GOLAR LNG PARTNERS LP

Financial statements for the three months period ended March 31, 2021

Golar LNG Partners LP
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME/(LOSS)

		Three Months Ended March 31,	
(in thousands of $, except per unit amounts)	**Notes**	**2021**	**2020**
Time charter revenues		66,529	69,815
Total operating revenues		**66,529**	**69,815**
Vessel operating expenses		(15,461)	(16,212)
Voyage and commission expenses		(1,719)	(2,184)
Administrative expenses		(6,246)	(3,717)
Depreciation and amortization		(19,413)	(19,963)
Total operating expenses		**(42,839)**	**(42,076)**
Operating income		**23,690**	**27,739**
Other non-operating income		163	164
Financial (expense)/income			
Interest income	11	3,977	4,490
Interest expense		(15,743)	(17,495)
Gain/(losses) on derivative instruments, net	5	9,984	(46,835)
Other financial items, net	5	(64)	790
Net financial expenses		**(1,846)**	**(59,050)**
Income/(loss) before tax, equity in net earnings of affiliate and non-controlling interests		**22,007**	**(31,147)**
Income taxes	6	(2,946)	(3,862)
Equity in net earnings of affiliate	8	4,766	1,788
Net comprehensive income/(loss)		**23,827**	**(33,221)**
Net income/(loss) attributable to:			
Non-controlling interests		103	(77)
Golar LNG Partners LP Owners		23,724	(33,144)
General partner's interest in net income/(loss)		414	(723)
Preferred unitholders’ interest in net income		3,019	3,019
Common unitholders’ interest in net income/(loss)		20,291	(35,440)

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

Golar LNG Partners LP
CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands of $)	Note	March 31, 2021	December 31, 2020
		Unaudited	*Audited*
ASSETS			
Current Assets			
Cash and cash equivalents		53,539	48,783
Restricted cash and short-term deposits		50,545	55,547
Current portion of investment in leased vessel, net	11	2,625	2,570
Amounts due from related parties	13	350	804
Inventories		1,744	1,719
Other current assets	9	38,720	37,398
Total Current Assets		**147,523**	**146,821**
Non-current Assets			
Restricted cash		130,132	129,838
Investment in affiliate	8	183,099	185,562
Vessels and equipment, net		1,293,860	1,308,206
Vessel under finance lease, net		101,059	102,534
Investment in leased vessel, net	12	108,561	109,216
Intangible assets, net		39,017	41,295
Other non-current assets		3,893	4,189
Total Assets		**2,007,144**	**2,027,661**
LIABILITIES AND EQUITY			
Current Liabilities			
Current portion of long-term debt	10	691,861	702,962
Current portion of obligation under finance lease		2,661	2,521
Other current liabilities		113,646	126,794
Total Current Liabilities		**808,168**	**832,277**
Non-current Liabilities			
Long-term debt	10	400,608	416,746
Obligation under finance lease		122,315	122,029
Other non-current liabilities		31,337	31,288
Total Liabilities		**1,362,428**	**1,402,340**
Equity			
Partners' capital:			
Common unitholders		380,819	361,912
Preferred unitholders		132,991	132,991
General partner interest		48,691	48,306
Total Partners' capital		**562,501**	**543,209**
Non-controlling interests		82,215	82,112
Total Equity		**644,716**	**625,321**
Total Liabilities and Equity		**2,007,144**	**2,027,661**

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

Golar LNG Partners LP
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of $)	Notes	Three Months Ended March 31, 2021	2020
OPERATING ACTIVITIES			
Net income/(loss)		23,827	(33,221)
Adjustments to reconcile net income/(loss) to net cash provided by operating activities:			
Depreciation and amortization		19,413	19,963
Equity in net earnings of affiliate		(4,766)	(1,788)
Deferred tax expense	6	539	521
Amortization of deferred charges and Partnership Guarantee		915	660
Drydocking expenditure		(949)	(881)
Foreign exchange (gain)/losses		164	(509)
Unit options expense		16	—
Dividends received from affiliate		4,766	1,788
Interest element included in obligation under finance lease, net		(5)	(4)
Sales-type lease payments received in excess of interest income	11	554	522
Movement in credit allowance on financial assets		172	280
Change in mark-to-market value of derivatives		(16,430)	45,533
Change in assets and liabilities:			
Trade accounts receivable		3,850	1,290
Inventories		(26)	(1,146)
Other current assets and other non-current assets		(5,118)	(5,991)
Amounts due to related parties		237	4,512
Trade accounts payable		1,937	2,064
Accrued expenses		(1,147)	863
Other current and non-current liabilities		4,336	2,255
Net cash provided by operating activities		**32,285**	**36,711**
INVESTING ACTIVITIES			
Additions to vessels and equipment		(210)	(1,607)
Dividends received from affiliate		2,463	2,753
Net cash provided by investing activities		**2,253**	**1,146**
FINANCING ACTIVITIES			
Repayment of debt (including related parties)		(30,634)	(41,304)
Proceeds from debt (including related parties)		—	25,000
Repayments of obligation under finance lease		(600)	(467)
Advances from related party for Methane Princess lease security deposit		217	157
Cash distributions paid		(4,448)	(31,611)
Net cash used in financing activities		**(35,465)**	**(48,225)**
Effect of exchange rate changes on cash, cash equivalents and restricted cash		975	(7,221)
Net increase/(decrease) in cash, cash equivalents and restricted cash (1)		48	(17,589)
Cash, cash equivalents and restricted cash at beginning of period (1) (2)		234,168	229,922
Cash, cash equivalents and restricted cash at end of period (1) (2)		**234,216**	**212,333**

(1) Included within restricted cash are security deposits for our finance lease, debt facility and performance guarantees issued to the charterers.

