the Guarantors party thereto, the Lenders party thereto, the Administrative Agent and the Collateral Agent.

"Third Amendment Effective Date": has the meaning specified in the Third Amendment.

2.2 Subject to the satisfaction of the conditions precedent set forth in Section 4, as of the Third Amendment Effective Date, Schedule 1.1A to the Existing Credit Agreement is hereby amended and restated to read in its entirety as set forth on Schedule 1.1A to this Amendment.

2.3 Third Amendment Commitments. Subject to the satisfaction of the conditions precedent set forth in Section 4, as of the Third Amendment Effective Date:

(a) (i) each Lender with a Commitment next to its name on Schedule 1.1A hereto under the column "Third Amendment Commitment" (each a "Third Amendment Lender") agrees, severally and not jointly, to establish its Commitments in an amount equal to the amount next to its name on Schedule 1.1A hereto under the heading "Third Amendment Commitment" (each a "Third Amendment Commitment" and, collectively, the "Third Amendment Commitments") and (ii) the parties hereto agree that (1) the Third Amendment Commitments shall be deemed to be "Commitments" as defined in the Credit Agreement, and any loan made thereunder shall be deemed a "Loan" as defined in the Credit Agreement, in each case, for all purposes of the Loan Documents; and (2) the Third Amendment Lenders shall be deemed to be "Lenders" as defined in the Credit Agreement for all purposes of the Loan Documents;

(b) (i) each of the Borrower and the Third Amendment Lenders hereby agree that the Third Amendment Commitments shall have terms and provisions identical to those applicable to the Commitments outstanding immediately prior to the Third Amendment Effective Date (the "Existing Commitments") and (ii) notwithstanding anything to the contrary contained herein or in the Credit Agreement, from and after the Third Amendment Effective Date, (1) the Existing Commitments and the Third Amendment Commitments, and any Loans made thereunder, as applicable, shall constitute a single Class of Commitments or Loans, as applicable, for all purposes under the Credit Agreement and (2) any Loans made under the Existing Commitments and the Third Amendment Commitments shall be treated as fungible Loans for all purposes under the Credit Agreement, including with respect to any and all tax filings, returns or statements;

(c) each Third Amendment Lender (i) confirms that a copy of the Existing Credit Agreement and the other applicable Loan Documents, together with copies of such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Amendment and make its Third Amendment Commitment, have been made available to such Third Amendment Lender; (ii) agrees that it will, independently and without reliance upon the Administrative Agent, the Collateral Agent or any other Lender or agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or the other applicable Loan Documents, including this Amendment; (iii) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Loan Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (iv) appoints and authorizes the Collateral Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Loan Documents as are delegated to the Collateral Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (v) acknowledges and agrees that upon the Third Amendment Effective Date, such Third Amendment Lender shall be a "Lender" under, and for all purposes of, the Credit Agreement and the other Loan Documents, and shall be subject to and bound by the terms thereof, and shall perform all the obligations of and shall have all rights of a thereunder; and

(d) substantially concurrently with giving effect to this Amendment and any Borrowings made on the Third Amendment Effective Date, (i) each Lender (including each Third Amendment Lender) that holds Loans in an aggregate amount less than its Pro Rata Share of all Loans shall advance new Loans which shall be disbursed to the Administrative Agent and used to repay Loans outstanding to each Lender that holds Loans in an aggregate amount greater than its Pro Rata Share of all Loans, (ii) each Lender's (including each Third Amendment Lender's) participation in each Letter of Credit, if any, shall be automatically adjusted to equal its Pro Rata Share, (iii) such other adjustments shall be made as the Administrative Agent shall specify so that the Revolving Exposure applicable to each Lender (including each Third Amendment Lender) equals its Pro Rata Share of the Aggregate Revolving Exposure of all Lenders and (iv) upon request by each applicable Lender, the Borrower shall be required to make any breakage payments owing to such Lender that are required under Section 2.15(c) of the Credit Agreement as a result of the reallocation of Loans and adjustments described in this Section 2.3(d).

