

Golar LNG Partners LP
Form 6-K
July 07, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13A-16 OR 15D-16 OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2015

Commission File Number: 1-35123

GOLAR LNG PARTNERS LP
(Translation of registrant's name into English)

2nd Floor, S.E. Pearman Building,
9 Par-la-Ville Road,
Hamilton,
HM 11,
Bermuda
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): Yes ☐ No ☒.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): Yes ☐ No ☒.

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INFORMATION CONTAINED IN THIS FORM 6-K REPORT

GOLAR LNG PARTNERS LP

REPORT ON FORM 6-K FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2015

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Note: unless the context otherwise requires, references in this report to "Golar Partners," the "Partnership," "we," "our," "us" or similar terms refer to Golar LNG Partners LP, a Marshall Islands limited partnership, or any one or more of its subsidiaries, or to all of such entities.

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Exhibits

The following exhibits are filed as part of this report on Form 6-K:

Exhibit Number	Description
4.1*	Time charter party agreement by and between Golar Grand Corporation and Golar Trading Corporation, with respect to the Golar Grand, dated as of May 27, 2015.
4.2*	Fourth Supplemental Deed to facility agreement, made by and among DNB Bank ASA (formerly known as DnB NOR Bank ASA), Citigroup Global Markets Limited and DVB Bank SE, London Branch, as the mandated lead arrangers, the other lenders party thereto, Golar LNG 2234 LLC, as borrower, and the other parties thereto, with respect to the the Maria and Freeze refinancing.

* Filed herewith.

THIS REPORT ON FORM 6-K IS HEREBY INCORPORATED BY REFERENCE INTO THE REGISTRATION STATEMENT ON FORM F-3 (FILE NO 333-191909) OF THE REGISTRANT

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GOLAR LNG PARTNERS LP

Date: July 7, 2015

By: /s/ Graham Robjohns
Name: Graham Robjohns
Title: Principal Executive Officer

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IMPORTANT INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This Report on Form 6-K for the period ended March 31, 2015 contains certain forward-looking statements concerning future events and our operations, performance and financial condition. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain the words “believe”, “anticipate”, “expect”, “estimate”, “project”, “will be”, “will continue”, “likely result”, “plan”, “intend” or words or phrases of similar meanings. These statements involve known and unknown risks and are based upon a number of assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of which are beyond our control. Actual results may differ materially from those expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially include, but are not limited to:

- market trends in the floating storage regasification unit (or FSRU), liquefied natural gas (or LNG) carrier and floating liquefied natural gas vessel (or FLNGV) industries, including charter rates, factors affecting supply and demand, and opportunities for the profitable operations of FSRUs, LNG carriers and FLNGVs;
- our and Golar’s ability to retrofit vessels as FSRUs or FLNGVs and the timing of the delivery and acceptance of any such retrofitted vessels by their respective charterers;
- our ability to increase distributions and the amount of any such increase;
- our ability to integrate and realize the expected benefits from acquisitions, such as our recent acquisition of the Golar Eskimo;
- our anticipated growth strategies;
- the effect of a worldwide economic slowdown;
- turmoil in the global financial markets;
- fluctuations in currencies and interest rates;
- general market conditions, including fluctuations in charter hire rates and vessel values;
- changes in our operating expenses, including drydocking and insurance costs and bunker prices;
- forecasts of our ability to make cash distributions on the units or any increases in our cash distributions;
- our future financial condition or results of operations and our future revenues and expenses;
- the repayment of debt and settling of interest rate swaps;
- our ability to make additional borrowings and to access debt and equity markets;
- planned capital expenditures and availability of capital resources to fund capital expenditures;
- the exercise of purchase options by our charterers;
- our ability to maintain long-term relationships with major LNG traders;
- our ability to leverage Golar’s relationships and reputation in the shipping industry;
- our ability to purchase vessels from Golar in the future;
- our continued ability to enter into long-term time charters, including charters for floating storage and regasification projects;
- our ability to maximize the use of our vessels, including the re-deployment or disposition of vessels no longer under long-term time charter;
- timely purchases and deliveries of newbuilding vessels;
- future purchase prices of newbuildings and secondhand vessels;
- our ability to compete successfully for future chartering and newbuilding opportunities;
- acceptance of a vessel by its charterer;
- termination dates and extensions of charters;
- the expected cost of, and our ability to comply with, governmental regulations, maritime self-regulatory organization standards, as well as standard regulations imposed by our charterers applicable to our business;