[2] The following table identifies the balance sheet line-items included in 'cash, cash equivalents and restricted cash' presented in the unaudited condensed consolidated statements of cash flows:

(in thousands of $)	March 31, 2021	December 31, 2020	March 31, 2020	December 31, 2019
Cash and cash equivalents	53,539	48,783	35,095	47,661
Restricted cash and short-term deposits	50,545	55,547	44,050	46,333
Restricted cash - non-current	130,132	129,838	133,188	135,928
	234,216	**234,168**	**212,333**	**229,922**

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

Golar LNG Partners LP
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL

	Three Months Ended March 31, 2020					
	Partners' capital					
(in thousands of $)	Preferred units	Common Units	General Partner Units and IDRs (1)	Total Before Non-Controlling Interest	Non-Controlling Interest	Total Equity
Balance at January 1, 2020(2)	**132,991**	**387,130**	**48,831**	**568,952**	**83,231**	**652,183**
Net income/(loss)	3,019	(35,440)	(723)	(33,144)	(77)	(33,221)
Cash distributions	(3,019)	(28,012)	(580)	(31,611)	—	(31,611)
Consolidated balance at March 31, 2020	**132,991**	**323,678**	**47,528**	**504,197**	**83,154**	**587,351**

	Three Months Ended March 31, 2021					
	Partners' capital					
(in thousands of $)	Preferred Units	Common Units	General Partner Units and IDRs (1)	Total Before Non-Controlling Interest	Non-Controlling Interest	Total Equity
Consolidated balance at December 31, 2020	**132,991**	**361,912**	**48,306**	**543,209**	**82,112**	**625,321**
Net income	3,019	20,291	414	23,724	103	23,827
Cash distributions	(3,019)	(1,400)	(29)	(4,448)	—	(4,448)
Units options expense	—	16	—	16	—	16
Consolidated balance at March 31, 2021	**132,991**	**380,819**	**48,691**	**562,501**	**82,215**	**644,716**

(1) As of March 31, 2021, December 31, 2020 and March 31, 2020, the carrying value of the equity attributable to the holders of our incentive distribution rights ("IDRs") was $32.5 million.

(2) Opening Total Equity has been adjusted following the adoption of ASU 2016-13 Financial Instruments - Credit Losses (Topic 326): *Measurement of Credit Losses on Financial Instruments and subsequent amendments* on January 1, 2020.

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

1. GENERAL

Golar LNG Partners LP (the "Partnership," "we," "our," or "us") is a publicly traded Marshall Islands limited partnership initially formed as a subsidiary of Golar LNG Limited ("Golar") in September 2007, to own and operate LNG carriers and FSRUs under long-term charters. On July 12, 2018, we acquired an interest in the *Hilli Episeyo* (the "*Hilli*"), a floating liquefied natural gas ("FLNG") vessel through the acquisition of 50% of the common units (the "Hilli Common Units") in Golar Hilli LLC ("Hilli LLC") (the "Hilli Acquisition"). As of March 31, 2021, we have a fleet of six FSRUs, four LNG carriers, and an interest in the *Hilli.*

As of March 31, 2021, Golar held 30.8% (December 31, 2020: 30.8%) of our common units and a 2% (December 31, 2020: 2%) general partner interest in us.

On January 13, 2021, we entered into an agreement and plan of merger (the "Merger Agreement") with New Fortress Energy Inc. ("NFE") and the other parties thereto. Under the Merger Agreement, NFE agreed to acquire all of the outstanding common units of the Partnership for $3.55 per unit in cash, with the Partnership surviving the merger as a wholly-owned subsidiary of NFE (the "Merger"). See Note 15 - Subsequent events, for details of the completion of the merger and delisting of the common units and Series A Preferred Units.

2. ACCOUNTING POLICIES

Basis of accounting

The accompanying unaudited condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The footnotes are condensed as permitted by the requirements for interim financial statements and, accordingly, do not include all of the information and disclosures required under U.S. GAAP for complete financial statements. Therefore, these unaudited condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements for the year ended December 31, 2020, which are included in our Annual Report on Form 20-F.

Significant accounting policies

The accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of our audited consolidated financial statements for the year ended December 31, 2020, except for those disclosed in note 3 that did not have any material impact on the interim information for the three months ended March 31, 2021.

Use of estimates

The preparation of financial statements in accordance with U.S. GAAP requires that management make estimates and assumptions affecting the reported amounts of assets and liabilities and disclosure of material contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

In assessing the recoverability of our vessels' carrying amounts, we make assumptions regarding estimated future cash flows, estimates in respect of residual values, charter rates, ship operating expenses and drydocking requirements.

3. RECENTLY ISSUED ACCOUNTING STANDARDS

Adoption of new accounting standards

In December 2019, the FASB issued ASU *2019-19 Income Taxes (Topic 740)*: Simplifying the Accounting for Income Taxes. The amendments in this ASU remove certain exceptions previously available and provides some additional calculation rules to help simplify the accounting for income taxes. These amendments are effective from January 1, 2021. There was no impact resulting from these amendments on our consolidated financial statements or related disclosures as presented in this interim set of accounts for the three months ended March 31, 2021.

