FLEX LNG LTD

2017 Third Quarter Results

FLEX LNG

21 November 2017 – Hamilton, Bermuda – FLEX LNG LTD. (Oslo Børs: FLNG) (together with its subsidiaries, the "Company" or "FLEX LNG"), an emerging leader in the Liquefied Natural Gas ("LNG") shipping and floating regasification market, today reports unaudited results for the three and nine months ended September 30, 2017.

Highlights for Q3 2017:

- Reported Revenues of $9.8m vs. $8m in previous quarter.
- Reported Operating Loss before Depreciation of $4.1m vs. Operating Loss before Depreciation of $7.4m in previous quarter.
- Reports loss before tax for the third quarter of $4.0m, or $0.01 per share and $11.7m, or $0.04 per share, for the nine months ending September 30, 2017.
- During the quarter, operated four chartered-in LNG carriers ("LNGC") to be able to establish a market presence and build an operational track record.
- At the end of third quarter, two chartered-in vessels were redelivered while remaining two chartered-in vessels were subsequently extended for an additional 180 days. Profitable employment has been secured for the two remaining chartered-in vessels
- Transferred primary share listing from the Oslo Axess to Oslo Børs

Other and Subsequent Events:

- On 14 November, the Company received a firm offer for a $ 315m term loan facility ("TLF") secured by the three newbuildings with the delivery in first half of 2018. The debt available under the TLF is agreed to be drawn in connection with the delivery of newbuildings and the financing is subject to the execution of definitive documentation and satisfaction of customary closing conditions

Jonathan Cook, CEO comments:

"Over the past months, there has been upward pressure on charter rates as the LNG shipping market has tightened considerably, and we continue to see a trend towards a three-tier market with modern gas injection LNG carriers commanding a premium. As our fleet of state of the art newbuildings begins to deliver in the first quarter of 2018, we believe that a continued strengthening of structural fundamentals in the LNG sector will improve the rate environment further and provide us with various attractive employment options for our vessels."

Øystein M. Kalleklev, CFO comments:

"We are pleased to have reached agreements to finance the first three of our LNG newbuildings that are scheduled to be delivered in the first half of 2018. The financing structure allows us to adjust the facility size depending on how we elect to employ our vessels and to substitute pledged vessels. This structure provides us significant balance sheet and operational flexibility as we grow our business."

Business Update

Liquefied Natural Gas Carriers (“LNGCs”)

FLEX LNG has entered into agreements to order or acquire six M-type, Electronically Controlled, Gas Injection (“MEGI”) LNGCs, as described further below. MEGI LNGCs are among the most technically advanced vessels in the world and offer superior fuel savings and earnings capacity as compared to previous generations of LNGCs. The Company’s MEGI LNGCs are scheduled to be delivered over the next two years.

Two of the Company’s LNGCs, originally ordered in 2013, are currently under construction at Samsung Heavy Industries and are scheduled to be delivered to the Company in the second and third quarters of 2018. In February 2017, the Company entered into a transaction for the acquisition of two high-end MEGI LNGC newbuilds (“Initial DSME LNGC”) under construction at Daewoo Shipbuilding and Marine Engineering Co. Ltd. (“DSME”). These vessels were acquired from affiliates of Geveran Trading Co. (“Geveran”), the Company’s largest shareholder, and are expected to be delivered to the Company in the first quarter of 2018. In April 2017, the Company entered into an agreement to acquire two additional MEGI LNGCs currently under construction at DSME from affiliates of Geveran. These vessels are expected to be delivered to the Company in 2019.

Upon delivery of the newbuilding vessels described above, the Company will own a fleet of six MEGI LNGCs with the most advanced propulsion and fuel-efficient technology compared to the existing LNG fleet.

The Company entered into four separate LNGC time charters for 180 days with an option to extend for a further 180 days. These vessels are fourth generation Tri-Fuel Diesel Electric LNGCs, with sizes ranging from 155,000m^3 to 174,000m^3, and were delivered to the Company towards the end of the first quarter of 2017. The Company has actively sub-chartered these LNGCs in the spot and short term market to a wide range of LNG charterers.

