

## Company Update

Road Town, Tortola, 24 January 2013. FLEX LNG (Oslo Axess: FLNG) would like to provide shareholders with an update regarding the status of the company's investments with Samsung Heavy Industries ("SHI") and the steps taken to secure shareholder value.

SHI is currently holding, and has done so for a considerable time, significant funds on behalf of FLEX LNG. Since 2007 the sum of USD 458.7 million has been invested pursuant to the four shipbuilding contracts that were entered into in 2007 and 2008. The shipbuilding contracts as well as the EPCIC entered into in 2008 will no longer be performed and FLEX considers these agreements to have been abandoned. FLEX LNG and SHI have throughout 2012 engaged in discussions in an effort to agree the amount of capital to be redeployed into new contracts for the construction of alternative tonnage. However, it has not been possible for the parties to reach agreement on the amount of capital to be redeployed and consequently FLEX LNG has requested that the remaining capital is refunded. Payments made pursuant to the EPCIC (totalling USD 36.4 million) were made on the basis of cost reimbursement, and so return of this sum is not sought.

On 18 December 2012 FLEX LNG requested that SHI repays a net amount in excess of USD 300 million, which gives credit for cost properly and reasonably incurred by SHI on FLEX LNG's behalf. As of the date of this update the funds have not been received by FLEX LNG and appropriate actions have been triggered in order to secure the repayment of the said funds.

FLEX LNG has appointed the leading international law firm Pinsent Masons LLP to take the necessary steps in relation to the dispute resolution proceedings, including initiating arbitral proceedings if necessary.

Investors should be aware that it is not possible with any certainty to predict the outcome of arbitration with SHI, nor the time or costs involved in completing such legal proceedings. Consequently, FLEX LNG can give no assurance as to the outcome of any legal proceedings with SHI, including that the amount requested will be the amount actually awarded to FLEX LNG. As part of the Q4 2012 Financial Report completion the carrying value for the new building assets and capitalised costs is currently under review. It is expected that a further impairment will be included in the Q4 2012 report.

FLEX LNG will provide additional information to its shareholders as this becomes available.

## About FLEX LNG Ltd.

FLEX LNG was incorporated in 2006 and is listed in Norway under the ticker code FLNG. The Company was incorporated with the objective of commercialising some of the world's first floating liquefaction units (LNG Producers). FLEX LNG has successfully completed two FEED (Front End Engineering and Design) studies and is able to use these to help fast track future offshore and near shore FLNG developments.



## For Further Information Please Contact:

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