Accounting pronouncements that have been issued but not yet adopted

The following table provides a brief description of recent accounting standards that have been issued but not yet adopted:

Standard	**Description**	**Date of Adoption**	**Effect on our Consolidated Financial Statements or Other Significant Matters**
ASU 2020-04 *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting and ASU 2021-01 Reference Rate Reform (Topic 848).*	The amendments provide temporary optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The applicable expedients for us are in relation to modifications of contracts within the scope of Topics 310, Receivables, 470, Debt, and 842, Leases. This optional guidance may be applied prospectively from any date beginning March 12, 2020 and cannot be applied to modifications that occur after December 31, 2022.	January 1, 2022	Under evaluation
ASU 2020-06 *Debt – Debt with Conversion and Other Options (Topic 470) and Derivatives and Hedging – Contracts in Entity's Own Equity (Topic 815).*	The amendments simplify the issuer's accounting for convertible instruments and its application of the equity classification guidance. The new guidance eliminates some of the existing models for assessing convertible instruments, which results in more instruments being recognized as a single unit of account on the balance sheet and expands disclosure requirements. The new guidance simplifies the assessment of contracts in an entity's own equity and existing EPS guidance in ASC 260.	January 1, 2022	Under evaluation
ASU 2021-04 *Earnings Per Share (Topic 260), Debt—Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging —Contracts in Entity's Own Equity (Subtopic 815-40)*.	The amendments clarify issuer's recognition and measurement considerations resulting from exchanges or modifications of freestanding instruments (written call options) classified in equity. Such exchanges or modifications are treated as adjustments to the cost to raise debt, to the cost to raise equity or as share-based payments (ASC 718) when issued to compensate for goods or services. If not treated as costs of debt funding, equity funding or share-based payment, it results in an adjustment to EPS/net income/(loss). Holder's accounting is not affected by these amendments.	January 1, 2022	Under evaluation

4. VARIABLE INTEREST ENTITIES ("VIEs")

Eskimo SPV

As of March 31, 2021, we leased one vessel from a VIE under a finance lease with a wholly-owned subsidiary, Sea 23 Leasing Co. Limited ("Eskimo SPV") of China Merchants Bank Leasing ("CMBL"). Eskimo SPV is a special purpose vehicle (SPV).

In November 2015, we sold the *Golar Eskimo* to Eskimo SPV and subsequently leased back the vessel under a bareboat charter for a term of 10 years. From the third-year anniversary of the commencement of the bareboat charter, we have an annual option to repurchase the vessel at fixed pre-determined amounts, which we have not exercised.

The equity attributable to CMBL in Eskimo SPV is included in non-controlling interests in our consolidated results. As of March 31, 2021, the *Golar Eskimo* is reported under "Vessels and equipment, net" in our unaudited condensed consolidated balance sheet.

The following table gives a summary of the sale and leaseback arrangement, including repurchase options and obligation as of March 31, 2021:

Vessel	Effective from	Sales value (in $ millions)	Subsequent repurchase option (in $ millions)	Subsequent repurchase option date	Repurchase obligation at end of lease term (in $ millions)	End of lease term
Golar Eskimo	November 2015	285.0	189.1	November 2021	128.3	November 2025

A summary of our payment obligations under the bareboat charter with Eskimo SPV as of March 31, 2021 is shown below:

(in thousands of $)	2021[1]	2022	2023	2024	2025
*Golar Eskimo**	14,778	19,387	19,562	19,755	16,334

[1] For the nine months ending December 31, 2021.
*This 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 the lease term.

The most significant impact of Eskimo SPV's liabilities on our condensed consolidated balance sheet is as follows:

(in thousands of $)	March 31, 2021	December 31, 2020
Liabilities		
Short-term debt	11,002	11,083
Long-term debt	149,518	153,384

The most significant impact of consolidation of Eskimo SPV's operations on our condensed consolidated statement of operations is interest expense of $1.2 million and $1.5 million for the three months ended March 31, 2021 and 2020, respectively. The most significant impact of consolidation of Eskimo SPV's cash flows on our unaudited condensed consolidated statement of cash flows is net cash of $5.1 million and $6.1 million used in financing activities for the three months ended March 31, 2021 and 2020, respectively.

Hilli LLC

On July 12, 2018, we acquired an interest in the *Hilli* through the acquisition of 50% of the Hilli Common Units. Concurrently with the closing of the Hilli Acquisition, we have determined that (i) Hilli LLC is a VIE, (ii) Golar is the primary beneficiary and retains sole control over the most significant activities and the greatest exposure to variability in residual returns and expected losses from the *Hilli* and (iii) we are not the primary beneficiary. Thus, Hilli LLC was not consolidated into our financial statements. Refer to note 8 for summarized financial information of Hilli LLC.

As of March 31, 2021, our maximum exposure as a result of our ownership in the Hilli LLC is the carrying value of our investment in affiliate of $183.1 million (see note 8) and the outstanding portion of the Hilli Facility which we have guaranteed (see note 13).

PT Golar Indonesia

We consolidated PT Golar Indonesia ("PTGI"), which owns the *NR Satu*, in our consolidated financial statements effective September 28, 2011. PTGI became a VIE and we became its primary beneficiary upon our agreement to acquire all of Golar's interests in certain subsidiaries that own and operate the *NR Satu* on July 19, 2012. We consolidate PTGI as we hold all of the voting stock and control all of the economic interests in PTGI.

