

**Gulf LNG Project Update - Targeting LNG FPSO FID Within 1Q 2012**

Road Town, Tortola, 21 December 2011.

FLEX LNG (Oslo Axess: FLNG) announces a revised target to achieve LNG FPSO Final Investment Decision (FID) for the Gulf LNG project within 1Q 2012.

Since signing a comprehensive Framework Agreement with InterOil Corporation, Pacific LNG Operations and Liquid Niugini Gas Ltd in April 2011, the parties have been targeting a mid December 2011 FID date. The company is pleased to announce that during this period project specific FEED for the LNG FPSO has been completed, and both Samsung Heavy Industries (SHI) and FLEX LNG are ready to proceed to enter the execution phase of the project.

The Framework Agreement has expired, but the Parties will continue to work together with the aim of achieving a successful outcome for all stakeholders in the project, including the state of Papua New Guinea and the Gulf Province.

Commenting on the parties' decision to target FID in 1Q 2012, Chief Executive Officer of FLEX LNG Management Ltd, Philip Fjeld stated:

"The Gulf LNG Project has made great progress to date with project specific FEED for the LNG FPSO already completed, and both SHI and FLEX LNG are ready to move into project execution phase as soon as the project's major sponsors and the PNG government are ready. FLEX LNG is looking forward to continuing to work closely with its partners towards an FID in 1Q 2012"

**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). The Company holds contracts with Samsung Heavy Industries for the LNG Producer Hull and for the Engineering, Procurement, Construction, Integration and Commissioning of the liquefaction unit. In April 2011 the Company executed agreements with InterOil, Pacific LNG, LNGL and Samsung Heavy Industries for a FLNG project that would liquefy natural gas from the onshore Elk and Antelope gas fields in the Gulf Province in PNG. Commencement of operations is targeted for 2015. The Company is also working on a number of other promising projects.



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