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availability of skilled labor, vessel crews and management;
our general and administrative expenses and our fees and expenses payable under the fleet management agreements and the management and administrative services agreement;
the anticipated taxation of our partnership and distributions to our unitholders;
estimated future maintenance and replacement capital expenditures;
our ability to retain key employees;
customers' increasing emphasis on environmental and safety concerns;
potential liability from any pending or future litigation;
potential disruption of shipping routes due to accidents, political events, piracy or acts by terrorists;
future sales of our common units in the public market;
our business strategy and other plans and objectives for future operations; and
other factors detailed in our Annual Report on Form 20-F for the year ended December 31, 2014, this report on Form 6-K and in the other reports that we file with the United States Securities and Exchange Commission from time to time.

All forward-looking statements included in this Report on Form 6-K are made only as of the date of this Report on Form 6-K. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Further, we cannot assess the impact of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statement. We do not intend to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with respect thereto or any change in events, conditions or circumstances on which any such statement is based.

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Management's Discussion and Analysis of Financial Condition and Results of Operations

Unless the context otherwise requires, references in this report to "Golar Partners," the "Partnership," "we," "our," "us" or similar terms refer to Golar LNG Partners LP, a Marshall Islands limited partnership, or any one or more of its subsidiaries, or to all of such entities. Those statements in this section that are not historical in nature should be deemed forward-looking statements that are inherently uncertain. See "Important Information Regarding Forward-Looking Statements" on page 5 for a discussion of the factors that could cause actual results to differ materially from those projected in these statements.

This section should be read in conjunction with the interim financial statements presented in this report, as well as the historical consolidated and combined carve-out financial statements and notes thereto of Golar LNG Partners LP included in our Annual Report on Form 20-F for the year ended December 31, 2014.

We acquired from Golar LNG Limited ("Golar") interests in the companies that own and operate the Golar Eskimo and the Golar Igloo, in January 2015 and March 2014, respectively. The results of the Golar Eskimo and the Golar Igloo are consolidated into our results as of the respective date of their acquisition. There has been no retroactive restatement of our financial statements to reflect the historical results of the Golar Eskimo and the Golar Igloo prior to the respective date on which we acquired them.

General

We were formed by Golar, a leading independent owner and operator of LNG carriers, to own and operate FSRUs and LNG carriers under long-term charters that generate long-term stable cash flows. As of March 31, 2015, our fleet consists of six FSRUs and four LNG carriers. We intend to make additional accretive acquisitions of FSRUs and LNG carriers with long-term charters from Golar and third parties in the future as market conditions permit.

Significant Developments in 2015

Golar Eskimo Acquisition

In January 2015, we acquired from Golar interests in the companies that own and operate the FSRU the Golar Eskimo for a total purchase price of approximately \$390.0 million less assumed debt of \$162.8 million. The Golar Eskimo was delivered in December 2014. The cash portion of the purchase price for the Golar Eskimo acquisition was financed with cash on hand and the proceeds of a \$220.0 million unsecured non-amortizing loan to us from Golar (the "Golar Eskimo vendor loan") that will require repayment within two years (with a prepayment incentive fee of up to 1.0% of the loan amount) and bear interest at a blended rate equal to three-month LIBOR plus a margin of 2.84%. The allocation of the purchase price to the acquired identifiable assets was based on their estimated fair values at the date of acquisition. We are in the process of finalizing the accounting for the acquisition of the Golar Eskimo and amounts shown as fair value allocation are provisional.