Section 3. Consent. Subject to the satisfaction of the conditions precedent set forth in Section 4, as of the Third Amendment Effective Date, the Lenders holding Existing Commitments signatory hereto constituting the Required Lenders (as defined in the Existing Credit Agreement) hereby consent to this Amendment and the transactions contemplated herein.

Section 4. Conditions Precedent to Third Amendment Effective Date. This Amendment shall become effective without any further action or consent by any party, on the date (the "Third Amendment Effective Date"), when each of the following conditions shall have been satisfied:

4.1 Loan Documents.

The Administrative Agent shall have received:

(a) this Amendment, executed and delivered by a duly authorized officer or signatory of each Loan Party and each Lender (including each Third Amendment Lender) party hereto; and

(b) subject to the provisions of the final paragraph of this Section 4, such amendments to, amendments and restatements of, or confirmations or reaffirmations of, or supplements to, existing Security Documents or other Loan Documents, and such additional Security Documents, Loan Documents or other filings or actions, in each case as the Administrative Agent or the Collateral Agent may require in connection with the transactions contemplated hereby.

4.2 Expenses. All reasonable and documented out-of-pocket expenses incurred by the Administrative Agent or its legal counsel (to the extent provided for in the Existing Credit Agreement) in connection with the preparation and negotiation of this Amendment that have been invoiced at least three (3) Business Days prior to the Third Amendment Effective Date shall have been paid.

4.3 Closing Certificate. The Administrative Agent shall have received a certificate signed by a Responsible Officer of the Borrower, certifying that the condition set forth in Section 4.6 is satisfied.

4.4 Legal Opinions. The Administrative Agent shall have received, in form and substance reasonably acceptable to the Administrative Agent, (i) a legal opinion of Skadden, Arps, Slate Meagher & Flom LLP, New York counsel to the Borrower and its Subsidiaries (which opinion shall include a non-contravention opinion with respect to material debt) dated the date hereof and addressed to the Administrative Agent and the Lenders and (ii) legal opinions of applicable local counsel to the Borrower or to the Administrative Agent (which opinions shall include existence, good standing, execution and delivery, authorization and authority with respect to each Foreign Subsidiary that is a Loan Party as of the Third Amendment Effective) dated the date of the date hereof and addressed to the Administrative Agent and the Lenders.

4.5 Organizational Documents. A certificate of a Responsible Officer of each Loan Party, certifying (A) as to copies of the Organizational Documents of such Loan Party, together with all amendments thereto, (B) as to a copy of the resolutions or written consents of such Loan Party authorizing (1) the borrowings hereunder and the transactions contemplated by the Loan Documents to which such Loan Party is or will be a party, and (2) the execution, delivery and performance by such Loan Party of each Loan Document to which such Loan Party is or will be a party and the execution and delivery of the other documents to be delivered by such Person in connection herewith and therewith and (C) the names and true signatures of the representatives of such Loan Party authorized to sign each Loan Document (in the case of the Borrower, including, without limitation, Funding Notices, and all other notices under this Amendment and the other Loan Documents) to which such Loan Party is or will be a party and the other documents to be executed and delivered by such Loan Party in connection herewith and therewith, together with evidence of the incumbency of such authorized officers.

4.6 No Default; Representations and Warranties. As of the Third Amendment Effective Date, both before and after giving effect to the effectiveness of the Amendment: (i) no event shall have occurred and be continuing that would constitute an Event of Default or a Default and (ii) the representations and warranties contained in this Amendment, the Credit Agreement and in the other Loan Documents shall be true and correct in all material respects, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date; provided that, in each case, such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text hereof or thereof.