The Company’s chartering activities have allowed it to establish a presence in the market and build an operational track record. Additionally, the Company has begun to develop strong customer relationships and undergone extensive vetting processes with respect to its operational and internal controls, as well as putting in place Master Time Charter Contracts with key LNG charterers. These actions have positioned the Company to actively market its MEGI LNGCs ahead of their respective deliveries.

In September 2017, the Company elected to redeliver two of the four vessels at end of third quarter. The Company has successfully secured employment for the remaining two vessels to third parties for the duration of the optional extension period, starting in September 2017 with redelivery in the first quarter of 2018. These two extensions will have a positive contribution to the Company’s earnings. The Company will continue to evaluate opportunities to charter in third party LNGCs to the extent that they will provide a positive contribution to the earnings position, although the Company’s primary commercial focus is to secure attractive employment for its newbuildings.

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Floating Storage and Regasification Units ("FSRUs")

FLEX LNG is actively pursuing opportunities to leverage its experience towards the implementation of FSRU projects, although no such opportunities will be committed to on a speculative basis.

The Company and NextDecade Global Solutions, a subsidiary of NextDecade, LLC (NASDAQ: NEXT) ("NextDecade"), have signed a Heads of Agreement ("HOA") to create a full value chain solution for customers seeking to purchase LNG from NextDecade's Rio Grande LNG export project in Brownsville, TX. Initially, NextDecade and FLEX LNG will develop FSRU and dockside solutions for international customers of NextDecade, with the LNG supply also provided by NextDecade. The HOA will enable the companies to jointly develop and deliver timely cost-effective LNG import solutions tailored to their customers' needs.

On July 19, 2017, NextDecade announced that it had signed a Memorandum of Understanding ("MOU") with the Port of Cork Company ("Port of Cork") to advance a joint business development opportunity in Ireland for a new FSRU and associated LNG import terminal infrastructure. FLEX LNG continues to support NextDecade to provide a fully integrated LNG import solution for the proposed LNG terminal at the Port of Cork.

Results for the Three and Nine Months Ended September 30, 2017

The Company reports a net loss of $4.0m and loss per share of $0.01 for the third quarter of 2017 compared with a net loss of $0.5m and a loss per share of $0.00 for the third quarter of 2016. Net loss for the first nine months of 2017 was $11.7m compared to net loss of $1.6m in the first nine months of 2016.

Voyage Revenue amounted to $9.8m and $19.5m in the third quarter and first nine months of 2017, respectively, and related to four vessels that were chartered in by the Company. Voyage revenue for the third quarter and first nine months of 2016 was nil as the Company did not have any vessels in its operating fleet.

Voyage Costs, including the costs to charter in vessels, voyage related costs, and broker commissions amounted to $13.0m and $30.7m in the third quarter and first nine months of 2017, respectively, and related to expenses incurred in connection with the vessels that were chartered.

Administrative expenses amounted to $0.8m and $2.6m in the third quarter and first nine months of 2017 respectively compared to $0.4m and $1.4m respectively in the same periods in the prior year. In addition, costs of $4.6m have been capitalised onto the four new building assets in the first nine months of 2017 compared to $0.5m for the same period in 2016.

In the nine months to September 30, the Company's cash balance increased by $10.4m compared to a decrease of $1.3m in 2016. This was mainly driven by cash inflows of $221.0m from share issuances and was partly offset by $ 76.6m of payments in relation to newbuilding contracts, $ 117.0m of loan repayments and a $16.9m loss from operating activities.

Financing Update

In 2017, the Company expanded its fleet of modern LNG newbuildings through the acquisition of four newbuildings from Geveran. In connection with these acquisitions, the company issued approximately 239.9 million new shares of which 78 million shares were issued as payment in kind to Geveran for ownership in two Initial DSME LNGCs. The net cash proceeds of approximately $221m from sale of the remaining 161.9 million shares has been utilised to fund the newbuilding program. In connection with the Initial DSME LNGCs, the Company also entered into a $270m revolving credit facility with Sterna Finance Ltd., a company affiliated to Geveran (the "Sterna RCF"). The Sterna RCF has a fixed interest rate of 1.00% during the period while the vessels are under construction and an interest rate of Libor+300bps following the delivery of the vessels. The Credit Facility is availability to the Company for a period of three years following the delivery of the Initial DSME LNGCs.