In connection with the Golar Eskimo acquisition, we entered into an agreement with Golar pursuant to which Golar agreed to pay us an aggregate amount of \$22.0 million starting in January 2015 and ended in June 2015 for the right to use the Golar Eskimo during that period. In return, we agreed to remit to Golar any hire payments actually received with respect to the Golar Eskimo during this period and, at Golar's request, charter the Golar Eskimo to a third party prior to the earlier of the commencement of hire payments from the Government of the Hashemite Kingdom of Jordan ("Jordan") under the time charter in respect of the Golar Eskimo (or the Golar Eskimo Charter) and June 30, 2015. The Golar Eskimo was delivered to Jordan, its current charterer, on May 26, 2015 under the Golar Eskimo Charter, which expires in May 2025. Of the \$22.0 million, \$9.6 million was recognized in the first quarter and \$12.4 million will be recognized in the second quarter, upon the completion of the lease term. Approximately \$10 million of the

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\$22.0 million is in respect of the expected contractual payments derived from the agreement with Jordan. In addition, Golar received all revenues in connection with the 20-day voyage charter entered into in early May 2015 for the collection of the Golar Eskimo commissioning cargo and Golar will receive any hire payments made by Jordan under the Golar Eskimo Charter in respect of the period from May 26, 2015 until June 30, 2015.

Golar Grand Option

In February 2015, we exercised our option requiring Golar to charter in the Golar Grand for the period from February 16, 2015 until October 31, 2017 at approximately 75% of the hire rate that would have been payable by the previous third party charterer.

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Cash Distributions

On January 27, 2015, we paid a quarterly cash distribution with respect to the quarter ended December 31, 2014 of \$0.5625 per unit. This cash distribution, amounting to \$37.3 million in the aggregate, was paid to all unitholders of record as of the close of business on February 13, 2015.

On May 14, 2015, we paid a quarterly cash distribution with respect to the quarter ended March 31, 2015 of \$0.5775 per unit. This cash distribution, amounting to \$38.5 million in the aggregate, was paid to all unitholders of record as of the close of business on May 7, 2015.

Golar Maria and Golar Freeze facility

On June 16, 2015, we entered into a \$180 million loan facility (the “\$180 million Maria and Freeze facility”), with certain lenders, to refinance the Golar Maria credit facility (which would have matured in December 2015) and extend the commercial loan tranche and refinance the Exportfinans ASA tranche of the Golar Freeze facility (which would have matured in June 2015 and June 2018, respectively). The \$180 million Maria and Freeze facility consists of a \$150 million term loan that is repayable in quarterly instalments over a period of three years, with a final balloon payment of \$117.0 million due on June 30, 2018, and a revolving credit facility of up to \$30 million that matures on June 30, 2018. The \$180 million Maria and Freeze facility bears interest at a rate of LIBOR plus a margin of up to 1.95%. As a result of the refinancing, the Golar Maria credit facility and the Exportfinans ASA tranche of the Golar Freeze facility were terminated. The extended commercial loan tranche of the Golar Freeze facility became the \$180 million Maria and Freeze facility.

Norwegian Bond Offering

On May 22, 2015, we completed the issuance and sale of \$150 million aggregate principal amount of five year non-amortizing bonds in the Norwegian bond market (the “2015 Norwegian Bonds”). The 2015 Norwegian Bonds mature on May 22, 2020 and bear interest at a rate of LIBOR plus 4.4%. In connection with the issuance of the 2015 Norwegian Bonds, we entered into an economic hedge interest rate swap to reduce the risk associated with fluctuations in interest rates by converting the floating rate of the interest obligation under the 2015 Norwegian Bonds to an all-in fixed rate of 6.275%. In June 2015, the net proceeds from the sale of the 2015 Norwegian Bonds were used to repay our \$20 million revolving credit facility with Golar and \$120 million of the Golar Eskimo vendor loan.

Equity Offering

In January 2015, Golar closed a secondary offering of 7,170,000 common units representing limited partner interests in us held by it at a price to the public of \$29.90 per unit. Following the offering, Golar’s ownership of us was reduced from 41% to 30%. We did not receive any proceeds from the sale of our common units by Golar, and the number of common units outstanding remained unchanged.