4.7 Solvency Certificate. The Lenders shall have received a solvency certificate, consistent with the form of Exhibit D to the Existing Credit Agreement, executed by a

Responsible Officer (which shall be the chief financial officer, chief accounting officer or other officer with equivalent duties) of the Borrower.

4.8 PATRIOT Act; Beneficial Ownership. The Administrative Agent shall have received at least three (3) Business Days prior to the Third Amendment Effective Date (or such later date that the Administrative Agent may reasonably agree) all documentation and other information about the Borrower and the Guarantors required under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act, that has been requested by the Administrative Agent in writing at least ten (10) Business Days prior to the Third Amendment Effective Date (or such later date that the Borrower may reasonably agree). At least five (5) Business Days prior to the Third Amendment Effective Date (or such later date that the Administrative Agent may reasonably agree), the Borrower shall have delivered a Beneficial Ownership Certification to any Lender that has requested such certification, which certification shall be substantially similar in form and substance to the form of Certification Regarding Beneficial Owners of Legal Entity Customers published jointly, in May 2018, by the Loan Syndications and Trading Association and Securities and Industry and Financial Markets Association, in relation to the Borrower.

4.9 Commitments. Substantially concurrently with giving effect to this Amendment and any Borrowings made on the Third Amendment Effective Date, the transactions set forth in Section 2.3(d) will have been consummated.

The Administrative Agent is hereby authorized and directed to declare this Amendment to be effective when it has received documents confirming or certifying, to the satisfaction of the Administrative Agent, compliance with the conditions set forth in this Section 4 or the waiver of such conditions as permitted in Section 9.1 of the Credit Agreement. Such declaration shall be final, conclusive and binding upon all parties to the Credit Agreement for all purposes.

It is understood and agreed among all parties hereto that the Borrower and its Subsidiaries shall not be required to enter into any additional Loan Documents governed by the laws of a jurisdiction outside of the United States until the date that is 90 days after the Third Amendment Effective Date (subject to extensions, and exceptions as to scope of foreign security and perfection requirements, as are agreed by the Administrative Agent in its sole discretion, in each case as applicable). Notwithstanding the immediately preceding sentence or any provision to the contrary contained in the Loan Documents, the Borrower shall, and shall cause each of the other Loan Parties to, deliver each of the documents, instruments and agreements, and take each of the actions, set forth on Schedule 4 to this Amendment within the time periods set forth therein (or such longer time periods as determined by the Administrative Agent in its sole discretion). The failure to make any such delivery pursuant to the immediately preceding sentence within the applicable time periods (after giving effect to any applicable extensions provided by the Administrative Agent in its sole discretion) shall constitute an immediate Event of Default.

Section 5. Miscellaneous.

5.1 Confirmation. The provisions of the Credit Agreement (as amended by this Amendment) shall remain in full force and effect in accordance with its terms following the effectiveness of this Amendment.