5. GAINS/LOSSES ON DERIVATIVE INSTRUMENTS AND OTHER FINANCIAL ITEMS, NET

	Three Months Ended March 31,	
(in thousands of $)	**2021**	**2020**
Mark-to-market gains/(losses) for interest rate swaps	16,430	(45,533)
Net interest expense on un-designated interest rate swaps	(6,446)	(1,302)
Gains/(losses) on derivative instruments, net	9,984	(46,835)
Amortization of Partnership Guarantee (see note 14)	394	467
Foreign exchange (losses)/gains on finance lease obligation and related restricted cash	(50)	509
Foreign exchange losses on operations	(323)	(121)
Financing arrangement fees and other costs	(85)	(65)
Other financial items, net	(64)	790

6. TAXATION

As of March 31, 2021, we recognized a net deferred tax liability of $13.3 million (December 31, 2020: $12.8 million) due to the accounting net book value of the *Golar Eskimo,* operated under time charter in the Hashemite Kingdom of Jordan ("Jordan"), being greater than the tax written down value, arising from excess of tax depreciation over accounting depreciation.

Tax charge

The tax charge for the three months ended March 31, 2021 and 2020 included current tax charges in respect of our operations in the United Kingdom, Brazil, Kuwait, Indonesia and Jordan.

The total tax charge for both of the three months ended March 31, 2021 and 2020 includes a net deferred tax charge in relation to the tax depreciation in excess of accounting depreciation for Jordan of $0.5 million, respectively.

Uncertain tax positions

As of March 31, 2021, we recognized a provision of $5.2 million (December 31, 2020: $5.8 million) for certain tax risks in various jurisdictions.

7. OPERATING LEASES

Operating lease income for the three months ended March 31, 2021 amounted to $64.5 million (March 31, 2020: $67.8 million). Variable lease income is excluded from lease payments that comprise the minimum contractual future revenues from non-cancellable leases. There was $nil variable lease income for both of the three months ended March 31, 2021 and 2020.

8. INVESTMENT IN AFFILIATE

The components of our equity method investment in Hilli LLC are as follows:

(in thousands of $)	2021	2020
Equity in net assets of affiliate at January 1,	185,562	193,270
Dividend (note 13)	(7,229)	(4,449)
Equity in net earnings of affiliate	4,766	1,788
Equity in net assets of affiliate at March 31,	183,099	190,609

Summarized financial information of Hilli LLC*

The following table summarizes the financial information of Hilli LLC shown on a 100% basis as of March 31, 2021 and December 31, 2020:

(in thousands of $)	Balance at March 31, 2021	Balance at December 31, 2020
Balance sheet		
Current assets	60,755	56,481
Non-current assets	1,201,035	1,203,805
Current liabilities	(35,218)	(32,337)
Non-current liabilities	(825,870)	(845,658)

*The summarized financial information of Hilli LLC excludes the Hilli LLC lessor VIE's financial information.

9. OTHER CURRENT ASSETS

(in thousands of $)	Balance at March 31, 2021	Balance at December 31, 2020
Trade receivables	12,617	16,466
Indemnity amount receivables	19,540	17,325
Other receivables	1,925	1,797
Prepaid expenses	4,638	1,810
	38,720	37,398

Indemnity amount receivables relates to amounts expected to be recovered pursuant to indemnity clauses relating to past performance of a bareboat charter and operating and services agreement with a charterer. The indemnity relates to how the bareboat charter and operating and services agreement should be taxed under the Jamaican tax authority and the receivable includes withholding and payroll taxes that are treated as operating expenses. As of March 31, 2021, we have recognized the corresponding liabilities for payment of taxes and associated charges of $1.4 million (December 31, 2020: $1.2 million) and $18.1 million (December 31, 2020: $16.1 million), which are included within 'Other current liabilities' in our unaudited condensed consolidated balance sheet.

There was no accrued interest included within the other current assets balance as of March 31, 2021 and December 31, 2020.

10. DEBT

As of March 31, 2021 and December 31, 2020, we had total long-term debt outstanding of $1,092.5 million and $1,119.7 million, respectively, net of deferred debt financing costs of $3.9 million and $5.2 million, respectively. As of March 31, 2021, we were in compliance with all covenants under our existing debt and lease agreements.

As condition precedent towards the completion of the Merger on April 15, 2021, we have repaid our outstanding debt and associated accrued interests on the $800 million credit facility, the NR Satu facility and terminated our finance lease obligation on the *Methane Princess*. See Note 15, Subsequent events.

11. INVESTMENT IN LEASED VESSEL, NET

On May 15, 2019, we executed a modification to the Golar Freeze Charter which triggered a change in lease classification to a sales-type lease. This classification change resulted in the de-recognition of the vessel asset carrying value, the recognition of net investment in leased vessel (consisting of present value of the future lease receivables and unguaranteed residual value), and a gain on disposal. Post modification to sales-type lease, all charter hire revenue from the Golar Freeze sales-type lease has been recognized as interest income, of which $4.0 million has been recognized for both the three months ended March 31, 2021 and 2020, respectively, gross of expected credit loss allowance.