On 14 November 2017 the Company received a firm offer for a $315m term loan facility (the "TLF") to finance the first three of its newbuildings - DSME HN 2447 (Flex Endeavour), DSME HN 2448 (Flex Enterprise) and SHI HN 2107 (Flex Ranger). The TLF has been offered by six banks and has been approved by each bank's respective risk and credit committee. The TLF is agreed to be drawn in connection with the delivery of newbuildings and financing is subject to the execution of definitive documentation and satisfaction of customary closing conditions. The tenor of the TLF is five years from the date of the last newbuilding financed under the TLF, resulting in an average term of approximately 5.4 years given expected delivery of SHI HN 2107 in May 2017.

The TLF affords the Company significant balance sheet and operational flexibility. Under the terms of the TLF, the Company has the option to swap vessels as collateral for the facility without having to refinance the loan and incur associated costs. This enables the Company to have to flexibility to take a vessel out of the collateral base in the event it can be financed in other ways and redeploy the loan to finance a separate newbuilding.

The TLF does not contain a requirement that the Company obtain firm term employment for any of the LNGCs financed under the facility, and the financial covenants for the TLF are not linked to earnings, but rather includes balance sheet requirements that book equity exceeds 25 percent of total assets and that free cash is higher than $15 million and 5 per cent of net interest bearing debt. The structure of the TLF allows for an opportunistic employment approach designed to maximize the Company's exposure to periods of strength in the LNGC rate environment. Furthermore, under the terms of the TLF the Company can seek to increase the size of the loan tranches in the event that it secures longer term employment for a vessel financed under the facility.

In order to alleviate financing risk for the remaining three vessels, the $270 million Sterna RCF will be available until at least 12 months following delivery of all the six LNGCs. Thereafter $30m will be available for working capital until the maturity of the TLF unless otherwise agreed. While the Company intends to finance its additional newbuildings with non-affiliated commercial financing, the continued availability of the Sterna RCF will ensure that the Company has minimal financing or liquidity risk.

Corporate Update

During 2017, the Company has assembled an experience management team with the appointments of Jonathan Cook as Chief Executive Officer, Øystein M. Kalleklev as Chief Financial Officer and Thomas Thorkildsen as Senior Vice President, Business Development. Messrs. Cook and Thorkildsen have extensive LNG and FSRU experience and are exceptionally well suited to lead the Company's development plans, and Mr. Kalleklev has comprehensive financing and commercial experience from similar CFO roles in Knutsen NYK Offshore Tankers and Umoe Group.

In July 2017, the Company completed the transfer of its shares from the Oslo Axess exchange to the main Oslo Børs. The transfer will help to increase the Company's visibility among the investment community and to facilitate better trading liquidity in the Company's shares.

367,972,382 ordinary shares were outstanding as of September 30, 2017, and the weighted average number of shares outstanding for the period was 288,186,302.

LNG Market Outlook and Strategy

The LNG shipping market tightened throughout the third quarter, and rates increased sharply in October following gradual increases since May. This was due in part to strong LNG demand from China which helped to widen the arbitrage between spot LNG import prices in Europe, U.S. and Asia. This led to increased cargoes from the Atlantic basin and an associated increase of average sailing distances. The current market dynamic is supportive for a further increase in rates during a seasonally strong period of the year. It is also important to note that a relatively small portion of the global fleet of LNGC operates in the spot market (less than 10%), which can result in periods of increased volatility.

The globalization of the LNG markets continues to develop with LNG increasingly being traded as a global commodity. Historically, intra-basin trade in the Atlantic and the Pacific has been a large component of the LNG shipping market. This has begun to change as U.S. and Australian export capacity continues to ramp up, coupled with import countries' strive to ease trading restrictions and new markets for LNG opening up with the help of FSRUs.

LNG export capacity continues to increase globally, and this has been a key driver of demand, creating a competitive LNG pricing environment, which encourages potential buyers and infrastructure projects and ultimately the adoption of LNG as a country's primary energy portfolio. As the market continues to evolve, increased price transparency, liquidity and flexibility where an increasing amount of LNG is sold on a spot basis and under contracts without destination restrictions, will all contribute to a more global and liquid market.

