THE SHIP FINANCE PUBLICATION OF RECORD

MARINE MONEY

INTERNATIONAL

HAMBURG ◆ SINGAPORE ◆ LONDON ◆ NEW YORK ◆ OSLO ◆ PIRAEUS

SPRING 2021 VOLUME 37, NUMBER 1

Success with an Eye to the Future

Dealmakers of the Year

YOU GOTTA DO WHAT YOU GOTTA DO

THE EQUITY FOLLOW-ON DEAL OF THE YEAR

Transaction: *Golar LNG $105.6 million Equity Follow-on Offering*

Winners: *Citigroup, Clarksons Platou Securities, DNB Markets and Arctic Securities (Joint Lead Managers and Bookrunners)*

Over the years, we have received multitudes of nominations for deal of the year, each with a different reason why the transaction was worthy of the award. None achieved the brevity or was as convincing as Erik Helberg's nomination of this year's winner in this category. He wrote simply: "Investors have made money on it."

Back in December, Golar LNG Limited announced the successful pricing of its underwritten public offering of 11,000,000 shares of its common stock, at a public offering price of $8.75 per share (the midpoint of price talk of $8.50 to $9.00) raising gross proceeds of $105.6 million, including the partial exercise of the overallotment option. The price reflected a discount of 6.7% from the closing price just prior to the announcement, with the shares closing that day at a price of $8.54. The Company intends to use the net proceeds from the offering to partially repay the Term Loan facility, repay the Margin Loan Facility in full, and use any remaining funds for general corporate purposes which may include, among other things, capital expenditures, repaying other indebtedness, funding working capital or investments. Details of the offering are shown in the Guts of the Deal on the following page.

None achieved the brevity or was as convincing as Erik Helberg's nomination of this year's winner in this category. He wrote simply: "Investors have made money on it."

Structured as a three-day wall crossing exercise with key existing shareholders ensured that more than 50% of the book was covered before the launch of the transaction. The base offering of $96 million was announced after the US market close on December 2nd with the book being covered within two hours. The base deal represented 11% of market cap, 14% of float, and 7x days trading.

The execution was successful, as markets balanced news of the U.S. passing four million coronavirus cases with renewed optimism surrounding a vaccine, as well as OPEC volume commitment concerns. The stock markets were supportive, with the S&P closing at a record high of 3,638 on November 27th and the Dow closing above 30,000 on November 24th.

At closing, the books mainly consisted of long-only and hedge funds. U.S. investors represented around half of the allocation, with the majority of the remainder split between investors in the Nordics and UK. Finally, over 60% of the demand came from new investors. As Mr. Helberg noted, the transaction was highly successful with strong aftermarket performance reflected in the share price being up ~14% after one-month of trading and ~45% at its highest during the first two months.

SEWARD & KISSEL LLP

71% of the Earth's surface is covered in water.

Only one law firm can cover it all by providing "one-stop shopping" for all matters maritime.

Seward & Kissel enjoys a global reputation as the "go to" U.S. law firm in the maritime arena.

Our more than 50 attorneys in the maritime practice serve as trusted advisors to many of the world's most notable public and private maritime companies, financial institutions and other industry participants in the areas of banking and finance, capital markets, mergers and acquisitions, private equity, restructuring and insolvency, tax, litigation and regulatory, and have handled many of the world's biggest, most complex and innovative transactions in the U.S. and around the globe.

Market Leaders

Our practice and lawyers are consistently recognized as market leaders by Chambers & Partners, Legal 500, Lloyd's and other publications, and we pride ourselves in being the preeminent U.S. maritime law firm with the substantive expertise, market-setting experience and manpower to handle any matters that the future may hold for the maritime industry.

NEW YORK OFFICE
One Battery Park Plaza
New York, NY 10004
+1-212-574-1200

WASHINGTON OFFICE
901 K Street, NW
Washington, DC 20001
+1-202-737-8833

www.sewkis.com

Golar LNG was in a pickle. Putting pressure on the company were two maturing loan facilities totaling $180 million and the delay of the Hygo IPO which would have released much needed liquidity. Scheduled to mature in mid-December following an agreed extension, the term loan facility of $150 million is secured by a pledge of the company's shares in Golar Power. The non-amortizing term facility bears interest at LIBOR plus a current margin of 2.75%. To deal with the upcoming maturity, Golar LNG has agreed terms with the existing lender, Citibank, to partially refinance this facility, making it a new $100 million corporate revolving credit facility. Following the partial refinancing, the company will use a portion of the net proceeds from this offering to repay the outstanding balance of $50 million. The new revolving credit facility has a term of 366 days with two 366-day extension options available at the lender's option. It bears interest at LIBOR plus an initial margin of 5.0%, and is secured by pledges of the company's shares in Hygo. The margin loan facility provided by Citibank has an outstanding amount of $30 million and, following an extension is also scheduled to mature in mid-December. The facility bears interest at a rate of LIBOR plus a current margin of 2.95% and is secured by a pledge of the company's Golar Partners common units, their associated distributions, and in certain instances, cash or cash equivalents.

As Stifel's Ben Nolan wrote "The incremental equity capital, while destructive to long-term upside potential, should resolve near-term liquidity needs and allow for a more flexible timeline (with respect to the timing/value of the Hygo IPO)." While this refinancing takes care of the next 12 months, Golar LNG is not out of the woods yet. The ~$400 million convertible bond comes due in Q1 2022. A successful offering of the Hygo shares is, therefore, mission critical.

Guts Of the Deal

Issuer	Golar LNG Limited
Number of Shares	11,000,000
% of Total O/S Shares	11.24%
Offering Price	$8.75
Deal Size	$96,250,000
Over-allotment	1,650,000
With Over-Allotment	$110,687,500
Primary Shares	100.00%
Dividend Policy	Pays a regular dividend in order to maximise returns to shareholders, which is guided by current earnings, market prospects, capital expenditure requirements and investment opportunities.
Lock-up	45 days
Use of Proceeds	Net proceeds will be used to partially repay the Term Loan facility, to repay the Margin Loan facility in full with any excess to be used for general corporate purposes, which may include, among other things, capital expenditures, repaying other indebtedness, funding working capital or investments.
Joint Bookrunning Managers	Citigroup, Clarksons Platou Securities, DNB Markets, Arctic Securities
Issuer's Counsel	MJM Limited, Seward & Kissel
Underwriter's Counsel	Kirkland & Ellis
Accountants	Ernst & Young
Incorporation	Bermuda
Stock Exchange	NASDAQ
Ticker	GLNG