As of March 31, 2021 and December 31, 2020, we had a balance of $2.6 million, respectively, presented under "Current portion of investment in leased vessel, net", and $108.6 million and $109.2 million, respectively, presented under "Investment in leased vessel, net" in our condensed consolidated balance sheet.

As of March 31, 2021, we recognized $0.1 million of expected credit loss allowance against the balance of the "Investment in leased vessel, net".

As at March 31, 2021 and December 31, 2020, there is $nil accrued interest included within the balance.

The Golar Freeze Charter includes an option for the charterer, upon twelve months' written notice, to terminate the charter with effect not before the third anniversary of the hire commencement date of March 31, 2019 in order to substitute the FSRU for an alternative vessel but only if certain throughput targets have not been achieved. In the event the charterer issues a termination notice, we have a matching right. The charter also includes a 5-year extension option and we have assumed that this option will not be exercised.

12. FINANCIAL INSTRUMENTS

Interest rate risk management

In certain situations, we may enter into financial instruments to reduce the risk associated with fluctuations in interest rates. We have entered into swaps that convert floating rate interest obligations to fixed rates, which, from an economic perspective, hedge our interest rate exposure. We do not hold or issue instruments for speculative or trading purposes. 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, we do not anticipate non-performance by any of our counterparties.

We manage our debt and finance lease portfolio with interest rate swap agreements in U.S. dollars to achieve an overall desired position of fixed and floating interest rates.

Fair values

We recognize our fair value estimates using a fair value hierarchy based on the inputs used to measure fair value. The fair value hierarchy has three levels based on reliability of inputs used to determine fair value as follows:

Level 1: Quoted market prices in active markets for identical assets and liabilities.
Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
Level 3: Unobservable inputs that are not corroborated by market data.

The carrying value and estimated fair value of our financial instruments as of March 31, 2021 and December 31, 2020 are as follows:

		March 31, 2021		December 31, 2020	
(in thousands of $)	Fair value Hierarchy	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-Derivatives:					
Cash and cash equivalents	Level 1	53,539	53,539	48,783	48,783
Restricted cash and short-term deposits	Level 1	180,677	180,677	185,385	185,385
2015 and 2017 Norwegian Bonds (1)	Level 1	(377,141)	(368,874)	(385,055)	(309,032)
Short and long-term debt — floating (2)	Level 2	(719,195)	(719,195)	(739,829)	(739,829)
Obligation under finance lease (2)	Level 2	(124,976)	(124,976)	(124,550)	(124,550)
Derivatives:					
Interest rate swaps liability (3) (4)	Level 2	(53,757)	(53,757)	(70,188)	(70,188)

(1) This pertains to the 2015 and 2017 Norwegian bonds with a carrying value of $377.1 million as of March 31, 2021 (December 31, 2019: $385.1 million), that includes the premium payable at maturity accreted using the effective interest rate method over the instrument term of $7.1 million. The fair value of the bonds as of March 31, 2021 was $368.9 million (December 31, 2020: $309.0 million), which is 97.81% of their face value (December 31, 2020: 80.26%).

(2) Our short-term and long-term debt and finance lease obligations are recorded at amortized cost in our condensed consolidated balance sheet. The long-term debt, in the table above, is presented gross of deferred financing cost of $3.9 million as of March 31, 2021 (December 31, 2020: $5.2 million).

(3) Derivative liabilities are captured within other current liabilities and derivative assets are generally captured within other current assets and non-current assets on our condensed consolidated balance sheet.

(4) The fair value of certain derivative instruments is the estimated amount that we would receive or pay to terminate the agreements at the reporting date, taking into account current interest rates, foreign exchange rates, closing quoted market prices and our creditworthiness and that of our counterparties.

As of March 31, 2021, we entered into the following interest rate swap transactions involving the payment of fixed rates in exchange for LIBOR as summarized below:

Instrument (in thousands of $)	**Notional amount**	**Maturity Dates**			**Fixed Interest Rates**		
Interest rate swaps:							
Receiving floating, pay fixed	1,215,255	2021	to	2026	1.12 %	to	2.90%

Some of our interest rate swaps have a credit arrangement that requires us to provide cash collateral when the market value of the instrument falls below a specified threshold. As at March 31, 2021, cash collateral amounting to $26.1 million (December 31, 2020: $29.4 million) has been provided.

13. RELATED PARTY TRANSACTIONS

Net expense from related parties:

(in thousands of $)	Three Months Ended March 31, 2021	2020
Transactions with Golar and affiliates:		
Management and administrative services fees (a)	(1,384)	(1,958)
Ship management fees (b)	(1,930)	(1,316)
Interest expense on short-term loans (c)	(18)	(204)
Distributions with Golar, net (d)	6,769	(4,711)

Receivables/(payables) with related parties:

As of March 31, 2021 and December 31, 2020, balances with related parties consisted of the following:

(in thousands of $)	March 31, 2021	December 31, 2020
Balances due from Golar and affiliates (c)	927	1,164
Methane Princess lease security deposit (e)	(577)	(360)
Total	350	804

(a) *Management and administrative services fees* - We are party to a management and administrative services agreement with Golar Management Limited ("Golar Management"), a wholly-owned subsidiary of Golar, pursuant to which Golar Management provides to us certain management and administrative services. The services provided by Golar Management are charged at cost plus a management fee equal to 5% of Golar Management's costs and expenses incurred in connection with providing these services. Where external service provider costs are incurred by Golar Management on our behalf, these expenses are recharged to us at cost. We may terminate the agreement by providing 120 days' written notice.