Global demand for seaborne LNG continues to grow throughout 2017. In the first nine months of 2017, 218 million tonnes of LNG were exported, up 12% over the same period last year. In the U.S., LNG has been exported to 26 countries, as compared to 12 in 2016. A total of 39 countries have imported LNG year-to-date 2017.

Demand growth has come primarily from Asia, with China, South Korea, India and Taiwan all showing strong annualized growth. In particular, demand from China has increased by over 43% year over year, in part due to a rise in contracted imports that may exceed actual end user demand. Yet, the government of China has committed to diversifying its energy portfolio to focus on clean energy sources. This was recently affirmed by reports of a commitment by China to invest $43 billion to develop Alaska's LNG sector. Likewise, the new South Korean administration temporary closed coal mines over 30 years of age in June. These mines have temporary closures scheduled for three months per year in 2018 through 2021 before they are permanently shuttered in 2022.

Most of the future growth in world energy demand is expected to come from rapidly growing emerging economies, with a significant portion of this growth likely to stem from China and India. According to the International Energy Agency, global gas demand is expected to grow by 1.6% annually over the next five years, with China accounting for 40% of this growth. Of the three primary energy fuels (coal, oil and gas) gas is the only one that is expected to continue to grow its relative portion of the share of the global energy portfolio. Significant LNG export capacity will come online over the next five years against this backdrop of growing demand for gas, which is expected to maintain LNG as a competitively priced energy commodity. This will in turn be a positive driver of demand for downstream product, LNG shipping, and LNG import solutions.

FLEX LNG expects the coming growth of LNG production and the expected growth in demand for natural gas in combination with the recent limited ordering activity of LNG Carriers to gradually tighten the shipping market over the course of the next 18 months. As such, the Company is well positioned with six MEGI LNG carriers set for deliveries over the next 2-21 months. We believe that the strengthening market sentiment will continue and that our state of the art MEGI vessels will command a premium in the market. The Company is actively marketing the LNGc newbuildings in both the term and spot markets to secure an optimal position in the improving market.

The Company will continue to take a proactive approach and explore further accretive transactions. It is constantly evaluating opportunities in the charter, newbuilding and second-hand market and has significant financial flexibility to pursue transformational deals due to the continued support of its largest shareholder to pursue these deals.

Conference Call and Webcast

On November 21, 2017 at 8:00 a.m. CET (2:00 a.m. EST), the Company's management will host a presentation to discuss these results at Nordea Markets office at Essendrops gate 7 in Oslo, Norway. The presentation will also be available by webcast and conference call, and the results presentation will be available for download from the Investor Relations section at www.flexlng.com following the conference call.

Q&A session will be held after the presentation/teleconference/webcast. Information on how to submit questions will be given at the beginning of the session.

Conference call participants should dial into the call 10 minutes before the scheduled time using the following numbers:

International Dial-In/UK Local	+44(0)20 3427 1901
Norway Local	+47 23 16 27 87
USA Local	+1 212 444 0412
Conference ID	3536011

A replay of the conference call will be available for seven days following the live call. The replay will be available on www.flexlng.com

The Board of Directors
FLEX LNG Ltd.
Hamilton, Bermuda
November 21, 2017

Questions should be directed to:

Øystein M. Kalleklev, Chief Financial Officer
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Email: ir@flexlng.com

Forward-Looking Statements

THIS REPORT HAS BEEN PRODUCED BY FLEX LNG LTD. ("FLEX LNG" OR "THE COMPANY”), SOLELY FOR INFORMATION PURPOSES AND DOES NOT PURPORTE TO GIVE A COMPLETE DESCRIPTION OF THE COMPANY, ITS BUSINESS OR ANY OTHER MATTER DESCRIBED HEREIN.

