

**BOARD STATEMENT REGARDING MANDATORY OFFER FROM
GEVERAN TRADING CO. LTD.****Introduction**

This statement is made by the Board of Directors (the "Board") of FLEX LNG Ltd. (the "Company") pursuant to section 6-16 of the Norwegian Securities Trading Act in connection with the mandatory offer (the "Offer") from Geveran Trading Co Ltd (the "Offeror") to acquire all shares in the Company not already owned by the Offeror.

The Board's duty according to section 6-16 of the Norwegian Securities Trading Act is to issue a statement on the Offer, which shall include information on factors that are considered to be of significance for assessing whether the offer should be accepted, including information on the employees' views. Information shall also be given about the views, if any, of the members of the Board and the CEO in their capacity as shareholders in the company. Further, pursuant to the Norwegian Code of Practice for Corporate Governance, the Board should give a recommendation as to whether shareholders should accept the Offer.

The Offer

The detailed terms of the Offer is set out in the offer document from the Offeror dated 19 November 2014 approved by Oslo Børs (the "Offer Document").

The price per share of the Company offered by the Offeror in the Offer is NOK 8.00 (the "Offer Price"). Completion of the Offer is not subject to any conditions. The acceptance period in the Offer is from and including 20 November 2014 to and including 18 December 2014 at 16:30 CET (subject to extension). The Offer does not include any new shares issued after the date of the Offer Document.

The Offeror has in the Offer Document stated that, if the Offeror holds more than 90% of the voting rights in the Company, the Offeror may initiate a compulsory redemption of the remaining shares in the Company pursuant to the BVI Companies Act.

The Board's evaluation of the Offer

Director Jens Martin Jensen is associated with the Offeror and has considered himself not to be independent of the Offer. Mr Jensen has consequently been excused from taking part in this statement.

The Company's shareholders should carefully review all available information and make an independent evaluation whether or not to accept the Offer.

The Board has reviewed the Offer Document and evaluated the terms of the Offer set out therein. In connection with its evaluation of the Offer, the Board has obtained a fairness opinion from Arctic Securities AS ("Arctic") as advisor to the Board. Arctic is a Norwegian investment bank with strong knowledge of the Norwegian capital market.

The Offer Price represents a premium of 8.7% to the closing share price on 22 October 2014, the last closing price prior to the Offeror's announcement that it would make the Offer, and a premium of 10.6% and 16.6% over the volume weighted average price of the Company's shares for the last three and six month period prior to the Offeror's announcement.

Arctic has made comprehensive and thorough analyses of the Offer. In its fairness opinion, Arctic draws the following conclusion:

"There are fundamental valuation methodologies that point to a value range exceeding the offer price of NOK 8.00 per share. Such valuation ranges are based on certain assumptions, risk assessments, return requirements and forecasts which historically have been volatile and could differ between investors. The offer price is at a premium to the trading price of the FLNG share prior to the transaction triggering the offer, and is above the observed trading price of the FLNG share in the market following announcement of the offer. Low liquidity and free float, combined with a major shareholder's potential future controlling position will also widen the fair value range.

Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the offer price, pursuant to the offer, of NOK 8.00 per share is at the bottom end of what we see as a fair value range of FLNG from a financial point of view to the holders of shares in FLNG, and that fundamental valuation methodologies could indicate a higher value. We do not hereby express any opinion or any recommendation as to whether or not the shareholders in FLNG should accept the offer."

The Offer Price is below the Company's own net asset value estimates, which under certain conditions are up to 55% higher than the Offer Price. It should be noted that estimates of underlying values are based on assumptions and uncertainties with regard to the future development of a number of factors. Assumptions may also differ depending on who makes the estimations. Accordingly, there can be no assurance that the Company's estimates will be met.

When evaluating the Offer, it should also be taken into account that the Company will require significant additional future funding, including to meet working capital requirements and payment obligations under its two newbuilding contracts. The Company's ability to raise required funding and the price of such funding will be highly dependent on, among other things, financing market conditions, the Company's ability to secure attractive charter contracts, and the state of the LNG shipping market at the time. Should the Company not be able to secure required funding on acceptable terms or at all, this will have a significant

adverse effect on the Company and its financial position, and shareholders may risk a significant dilution, value reduction or total loss of their investments.

Further, as at the date hereof, the Offeror controls 46.75% of the Company's outstanding shares. Based on its current shareholding, and possibly increased holding upon completion of the Offer, the Offeror is likely to have a decisive influence over the election of directors to the Board and other matters that shall be put to a vote of shareholders.

The Offer Price is below what the Board considers to be the historical average acquisition premium in public cash offers in the Norwegian market. On the other hand, the trading prices of the Company's shares before the Offer was announced on 22 October 2014 have been below the Offer Price, at times significantly below. There has also been low liquidity in the Company's shares for a long period of time. This in sum could make it difficult to divest shares in the market at prices equal to or higher than the Offer Price, which should particularly be considered by shareholders with a near to medium term investment horizon.

Based on an overall assessment, it is the Board's view that the Offer Price is at the very low end of what it considers to be the fair market value of the Company and the Board has concluded not to recommend that the Company's shareholders with a long term investment horizon accept the Offer. The Offer does however represent a liquidity event for shareholders looking to monetize their position in the Company.

Estimations of underlying values are highly uncertain and sensitive to a number of assumptions. Further, the Offeror is likely to have a decisive influence over the Company, and there can be no assurance as to the future trading price of the Company's shares. The Board therefore strongly advises shareholders to carefully review their options in light of the factors set out herein and all other available information, and make an independent evaluation whether or not to accept the Offer.

The Board has not received any written statements from the Company's employees.

David McManus, Chairman of the Board, holds 672,322 shares in the Company. It is not the intention of Mr McManus to accept the Offer. Robin Bakken does not hold shares in the Company.

David McManus

Robin Bakken

9 December 2014

The Board of Directors

FLEX LNG Ltd.

Attachment – Arctic Securities, Fairness Opinion on the Geveran Trading Co. Ltd Offer, dated 5 December 2014.**FLEX LNG Ltd.**

FLEX LNG was incorporated in 2006 and is listed in Norway under the ticker code FLNG. The Company is constructing two LNG carries with a capacity of 174,000m³ with Samsung Heavy Industries, for delivery in Q1 2017.

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