(b) *Ship management fees* - Golar and certain of its subsidiaries charged ship management fees to us for the provision of technical and commercial management of the vessels. Each of our vessels is subject to management agreements pursuant to which certain commercial and technical management services are provided by certain subsidiaries of Golar, including Golar Management. We may terminate these agreements by providing 30 days' written notice.

(c) *Interest expense on short-term loan, balances due (to)/from Golar and its affiliates* - Receivables and payables with Golar and its affiliates primarily comprise of unpaid fees and expenses for management and administrative services and vessel management services performed by Golar and its affiliates, dividends due in respect of the Hilli Common Units, and other related party arrangements, including short term loan balances. In addition, certain receivables and payables arise when we pay an invoice on behalf of a related party and vice versa. Receivables and payables are generally settled quarterly in arrears. Balances due from and to Golar and its subsidiaries are unsecured, interest-free and intended to be settled in the ordinary course of business.

In February 2020, we borrowed $25.0 million with interest at a rate of LIBOR plus a margin of 5.0% from Golar, of which $20.0 million and $5.0 million, including interest, was was subsequently repaid in full. During the three months ended March 31, 2021 and 2020, we paid $0.1 million and $0.2 million of interest, respectively.

(d) *Distributions with Golar, net* - During each of the three months ended March 31, 2021 and 2020, we paid total distributions to Golar of $0.5 million and $9.2 million, respectively, in respect of the Common Units and General Partner units owned by it.

During the three months ended March 31, 2021 and 2020, Hilli LLC declared quarterly distributions totaling $7.2 million and $4.4 million, respectively, in respect of the Hilli Common Units owned by us.

(e) *Methane Princess lease security deposit* - This represents net advances to or from Golar since our initial public offering in April 2011, which correspond with the net release of funds from the security deposits held relating to the Methane Princess lease. This is in connection with the Methane Princess tax lease indemnity provided by Golar under the Omnibus Agreement that we entered into with Golar at the time of our initial public offering. Accordingly, these amounts will be settled as part of the eventual termination of the Methane Princess lease.

Other transactions

Agency agreement with PT Pesona Sentra Utama (or PT Pesona) - PT Pesona, an Indonesian company, owns 51% of the issued share capital in our subsidiary, PTGI, the owner and operator of *NR Satu*, and provides agency and local representation services for us with respect to *NR Satu*. During both of the three months ended March 31, 2021 and 2020, PT Pesona received an agency fee of $0.1 million, respectively.

Following the completion of the Merger on April 15, 2021, Golar will cease to be a related party and subsequent transactions with Golar and its subsidiaries will be treated as a third party and settled under normal payment terms. Furthermore, the management and administrative services agreement and ship management fee agreement were terminated and replaced with the Transition Services Agreement, Bermuda Services Agreement and Ship Management Agreements. For more information, please see “Item 5 - Operating and financial review and prospects - Significant Developments in 2020 and Early 2021” of our 2020 annual report on Form 20-F.

Hilli guarantees (in connection with the Hilli Acquisition)

(i) Debt

Hilli Corporation ("Hilli Corp"), the disponent owner of the *Hilli* and a wholly owned subsidiary of Hilli LLC, is a party to a Memorandum of Agreement, dated September 9, 2015, with Fortune Lianjiang Shipping S.A., a subsidiary of China State Shipbuilding Corporation (“Fortune”), pursuant to which Hilli Corp has sold to and leased back from Fortune the *Hilli* under a 10-year bareboat charter agreement (the “Hilli Facility”). The Hilli Facility provided for post-construction financing for the *Hilli* in the amount of $960 million. Under the Hilli Facility, 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 3.95%. In connection with the closing of the Hilli Acquisition, we agreed to provide a several guarantee (the “Partnership Guarantee”) of 50% of the outstanding principal, interest, expenses and other amounts payable by Hilli Corp under the Hilli Facility pursuant to a Deed of Amendment, Restatement and Accession relating to a guarantee between Golar, Fortune and us dated July 12, 2018. We entered into a $480.0 million interest rate swap in relation to our proportionate share of the obligation under the Hilli Facility.

(ii) Letter of credit

On November 28, 2018, we entered into an agreement to guarantee (the “LOC Guarantee”) the letter of credit issued by a financial institution in the event of Hilli Corp’s underperformance or non-performance under the liquefaction tolling agreement for the Hilli. Under the LOC Guarantee, we are severally liable for any outstanding amounts that are payable, based on the percentage ownership that Golar holds in us, multiplied by our percentage ownership in Hilli Common Units.

Pursuant to the Partnership Guarantee and the LOC Guarantee, we are required to comply with the following covenants:

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

As of March 31, 2021, the amount we have guaranteed under the Partnership Guarantee and the LOC Guarantee is $381.0 million, and the fair value of debt guarantee, presented under "Other current liabilities" and "Other non-current liabilities" of our condensed consolidated balance sheet, amounting to $1.4 million and $4.7 million, respectively. As of March 31, 2021, we are in compliance with the covenants for both Hilli guarantees.