THE REPORT CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS RELATING TO THE BUSINESS, FINANCIAL PERFORMANCE AND RESULTS OF THE COMPANY AND/OR THE INDUSTRY IN WHICH IT OPERATES, SOMETIMES IDENTIFIED BY THE WORDS "BELIEVES”, "EXPECTS”, “INTENDS”, “PLANS”, “ESTIMATES” AND SIMILAR EXPRESSIONS. THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS PRESENTATION, INCLUDING ASSUMPTIONS, OPINIONS AND VIEWS OF THE COMPANY OR CITED FROM THIRD PARTY SOURCES, ARE SOLELY OPINIONS AND FORECASTS WHICH ARE SUBJECT TO RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL EVENTS TO DIFFER MATERIALLY FROM ANY ANTICIPATED DEVELOPMENT. THE COMPANY DOES NOT PROVIDE ANY ASSURANCE THAT THE ASSUMPTIONS UNDERLYING SUCH FORWARD-LOOKING STATEMENTS ARE FREE FROM ERRORS NOR DOES THE COMPANY ACCEPT ANY RESPONSIBILITY FOR THE FUTURE ACCURACY OF THE OPINIONS EXPRESSED IN THE PRESENTATION OR THE ACTUAL OCCURRENCE OF THE FORECASTED DEVELOPMENTS. NO OBLIGATION IS ASSUMED TO UPDATE ANY FORWARD-LOOKING STATEMENTS OR TO CONFIRM THESE FORWARD-LOOKING STATEMENTS TO ACTUAL RESULTS.

IN ADDITION TO THESE IMPORTANT FACTORS AND MATTERS DISCUSSED ELSEWHERE HEREIN, INPORTANT FACTORS THAT, IN OUR VIEW, COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE DISCUSSED IN THE FORWARD-LOOKING STATEMENTS INCLUDE THE STRENGTH OF WORLD ECONOMIES, FLUCTUATIONS IN CURRENCIES AND INTEREST RATES, GENERAL MARKET CONDITIONS, CHANGES IN GOVERNMENTAL RULES AND REGULATIONS OR ACTIONS TAKEN BY REGULATORY AUTHORITIES.

CERTAIN INFORMATION AND STATISTICS CONTAINED HEREIN HAVE BEEN DERIVED FROM SEVERAL SOURCES. YOU ARE HEREBY ADVISED THAT SUCH INDUSTRY DATA AND STATISTICS HAVE NOT BEEN PREPARED SPECIFICALLY FOR INCLUSION IN THESE MATERIALS AND FLEX HAS NOT UNDERTAKEN ANY INDEPENDENT INVESTIGATION TO CONFIRM THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

Statement on Financial Compliance

We confirm, to the best of our knowledge, that the condensed financial statements for the period 1 January to 30 September 2017 have been prepared in accordance with current applicable accounting standards and IAS 34 Interim Financial Reporting, and gives a true and fair view of the assets, liabilities, financial position and results of the Company. We also confirm to the best of our knowledge that the condensed financial statements include a true and fair review of the development and performance of the business during the period, and together with the 2016 Annual Report a description of the principal risks and uncertainties facing the Company.

Board of Directors of FLEX LNG Ltd.

21 November 2017

David McManus

Marius Hermansen	Ola Lorentzon
Georgina E. Sousa	Claire M. E. Burnard

Unaudited Interim Financial Report
Condensed Consolidated Income Statement

(Unaudited figures in USD,000)

30 September 2017	**Unaudited**				
	Q3 17	**Q3 16**	**YTD 17**	**YTD 16**	**2016**
Vessel operating revenues	9,758	-	19,469	-	-
Vessel operating costs	(12,985)	-	(30,729)	-	-
Administrative expenses	(848)	(474)	(2,596)	(1,431)	(1,483)
Operating loss before depreciation	**(4,075)**	**(474)**	**(13,856)**	**(1,431)**	**(1,483)**
Depreciation	(1)	(1)	(2)	(2)	(2)
Operating loss	**(4,076)**	**(475)**	**(13,858)**	**(1,433)**	**(1,485)**
Finance income	40	2	97	8	9
Finance cost	-	(68)	(234)	(200)	(314)
Hedge gain	7	-	2,333	-	-
Loss before tax	**(4,029)**	**(541)**	**(11,662)**	**(1,625)**	**(1,790)**
Income tax expense	(3)	(2)	(12)	(2)	(1)
Net loss	**(4,032)**	**(539)**	**(11,674)**	**(1,627)**	**(1,789)**
Attributable to:					
Equity holders of the parent	(4,032)	(539)	(11,674)	(1,627)	(1,789)
Earnings per share:					
Basic and diluted	(0.01)	(0.00)	(0.04)	(0.01)	(0.01)

Condensed Consolidated Statement of Comprehensive Income

(Unaudited figures in USD,000)