5.2 Ratification and Affirmation; Representations and Warranties. The Borrower and each Guarantor hereby: (a) acknowledges and consents to the terms of this Amendment; (b) ratifies and affirms its obligations, and acknowledges, renews and extends its continued liability, under each Loan Document to which it is a party including, without limitation, any grant, pledge or collateral assignment of a lien or security interest, as applicable, contained therein and any guarantee provided by it therein, in each case as amended, restated, amended and restated, supplemented or otherwise modified prior to or as of the date hereof (including as amended pursuant to this Amendment and giving effect to the establishment of the Third Amendment Commitments and the incurrence of any Loans thereunder) and agrees that each Loan Document to which it is a party remains in full force and effect, as expressly amended hereby and that none of its obligations thereunder shall be impaired or limited by the execution or effectiveness of this Amendment (subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law)); (c) agrees that from and after the Third Amendment Effective Date, each reference to the Credit Agreement in the Loan Documents shall be deemed to be a reference to the Existing Credit Agreement, as amended by this Amendment; (d) acknowledges and agrees that nothing herein contained shall be construed as a substitution or novation of the obligations outstanding under the Existing Credit Agreement or any other Loan Document or instruments securing the same, which shall remain in full force and effect as modified hereby or by instruments executed concurrently herewith and (e) represents and warrants to the Agents and the Lenders that as of the date hereof, after giving effect to the terms of this Amendment: (i) all representations and warranties contained in this Amendment, the Credit Agreement and in the other Loan Documents are true and correct in all material respects, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date; provided that, in each case, such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text hereof or thereof and (ii) no event has occurred and is continuing that would constitute an Event of Default or a Default. Without limiting the generality of the foregoing, (i) nothing contained in this Amendment, nor any past indulgence by the Administrative Agent, the Collateral Agent or any Lender nor any other action or inaction on behalf of the Administrative Agent, the Collateral Agent or any Lender, shall constitute or be deemed to constitute a consent to, or waiver of, any other action or inaction of the Borrower or any of the other Loan Parties which results (or would result) in a Default or Event of Default under the Credit Agreement or any other Loan Document, nor shall anything contained herein constitute a course of conduct or dealing among the parties; (ii) the Administrative Agent, the Collateral Agent and the Lenders shall have no obligation to grant any future waivers, consents or amendments with respect to the Credit Agreement or any other Loan Document; and (iii) the parties hereto agree that nothing contained herein shall waive, affect or diminish any right of the Administrative Agent, the Collateral Agent and the Lenders to hereafter demand strict compliance with the Credit Agreement and the other Loan Documents.

5.3 Counterparts.

(a) This Amendment may be executed by one or more of the parties to this Amendment on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Amendment by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Amendment signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

(b) The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and

National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that nothing herein shall require the Administrative Agent to accept electronic signatures in any form or format without its prior written consent.

5.4 Integration. This Amendment, the Credit Agreement and the other Loan Documents represent the entire agreement of the Borrower, the Administrative Agent, the Collateral Agent, the Issuing Banks and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent, the Collateral Agent, any Issuing Bank or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

5.5 GOVERNING LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. SECTIONS 9.12, 9.13 AND 9.16 OF THE CREDIT AGREEMENT ARE HEREBY INCORPORATED BY REFERENCE.

5.6 Payment of Expenses. In accordance with Section 9.5 of the Credit Agreement, the Borrower agrees to pay or reimburse the Agents for all their reasonable and documented out-of-pocket costs and expenses incurred in connection with the development, preparation and execution of, this Amendment and any other documents prepared in connection herewith, and the consummation and administration of the transactions contemplated hereby and thereby, limited in the case of counsel fees to the reasonable and documented fees and disbursements of a single law firm as counsel to the Agents and the Arrangers and one local counsel to the Agents, taken as a whole, in any relevant jurisdiction and the charges of any Platform.

5.7 Severability. Any provision of this Amendment that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

5.8 Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of the parties to the Credit Agreement and their respective successors and assigns permitted thereby.

5.9 Loan Document. This Amendment is a “Loan Document” as defined and described in the Credit Agreement and all of the terms and provisions of the Credit Agreement relating to Loan Documents shall apply hereto.

5.10 Instruction to the Administrative Agent and the Collateral Agent. By its execution hereof, each undersigned Lender hereby authorizes and directs the Administrative Agent and the Collateral Agent to execute this Amendment.

[*Signatures begin next page*.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

NEW FORTRESS ENERGY INC.,
as the Borrower

By: /s/ Christopher S. Guinta
Name: Christopher S. Guinta
Title: Chief Financial Officer

NEW FORTRESS INTERMEDIATE LLC

By: /s/ Christopher S. Guinta
Name: Christopher S. Guinta
Title: Chief Financial Officer

NFE ATLANTIC HOLDINGS LLC

By: /s/ Christopher S. Guinta
Name: Christopher S. Guinta
Title: Chief Financial Officer