14. OTHER COMMITMENTS AND CONTINGENCIES

Assets pledged

(in thousands of $)	March 31, 2021	December 31, 2020
Carrying value of vessels and equipment secured against long-term loans and finance leases	1,276,313	1,290,769
Carrying value of investment in leased vessel, net secured against long-term loans and finance leases	111,186	111,786
	1,387,499	1,402,555

Other contractual commitments and contingencies

Insurance

We insure the legal liability risks for our shipping activities with Gard and Skuld, which are mutual protection and indemnity associations. As a member of a mutual association, we are subject to a call for additional premiums based on the clubs' claims record, in addition to the claims records of all other members of the association. A contingent liability exists to the extent that the claims records of the members of the association in the aggregate show significant deterioration, which results in additional premiums on the members.

Tax lease benefits

As of March 31, 2021, we have one UK tax lease (relating to the *Methane Princess*). A termination of this lease would realize the accrued currency gain or loss recorded against the lease liability, net of the restricted cash. As of March 31, 2021, there was a net accrued gain of approximately $1.1 million.

Under the terms of the leasing arrangement, the benefits are derived primarily from the tax depreciation assumed to be available to the lessor as a result of their investment in the vessel. As is typical in these leasing arrangements, as the lessee, we are obligated to maintain the lessor's after-tax margin. Accordingly, in the event of any adverse tax changes or a successful challenge by the Her Majesty's Revenue and Customs (the "HMRC"), the UK tax authorities, with regard to the initial tax basis of the transactions, or in the event of an early termination of the Methane Princess lease or in relation to the other vessels previously financed by UK tax leases, we may be required to make additional payments principally to the UK vessel lessor. We would be required to return all, or a portion of, or in certain circumstances significantly more than the upfront cash benefits that Golar received in respect of the lease financing transaction. Furthermore, the lessor of the *Methane Princess* has a second priority security interest in the *Methane Princess*, the *Golar Spirit,* the *Golar Grand* and the *Golar Tundra*. Our obligation to the lessor under the Methane Princess Lease is secured by a letter of credit ("LC") provided by other banks. In April 2021, we early terminated the Methane Princess Lease.

HMRC has been challenging the use of similar tax lease structures and has been engaged in litigation of a test case for some years. In August 2015, following an appeal to the Court of Appeal by the HMRC which set aside previous judgments in favor of the tax payer, the First Tier Tribunal ("UK court") ruled in favor of HMRC. The judgments of the First Tier Tribunal do not create binding precedent for other UK court decisions and therefore the ruling in favor of HMRC is not binding in the context of our structures. Further, we consider there are differences in the fact pattern and structure between this case and our leasing arrangements and therefore is not necessarily indicative of any outcome should HMRC challenge us, and we believe that our fact pattern is sufficiently different to succeed if we are challenged by HMRC. HMRC have written to our lessor to indicate that they believe the Methane Princess lease may be similar to the case noted above. We have reviewed the details of the case and the basis of the judgment with our legal and tax advisers to ascertain what impact, if any, the judgment may have on us and the possible range of exposure has been estimated at approximately $nil to $34.5 million (£25.0 million). In December 2019, in conjunction with the lessor, Golar obtained supplementary legal advice confirming Golar's position. Golar's discussions with HMRC on this matter have concluded without agreement and, in January 2020, Golar received a closure notice to the inquiry, which states the basis of HMRC's position. Consequently, a notice of appeal against the closure notice was submitted to HMRC. In December 2020, notice of appeal was submitted to the First Tier Tribunal. We remain confident of our position, however given the complexity of these discussions it is impossible to quantify the reasonably possible loss, and we continue to estimate the possible range of exposures as set out above. However, under the indemnity provisions of the Omnibus Agreement, Golar has agreed to indemnify us against any liabilities incurred as a consequence of a successful challenge by the UK Revenue Authorities with regard to the initial tax basis of the *Methane Princess* lease and in relation to other vessels previously financed by UK tax leases.

Legal proceedings and claims

We may, from time to time, be involved in legal proceedings and claims that arise in the ordinary course of business. A provision will be recognized in the financial statements only where we believe that a liability will be probable and for which the amounts are reasonably estimable, based upon the facts known prior to the issuance of the condensed consolidated financial statements.

In November and December 2015, the Indonesian tax authorities issued letters to our subsidiary, PTGI, to, among other things, revoke a previously granted VAT importation waiver in the approximate amount of $24.0 million for the *NR Satu*. In April 2016, PTGI initiated an action in the Indonesian tax court to dispute the waiver cancellation. The final hearing took place in June 2016 and we received the verdict of the Tax Court in November 2017, which rejected PTGI's claim. In February 2018, PTGI filed a Judicial Review with the Supreme Court of Indonesia, but in December 2018, the Supreme Court of Indonesia ruled against PTGI with regards the validity of waiver cancellation. However, we do not believe it is probable that a liability exists as a result of this ruling, as no Tax Underpayment Assessment Notice has been received within the statute of limitations period. Should we receive such notice from the tax authorities, we intend to challenge the legality of the assessment. In any event, we believe PTGI will be indemnified by PTNR for any VAT liability as well as related interest and penalties under our time charter party agreement entered into with them.

In December 2019, the Indonesian tax authorities issued tax assessments for land and buildings tax to our subsidiary, PTGI for the years 2015 to 2019 inclusive in relation to the *NR Satu*, for the amount of $3.3 million (IDR48,378.3 million). We paid the assessed tax in January 2020 to avoid further penalties. This is presented in "Other non-current assets" of our consolidated balance sheets. We have lodged an appeal against the assessments for the land and buildings tax as the tax authorities have not accepted our initial objection letter. We believe we have 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.