30 September 2017	**Unaudited**				
	Q3 17	**Q3 16**	**YTD 17**	**YTD 16**	**2016**
Loss for the period	**(4,032)**	**(539)**	**(11,674)**	**(1,627)**	**(1,789)**
Total other comprehensive profit	-	-	-	-	-
Total comprehensive income for the period	**(4,032)**	**(539)**	**(11,674)**	**(1,627)**	**(1,789)**
Attributable to:					
Equity holders of the parent	(4,032)	(539)	(11,674)	(1,627)	(1,789)

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Condensed Consolidated Statement of Financial Position

(Unaudited figures in USD,000)

30 September 2017		Unaudited		
	Note	**YTD 2017**	**YTD 2016**	**2016**
New building assets and capitalised costs	3	593,011	211,767	212,472
Vessel purchase prepayment	3	72,000	-	-
Plant and equipment		4	3	2
Total non-current assets		**665,015**	**211,770**	**212,474**
Inventory		2,055	-	-
Other current assets		4,757	18	220
Cash and cash equivalents	4	11,881	2,431	1,439
Total current assets		**18,693**	**2,449**	**1,659**
TOTAL ASSETS		**683,708**	**214,219**	**214,133**
Share capital		3,680	1,279	1,279
Share premium		885,364	563,174	563,174
Other equity		(370,205)	(358,373)	(358,511)
Equity attributable to equity holders of the parent		518,839	206,080	205,942
Total equity		**518,839**	**206,080**	**205,942**
Other financial liabilities	6	160,000	7,000	7,000
Total non-current liabilities		**160,000**	**7,000**	**7,000**
Current liabilities		4,869	1,139	1,191
Total current liabilities		**4,869**	**1,139**	**1,191**
Total liabilities		**164,869**	**8,139**	**8,191**
TOTAL EQUITY AND LIABILITIES		**683,708**	**214,219**	**214,133**

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Condensed Consolidated Statement of Changes in Equity

(Unaudited figures in USD,000)

30 September 2017	**Share capital**	**Share premium reserve**	**P&L reserve**	**Option, warrant and shares**	**To equity holders**
At 01.01.17	**1,279**	**563,174**	**(369,122)**	**10,611**	**205,942**
Loss for the period	-	-	(11,674)	-	(11,674)
Other comprehensive income	-	-	-	-	**-**
Total comprehensive income	**-**	**-**	**(11,674)**	**-**	**(11,674)**
Shares issued	2,401	326,773	-	(99)	**329,075**
Share issuance costs	-	(4,583)	-	-	**(4,583)**
Share-based payment (shares)	-	-	-	79	**790**
At 30.09.17	**3,680**	**885,364**	**(380,796)**	**10,591**	**518,839**

30 September 2016	**Share capital**	**Share premium reserve**	**P&L reserve**	**Option, warrant and shares**	**To equity holders**
At 01.01.16	1,279	563,080	(367,333)	10,608	207,634
Loss for the period	-	-	(1,627)	-	(1,627)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	(1,627)	-	(1,627)
Shares issued	-	94	-	(94)	-
Share-based payment (shares)	-	-	-	73	73
At 30.09.16	1,279	563,174	(368,960)	10,587	206,080

Condensed Consolidated Statement of Cash Flows

(Unaudited figures in USD,000)		**Unaudited**	
30 September 2017	**YTD 2017**	**YTD 2016**	**2016**
(Loss) before tax	(11,662)	(1,625)	(1,790)
Non cash items	(2,207)	267	405
Working capital adjustments	(2,926)	753	784
Income tax paid	-	4	(1)
Interest received	96	8	9
Finance costs paid	(234)	(199)	(486)
Net cash flow from operating activities	**(16,933)**	**(792)**	**(1,079)**
Payments on newbuilding contracts and capitalised expenditure	(4,585)	(497)	(1,202)
Purchase of plant and equipment	(4)	(2)	(2)
Advance payment for new build assets	(72,000)	-	-
Net cash flow used in investing activities	**(76,589)**	**(499)**	**(1,204)**
Net proceeds from issue of share capital	220,988	-	-
Repayment of debt	(117,000)	-	-
Other	(24)	-	-
Net cash flow from financing activities	**103,964**	**-**	**-**
Net cash flow	**10,442**	**(1,291)**	**(2,283)**
Cash balance at beginning of period	1,439	3,722	3,722
Cash balance at end of period	**11,881**	**2,431**	**1,439**