AMERICAN ENERGY LOGISTICS SOLUTIONS LLC
AMERICAN LNG MARKETING LLC
ATLANTIC ENERGY HOLDINGS LLC
BRADFORD COUNTY DEVELOPMENT HOLDINGS LLC
BRADFORD COUNTY GPF HOLDINGS LLC
BRADFORD COUNTY GPF PARTNERS LLC
BRADFORD COUNTY POWER HOLDINGS LLC
BRADFORD COUNTY POWER PARTNERS LLC
BRADFORD COUNTY TRANSPORT HOLDINGS LLC
BRADFORD COUNTY TRANSPORT PARTNERS LLC
ISLAND LNG LLC
LA DEVELOPMENT HOLDINGS LLC
LA REAL ESTATE HOLDINGS LLC
LA REAL ESTATE PARTNERS LLC
LNG HOLDINGS (FLORIDA) LLC
LNG HOLDINGS LLC
NEW FORTRESS ENERGY MARKETING LLC
NEW FORTRESS ENERGY HOLDINGS LLC
NFE ANGOLA HOLDINGS LLC
NFE BCS HOLDINGS (A) LLC
NFE BCS HOLDINGS (B) LLC
NFE EQUIPMENT HOLDINGS LLC
NFE EQUIPMENT PARTNERS LLC
NFE GHANA HOLDINGS LLC
NFE GHANA PARTNERS LLC
NFE HONDURAS HOLDINGS LLC
NFE INTERNATIONAL LLC
NFE ISO HOLDINGS LLC
NFE ISO PARTNERS LLC
NFE JAMAICA GP LLC
NFE LOGISTICS HOLDINGS LLC
NFE MANAGEMENT LLC
NFE MEXICO HOLDINGS LLC
NFE NICARAGUA DEVELOPMENT PARTNERS LLC
NFE NICARAGUA HOLDINGS LLC
NFE NORTH TRADING LLC
NFE PLANT DEVELOPMENT HOLDINGS LLC
NFE SOUTH POWER HOLDINGS LLC
NFE SUB LLC
NFE TRANSPORT HOLDINGS LLC
NFE TRANSPORT PARTNERS LLC
NFE US HOLDINGS LLC
PA DEVELOPMENT HOLDINGS LLC
PA REAL ESTATE HOLDINGS LLC
PA REAL ESTATE PARTNERS LLC
TICO DEVELOPMENT PARTNERS HOLDINGS LLC
TICO DEVELOPMENT PARTNERS LLC
NFE INTERNATIONAL SHIPPING LLC
NFE GLOBAL SHIPPING LLC
NFE GRAND SHIPPING LLC

By: /s/ Christopher S. Guinta
Name: Christopher S. Guinta
Title: Chief Financial Officer

ATLANTIC DISTRIBUTION HOLDINGS SRL
ATLANTIC POWER HOLDINGS SRL
ATLANTIC ENERGY INFRASTRUCTURE HOLDINGS SRL
ATLANTIC PIPELINE HOLDINGS SRL
ATLANTIC TERMINAL INFRASTRUCTURE HOLDINGS SRL

By: /s/ Christopher S. Guinta
Name: Christopher S. Guinta
Title: Manager

ATLANTIC POWER HOLDINGS LIMITED
NFE NORTH HOLDINGS LIMITED
NFE SOUTH HOLDINGS LIMITED
NFE INTERNATIONAL HOLDINGS LIMITED
NFE BERMUDA HOLDINGS LIMITED

By: /s/ Christopher S. Guinta
Name: Christopher S. Guinta
Title: Director

NFE SHANNON HOLDINGS LIMITED

By: /s/ Christopher S. Guinta
Name: Christopher S. Guinta
Title: Director

NFE NORTH DISTRIBUTION LIMITED
NFE NORTH HOLDINGS LIMITED
NFE NORTH TRANSPORT LIMITED
NFE SOUTH HOLDINGS LIMITED
NFE SOUTH POWER TRADING LIMITED

By: /s/ Christopher S. Guinta
Name: Christopher S. Guinta
Title: Director

AMAUNET, S. DE R.L. DE C.V.
NFENERGIA MEXICO, S. DE R.L. DE C.V.
NFENERGIA GN DE BCS, S. DE R.L. DE C.V.
NFE PACIFICO LAP, S. DE R.L. DE C.V.