In February 2021, we received a tax notice from the Jordan tax authorities following the conclusion of their tax audit into our Jordan branch for the years 2015 and 2016 assessing our Jordan branch for additional tax of $1.6 million (JOD 1.10 million) and $3.1 million (JOD 2.20 million), respectively. We have submitted an appeal to the tax notice. A provision has not been recognized for this as we do not believe 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.

15. SUBSEQUENT EVENTS

De-listing of the common units and Series A Preferred Units

On April 15, 2021 (the "Effective Date"), NFE completed its acquisition of the Partnership pursuant to the Merger Agreement, dated as of January 13, 2021, by and among the Partnership, Golar GP LLC, a Marshall Islands limited liability company and the general partner of the Partnership (the "General Partner"), Parent, Lobos Acquisition LLC, a Marshall Islands limited liability company and an indirect subsidiary of NFE ("Merger Sub"), and NFE International Holdings Limited, a private limited company incorporated under the laws of England and Wales, United Kingdom, and an indirect subsidiary of NFE ("GP Buyer"). Under the terms of the Merger Agreement, among other things, Merger Sub merged with and into the Partnership (the "Merger"), with the Partnership surviving the Merger as a subsidiary of NFE.

Concurrently with the closing of the Merger, GP Buyer purchased from Golar, and Golar transferred to GP Buyer (the "GP Transfer"), all of the outstanding membership interests in our general partner pursuant to a Transfer Agreement dated as of January 13, 2021 (the "Transfer Agreement").

At the Effective Date, pursuant to the Merger Agreement, each common unit representing a limited partner interest in the Partnership (each, a "Common Unit") that was issued and outstanding as of immediately prior to the Effective Date (except for Common Units that were owned immediately prior to the Effective Date by the Partnership as treasury units, which were automatically canceled and retired and cease to exist and no consideration was delivered in respect thereof) was automatically converted into the right to receive merger consideration of $3.55 in cash. At the Effective Date, in connection with the Merger, the Partnership terminated all offerings of common units with the Securities and Exchange Commission ("SEC") and delisted all common units from the Nasdaq Stock Market.

On April 23, 2021, the GMLP board of directors approved delisting the GMLP's 8.75% Series A Cumulative Redeemable Preferred Units (the "Preferred Units"). GMLP is delisting the Preferred Units because NASDAQ has informed GMLP that the

Preferred Units no longer meet the listing requirements of NASDAQ. Subsequently, on May 12, 2021, the Partnership voluntarily delisted the Series A Preferred Units and withdrew the registration of our Series A Preferred Units with the SEC.

Financing

Voluntary redemption of 2015 Norwegian Bonds

On April 6, 2021, we provided irrevocable notice to the trustee of our $150 million aggregate principal amount of five year non-amortizing bonds in Norway (the “2015 Norwegian Bonds”), which were due to mature on November 22, 2021, of the exercise of the call option for the voluntary early termination of all of outstanding bonds. All 2015 Norwegian Bonds outstanding on record date of April 16, 2021 were settled in full on April 20, 2021 for 100% of the nominal amount of $135 million plus accrued interest of $1.4 million.

Voluntary redemption of 2017 Norwegian Bonds

On April 6, 2021, we provided irrevocable notice to the trustee of our $250 million aggregate principal amount of our 2017 Norwegian Bonds (the “2017 Norwegian Bonds”), which were due to mature on November 15, 2022, of the exercise of the call option for the voluntary early termination of all of outstanding bonds. All 2017 Norwegian Bonds outstanding on record date of April 16, 2021 were settled in full on April 20, 2021 for 100% of the nominal amount of $235 million plus accrued interest of $3.4 million.

Prepayment of NR Satu Facility

On April 6, 2021, PTGI, the company that owns and operates the *NR Satu*, provided notice to the facility agent and security agent of the $175 million secured loan facility of the prepayment of all borrowings in full on April 15, 2021. All amounts outstanding were prepaid in full following the payment of $35.7 million in outstanding principal and $0.1 million in accrued interest.

Maturity of $800 million credit facility

On April 15, 2021, our $800 million senior secured credit facility was settled in full on maturity following the repayment of $503.0 million in outstanding principal and $2.0 million in accrued interest.

Voluntary termination of Methane Princess lease obligation

On April 15, 2021, we voluntarily terminated the leasing arrangement initially entered into with a financial institution in the United Kingdom in August 2003 in relation to the *Methane Princess*. The second priority security interest in the vessels the *Methane Princess*, the *Golar Spirit, Golar Grand* and the *Golar Tundra* were released. A termination payment of $126.8 million (£91.9 million) was settled, of which $118.3 million (£85.8 million) was funded from the Methane Princess lease security deposit, which is included within our restricted cash balance, and the balance was funded by Golar pursuant to the indemnity provisions of the omnibus agreement entered into between us and Golar on our initial public offering.

Termination of Interest Rate Swaps

Prior to the merger, the Partnership terminated interest rate swaps contracts with a notional value of $834.3 million which had a mark-to-market liability of $27.3 million at date of termination. The termination settlement utilized $13.6 million of restricted cash balance that was related to these swap contracts, while the remaining amount was paid using cash and cash equivalents.

Cash Distributions

In May 2020, we paid a cash distribution of $0.546875 per Series A Preferred Unit in respect of the period from February 15, 2021 through May 14, 2021 to unitholders of record as of May 10, 2021, amounting to $3.0 million.