Notes to the Interim Consolidated Accounts

Note 1: General information

FLEX LNG Ltd (together with its subsidiaries, the "Company" or "FLEX LNG") is a limited liability company, originally incorporated in the British Virgin Islands and registered in Bermuda as of June 2017. The Company's activities are focused on LNG transportation and FSRU projects. The interim condensed consolidated financial statements of the Company for the quarter and the nine months ended 30 September 2017 were authorised by the Board of Directors for release on 21 November 2017.

Note 2: Accounting principles

Basis of preparation - The interim condensed consolidated financial statements for the quarter and period ended 30 September 2017 have been prepared in accordance with IAS 34 Interim Financial Reporting and have not been audited. The interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2016.

Note 2: Accounting principles (continued)

The preparation of interim accounts involves the use of appraisals, estimates and assumptions influencing the application of accounting principles and recognised amounts for assets, obligations and costs. Actual results may differ from these estimates. The uncertainties and risks include both those noted in the 2016 accounts, as updated by the Q3 report, and principally include: the ability to secure employment contracts on reasonable terms for the vessels under construction; managing the design and construction period; obtaining 2018 delivery and working capital finance on reasonable terms; the time charter rates that will be obtained in 2017 for the vessels chartered in; obtaining 2018 delivery and working capital finance, and the general LNG and LNG shipping market conditions and trends. The Company operates in only one segment with respect to products and services. Segment reporting is thus not currently relevant.

Accounting policies - The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2016.

Note 3: New building assets and capitalised costs

In the first quarter of 2017, the Company acquired two LNGC newbuildings from an affiliated company. The transfer was funded via the issuance of new shares and debt under a revolving credit facility. The assets were valued at the fair value of the shares issued and the debt taken on which amounted to $376.0m.

In the third quarter of 2017, interest expense, supervision and other costs of $1.6m (2016: $0.3m) and $4.6m year to date (2016: $0.5m) have been capitalised, in relation to the four LNGCs being delivered in 2018. The Company is not responsible for the yard supervision of the remaining two LNGCs to be delivered in 2019, and these costs are included in the purchase price.

In relation to the two LNGCs that will be delivered in 2019, the Company has made advance payments of $72.0m in the second quarter of 2017, with the balance due on delivery. Under the purchase agreement, the seller continues to hold the shipbuilding contract with the yard and is responsible for the supervision of the vessels' construction, with the title transferring to FLEX at the date of delivery.

The Company has reviewed recoverable amounts of the newbuild contracts and has concluded that no impairment provision was required for the vessels under construction.

Note 4: Cash and cash equivalents

For the purpose of the consolidated cash flow statements, cash and cash equivalents comprise the following;

(Unaudited figures in USD'000)		**Unaudited**	
	Q3 2017	**Q3 2016**	**2016**
Cash at bank and in hand	11,881	2,431	1,439

Note 5: Capital & other commitments

The remaining capital commitments are detailed in the table below.

USD million (unaudited)

	Q1 2018	Q2 2018	Q3 2018	Q2 2019	Q3 2019
SHI HN 2107, LNGC	64.54	42.38			
SHI HN 2108, LNGC		64.54	42.38		
DSME HN 2447, LNGC	10.18				
DSME HN 2448, LNGC	10.18				
DSME HN 2470, LNGC				144.00	
DSME HN 2471, LNGC					144.00
Total	**84.90**	**106.92**	**42.38**	**144.00**	**144.00**

Remaining Capex, excluding, supervision, future change requests, sundry buyers' supplies, fit out, studies and lub oils.

The delivery date for HN 2107 has been delayed by about three months and it is expected that it will be delivered at the same time as HN 2108.

On LNGC Time Charters In – The Company has entered into four separate LNGC time charters for 180 days with the option to extend for a further 180 days. During the third quarter, options to extend have been exercised for two LNCGs, and the other two have been redelivered. The estimated remaining charter commitments as at 30 September total $13.9m, based on expected return dates and including off-hire periods.