By: /s/ Christopher S. Guinta
Name: Christopher S. Guinta
Title: Legal Representative

NFENERGÍA LLC
SOLUCIONES DE ENERGIA LIMPIA PR LLC
NFE POWER PR LLC
ENCANTO EAST LLC
ENCANTO WEST LLC
ENCANTO POWER LLC
ENCANTO POWER WEST LLC

By: /s/ Christopher S. Guinta
Name: Christopher S. Guinta
Title: Authorized Signatory

NFE MEXICO HOLDINGS S.À R.L.
NFE MEXICO HOLDINGS PARENT S.À R.L.

By: /s/ Christopher S. Guinta
Name: Christopher S. Guinta
Title: Authorized Signatory

NFE NICARAGUA DEVELOPMENT PARTNERS LLC
SUCURSAL NICARAGUA

By: /s/ Christopher S. Guinta
Name: Christopher S. Guinta
Title: Chief Financial Officer

NFE INTERNATIONAL HOLDINGS LIMITED
NFE MEXICO POWER HOLDINGS LIMITED
NFE MEXICO TERMINAL HOLDINGS LIMITED
NFE GLOBAL HOLDINGS LIMITED
NFE UK HOLDINGS LIMITED

By: /s/ Christopher S. Guinta
Name: Christopher S. Guinta
Title: Director

NFE GP LLC

By: /s/ Christopher S. Guinta
Name: Christopher S. Guinta
Title: Chief Financial Officer

MORGAN STANLEY SENIOR FUNDING, INC.,
as Administrative Agent, Collateral Agent and Lender

By: /s/ Lisa Hanson
Name: Lisa Hanson
Title: VP

MUFG Bank, Ltd.,
as a Lender

By: /s/ Kevin Sparks
Name: Kevin Sparks
Title: Director

Credit Agricole Corporate and Investment Bank,
as a Lender

By: /s/ Michael Willis
Name: Michael Willis
Title: Managing Director

JPMorgan Chase Bank, N.A.,
as a Lender

By: /s/ Arina Mavilian
Name: Arina Mavilian
Title: Executive Director

CREDIT SUISSE AG, NEW YORK BRANCH,
as a Lender

By: /s/ Komal Shah
Name: Komal Shah
Title: Authorized Signatory

By: /s/ Jessica Gavarkovs
Name: Jessica Gavarkovs
Title: Authorized Signatory

GOLDMAN SACHS BANK USA,
as a Lender

By: /s/ Dan Martis
Name: Dan Martis
Title: Authorized Signatory

DEUTSCHE BANK AG NEW YORK BRANCH.,
as a Lender

By: /s/ Jessica Lutrario
Name: Jessica Lutrario
Title: Associate

By: /s/ Philip Tancorra
Name: Philip Tancorra
Title: Vice President

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:	May 5, 2022	By:	/s/ Wesley R. Edens
			Wesley R. Edens
			Chief Executive Officer
			(Principal Executive Officer)

EXHIBIT 31.2

**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, 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: May 5, 2022

By: /s/ Christopher S. Guinta
Christopher S. Guinta
Chief Financial Officer
(Principal Executive 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:	May 5, 2022	By:	/s/ Wesley R. Edens
			Wesley R. Edens
			Chief Executive Officer
			(Principal Executive Officer)

EXHIBIT 32.2

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"), 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: May 5, 2022

By: /s/ Christopher S. Guinta
Christopher S. Guinta
Chief Financial Officer
(Principal Financial Officer)