Other Partnership Matters

In January 2015, Carl Steen was elected to the board of directors of Golar. As a result, Mr. Steen no longer serves as a member of our Conflicts Committee.

In February 2015, Mr. Hans Petter Aas and Mr. Bart Veldhuizen resigned from our board of directors. To fill the vacancies for their respective remaining terms, Mr. Andrew Whalley and Mr. Alf Thorkildsen, were appointed by the remaining directors elected by our common unitholders. In addition, Mr. Doug Arnell (the ex-CEO of Golar Management Limited), was appointed as a director by our general partner.

Andrew Whalley is a Bermudian lawyer called to the Bar in 1995. He has experience in aviation and shipping law, as well as general corporate matters. He is currently of counsel to Alexanders, a Bermuda law firm and is also an independent consultant providing legal and corporate secretarial services. Mr. Whalley is a director of Golar and a director and co-founder of Provenance Information Assurance Limited, a company involved in the development of software for the legalization of documents.

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Results of Operations

Three Month Period Ended March 31, 2015 Compared with the Three Month Period Ended March 31, 2014

The following table presents details of our consolidated revenues and expense information for the three month period ended March 31, 2015 compared to the three months ended March 31, 2014:

	Three Months Ended March 31,		\$	%	
(in thousands of \$, except TCE)	2015	2014	Change	Change	
Operating revenue	99,846	87,690	12,156	14	%
Vessel operating expenses	(15,646)	(13,631)	(2,015)	15	%
Voyage and commission expenses	(1,311)	(1,189)	(122)	10	%
Administrative expenses	(1,545)	(1,449)	(96)	7	%
Depreciation and amortization	(22,600)	(17,648)	(4,952)	28	%
Interest income	265	300	(35)	(12)	%
Interest expense	(12,734)	(9,881)	(2,853)	29	%
Other financial items	(10,370)	(6,204)	(4,166)	67	%
Taxes	(2,168)	(2,804)	636	(23)	%
Net income	33,737	35,184	(1,447)	(4)	%
Non-controlling interest	(2,479)	(2,443)	(36)	1	%
Average daily TCE (1) (to the closest \$100)	119,900	119,500	400	—	%

(1) Time charter equivalent earnings (TCE) is a non-GAAP financial measure. See “Non-GAAP Measure” for a computation of TCE and a reconciliation of TCE to total operating revenues, the most directly comparable financial measure calculated in accordance with GAAP.

Operating revenues: Total operating revenues increased by \$12.2 million to \$99.8 million for the three months ended March 31, 2015 compared to \$87.7 million for the same period in 2014. This was principally due to:

\$9.6 million of revenue contribution in the three months ended March 31, 2015 from the Golar Eskimo following her acquisition on January 20, 2015;

\$4.2 million of revenue contribution from the Golar Igloo, as she contributed a full quarter of revenue in the three months ended March 31, 2015 compared to only four days in the same period in 2014, following her acquisition on March 28, 2014; and

partially offset by a \$1.3 million of revenue reduction from the Golar Grand, following her redelivery from BG Group in mid-February 2015 and her subsequent re-charter to Golar at a lower day hire rate.

The average daily time charter equivalent rate, or TCE, for the first quarter of 2015 of \$119,900, remained comparable to a TCE of \$119,500 for the first quarter of 2014.

Vessel operating expenses: The increase of \$2.0 million in vessel operating expenses to \$15.6 million for the three months ended March 31, 2015, as compared to \$13.6 million for the same period in 2014, was mainly due to the following :

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\$2.1 million of operating costs relating to the Golar Igloo, as it operated for a full quarter in the three months ended March 31, 2015 compared to four days in the same period in 2014; and

\$1.7 million of operating costs from the Golar Eskimo since her acquisition on January 20, 2015.

This was partially offset by:

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\$0.7 million decrease in vessel operating costs from the Golar Freeze, due to the lower crewing costs and repairs and maintenance; and

\$1.3 million decrease in vessel operating costs from all other vessels.

Voyage and commission expenses: Voyage and commission expenses for the three months ended March 31, 2015 increased by \$0.1 million to \$1.3 million, as compared to \$1.2 million for the same period in 2014 mainly due to the full quarter cost contribution of the Golar Igloo.