Note 6: Other financial liabilities

In 2014 a loan agreement was entered into with Metrogas (an affiliate of Geveran) for the provision of a $7.0m loan to the Company, the loan was repaid in the first quarter of 2017.

In the first quarter of 2017, the Company entered into a transaction to acquire of two high-end MEGI LNGC newbuilds from an affiliate of Geveran. The consideration payable for the newbuilds was comprised of 78 million newly-issued shares in the Company and $270.0m, which was drawn down from a $270m Credit Facility. The Credit Facility has a fixed interest rate of 1.00% that increases to LIBOR + 300 bps with a tenor of three years following the delivery of the Initial DSME LNGCs. The intention is to refinance the Credit Facility with bank debt when the vessels are delivered. The Credit Facility can be drawn from and repaid at the Company's discretion, providing the Company growth capital while minimizing interest expense during the construction phase of the Initial DSME LNGCs. Following two private placements completed in the first half of 2017, $110.0m has been repaid on the Credit Facility and $160.0m remains outstanding at September 30, 2017.

Note 7: Going concern

The interim financial statements have been prepared based on the going concern assumption, which contemplates the realisation of assets and liabilities as part of the normal business course.

The Board believes that the going concern assumption remains appropriate for the Company. Given the Credit Facility and the bank debt expected to be raised when the vessels are delivered, the Company is expected to have working capital for a period of not less than twelve months. In all cases where the Company requires additional funding, there can be no assurance that such funds may be raised on terms that are reasonable, if at all.

The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of the uncertainties detailed in the report.

Note 8: Related party transactions

In 2014, the Company entered into a loan agreement with Metrogas for the provision of $7.0m of working capital. The loan bears a fixed rate of interest and was secured against the shares in vessel-owning subsidiaries of the Company. The loan was repaid in the first quarter of 2017. The interest cost in the period to 30 September was $61k. The Credit Facility was entered into in the first quarter of 2017, and interest of $1.1m has been incurred in the period to 30 September, of which $1.0m has been capitalized and $0.1m was outstanding at the period end. The Credit Facility is secured by share pledges over the shares in FLEX LNG Endeavour Limited and FLEX LNG Enterprise Limited, subsidiaries that own the contracts for the Initial DSME LNGCs.

A newbuilding supervision agreement has been entered into with Frontline Management (Bermuda) for two vessels on order from Samsung and the two vessels from DSME being delivered in 2018. In the period to 30 September 2017, costs of $3.6m have been capitalised of which $1.39m where outstanding at the period end.

The FLEX LNG Management Limited receives staff, office, commercial, legal and accounting support from companies affiliated to Geveran, at the period end costs of $0.7m had been incurred of which $0.1m where outstanding at the period end.

Note 9: Subsequent events

On 14 November, the Company secured a firm offer for a $ 315m TLF secured in three LNGc newbuildings from six banks as described above. TLF will be utilized in connection with deliveries scheduled for first and second quarter of 2018.

FLEX LNG

Note 10: Key figures

	Q3 2017	Q3 2016	2016
No. of shares fully diluted	367,972,382	127,945,657	127,945,657
No. of shares outstanding	367,972,382	127,945,657	127,945,657
Average no. of outstanding shares	288,186,302	127,914,223	127,922,003
Share price (NOK)	8.86	11.00	11.00
Market capitalisation (NOK'm)	3,260	1,407	1,407

Shareholders

10 main Shareholders at 30.09.17:	Number of shares	Ownership interest:
GEVERAN TRADING CO LTD	191 131 803	51,9 %
VERDIPAPIRFONDET DNB NORGE	18 793 455	5,1 %
SKANDINAVISKA ENSKILDA BANKEN AB [1]	8 928 981	2,4 %
SKAGEN VEKST	8 770 000	2,4 %
FIDELITY PURITAN TRUST	8 303 700	2,3 %
UBS AG[1]	6 900 000	1,9 %
CREDIT SUISSE SECURITIES	5 953 150	1,6 %
FIRST GENERATOR	5 913 144	1,6 %
SKANDINAVISKA ENSKILDA BANKEN AB	5 817 689	1,6 %
SOCIETE GENERALE	4 950 000	1,3 %
OTHER	102 510 460	27,9 %
TOTAL	367 972 382	100,0 %

[1] Nominee account