

FLEX LNG: ANNOUNCEMENT OF CONTEMPLATED ACQUISITION OF TWO HIGH-END MEGI LNGC NEWBILDS AND PRIVATE PLACEMENT

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FLEX LNG Ltd. (the "Company") is contemplating to enter into a transaction (the "Transaction") for the acquisition of two high-end MEGI LNG carriers (the "Vessels") currently under construction at Daewoo Shipbuilding and Marine Engineering Co. Ltd. ("DSME") with scheduled delivery in Q2-Q3 2019, from affiliates of Geveran Trading Co. Ltd. ("Geveran"), the Company's largest shareholder.

The total consideration to be paid by the Company for the acquisition of the Vessels is USD 180 million per Vessel, of which 20% of the contract price is payable within three (3) days from a successful completion of the Private Placement (as described below) (the "First Instalment") and the remaining part of the contract price is payable upon delivery of the Vessels (the "Final Instalment"). The acquisitions of the Vessels are subject to the Private Placement being completed.

The total all-inclusive delivered price of USD 180 million per Vessel with the payment terms of 20% upfront and 80% at delivery of the Vessels, are considered to be highly attractive and are more favourable than what could be achieved if the Company were to pursue similar newbuilds in today's market.

The Transaction will give the Company a uniform fleet of six LNG MEGI carriers with the most advanced propulsion and fuel efficiency technology compared to the existing LNG fleet.

The Company has in connection with the Transaction prepared a trading update which is made available in the company presentation attached to this press release.

Further, the Company has mandated Arctic Securities AS, Pareto Securities AS, Fearnley Securities AS and DNB Markets (the "Managers"), to assist the Company in a contemplated private placement (the "Private Placement") of 89,479,166 new shares (the "New Shares") for gross proceeds of NOK 1,073,750,000 (approximately USD 125,000,000 at a USD/NOK exchange rate of 8.59). The Private Placement is directed towards certain Norwegian investors and international institutional investors, in each case subject to and in compliance with applicable exemptions from relevant prospectus or registration requirements.

The net proceeds from the Private Placement will be used for the payment under the First Instalment of the Transaction, working capital and general corporate purposes. The subscription price per New Share is NOK 12.00 (the "Subscription Price"). The application period commences on 26 April 2017 at 16:30 (CET) and will close on 27 April 2017 at 08:00 (CET). The Company reserves the right to close or extend the application period at any time at its sole discretion, at short notice. The minimum order size and allocation in the Private Placement is a NOK amount equivalent to EUR 100,000.

Geveran Trading Co. Ltd., the Company's largest shareholder, has guaranteed that the Private Placement will be fully subscribed at the Subscription Price.

Conditional allocation of New Shares will be made at the discretion of the Board of Directors in consultation with the Managers, on or about 27 April, 2017, subject to any shortening or extension of the application period.

Completion of the Private Placement is conditional upon necessary corporate resolutions in the Company being made, including approval from the Company's shareholders at an extraordinary general meeting scheduled to be held on or about 15 May 2017 (the "EGM"), and the New Shares having been fully paid and legally issued. The Offering will be cancelled if the conditions are not fulfilled, and may be cancelled by the Company in its sole discretion for any other reason.

Subject to completion of the Private Placement and the prevailing market price of the Company's shares, the Company intends to carry out a subsequent offering (the "Subsequent Offering") of new shares in the Company. A Subsequent Offering will, on the basis of a prospectus approved by the Norwegian Financial Supervisory Authority, and subject to shareholder approval at the EGM, be directed towards shareholders who (i) are shareholders in the Company as of 26 April 2017, as registered as shareholders in the Company's register of shareholders with the Norwegian Central Securities Depository (Nw. *Verdipapirsentralen*) (the "VPS") as of 28 April 2017, (ii) are not allocated shares in the Private Placement, and (iii) are not resident in a jurisdiction where such offering would be unlawful or, for jurisdictions other than Norway, would require any prospectus, filing, registration or similar action (the "Eligible Shareholders"). The Eligible Shareholders will be granted non-tradable subscription rights. The subscription period in the Subsequent Offering is expected to commence on or about 18 May 2017. The subscription price in the Subsequent Offering will be the same as in the Private Placement. The Company will issue a separate stock exchange notice including the ex. date, record date and other information for the participation in the Subsequent Offering if and when finally resolved.

Contacts:

Jonathan Cook, CEO

Tel. +44 20 7543 6699

Important information:

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securities in the United States or to conduct a public offering of the securities in the United States. Copies of this announcement are not being made and may not be distributed or sent into Australia, Canada, Japan or the United States. The issue, exercise, purchase or sale of subscription rights and the subscription or purchase of shares in the Company are subject to specific legal or regulatory restrictions in certain jurisdictions. Neither the Company nor the Managers assumes any responsibility in the event there is a violation by any person of such restrictions.

The distribution of this release may in certain jurisdictions be restricted by law. Persons into whose possession this release comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. The Managers are acting for the Company and no one else in connection with the Private Placement and will not be responsible to anyone other than the Company providing the protections afforded to their respective clients or for providing advice in relation to the Private Placement and/or any other matter referred to in this release.

Forward-looking statements:

This release and any materials distributed in connection with this release may contain certain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they reflect the Company's current expectations and assumptions as to future events and circumstances that may not prove accurate. A number of material factors could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

Company Presentation attached