Depreciation and amortization: Depreciation and amortization increased by \$5.0 million to \$22.6 million for the three months ended March 31, 2015, compared to \$17.6 million for the same period in 2014 primarily due to (i) \$2.0 million of depreciation from the Golar Eskimo following her acquisition in January 2015; and (ii) \$2.8 million of incremental depreciation from the Golar Igloo, which was a full quarter of depreciation compared to only four days' of depreciation in the same period in 2014.

Interest income: Interest income during the three months ended March 31, 2015 was comparable with the three months ended March 31, 2014. Interest income is principally from our restricted cash balances in respect of debt and lease arrangements.

Interest expense: Interest expense during the three months ended March 31, 2015 increased by \$2.9 million to \$12.7 million, compared to \$9.9 million for the same period in 2014 primarily due to:

\$0.9 million of interest expense from the assumed Golar Eskimo debt of \$162.8 million pursuant to her acquisition in January 2015;

a full quarter of interest expense on the Golar Igloo debt of \$1.1 million compared to four days interest of \$0.3 million for the same period in 2014; and

\$1.4 million of interest expense on the \$220.0 million vendor loan from Golar, used to finance the acquisition of the Golar Eskimo.

This was partially offset by lower interest expense on our remaining debt facilities following scheduled repayments on principal balances.

Other financial items: Other financial items reflect a loss of \$10.4 million and a loss of \$6.2 million for the three months ended March 31, 2015 and 2014, respectively. This resulted principally from:

Net realized and unrealized (losses) gains on interest rate swap agreements: Net realized and unrealized gains (losses) on interest rate swaps resulted in a loss of \$10.4 million for the three months ended March 31, 2015, compared to a loss of \$6.2 million for the same period in 2014, as set forth in the table below:

(in thousands of \$)	Three months ended March 31			
	2015	2014	\$ Change	% Change
Unrealized mark-to-market gains (losses) for interest rate swaps	(5,905)	(1,831)	(4,074)	223 %
Interest expense on un-designated interest rate swaps	(2,952)	(3,237)	285	(9) %
Amortization of debt related expense	(975)	(861)	(114)	13 %
Other financial items	(538)	(275)	(263)	96 %
	(10,370)	(6,204)	(4,166)	67 %

As of March 31, 2015, we have an interest rate swaps portfolio with a notional value of \$908.1 million (excluding the cross-currency interest rate swap of \$227.2 million). We designated approximately 17% of these swaps as hedging instruments.

We are also a party to a cross-currency interest rate swap with a notional value of \$227.2 million which was designated as a cash flow hedge. A \$3.8 million loss was accounted for as a change in other comprehensive income which would have otherwise been recognized in earnings for the three months ended March 31, 2015. A \$1.0 million gain was accounted for as a change in other comprehensive income, which would have otherwise been recognized in earnings, for the same period in 2014. The cross currency interest rate swap has a credit support arrangement that require us to provide cash collateral in the event that the market

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valuation drops below a certain level. Since valuations have fallen below this level, we provided \$22.4 million in cash collateral, as of March 31, 2015.

Included in other financial items for the three months ended March 31, 2015, is a \$0.4 million bank charge on the Igloo performance bond guarantee, which primarily explains the increase compared to the same period in 2014. Although the applicant of the performance bond is Golar Hull M2031 Corp (a wholly owned subsidiary of Golar Partners), Golar acts as the guarantor for the instrument and then recharged the cost to us. However, we are the ultimate guarantor and therefore we bear the cost and the performance risk of the vessel.

Income taxes: Income taxes relate primarily to the taxation of our U.K. based vessel operating companies, our Brazilian subsidiary established in connection with our charters with Petrobras, our Marshall Island operating company which is deemed a tax resident in Kuwait in connection with our charter of the Golar Igloo with KNPC and our Indonesian subsidiary related to the ownership and management of the NR Satu with respect to its charter with PTNR. However, the tax exposure in Indonesia is mitigated by revenue due under the charter. This tax element of the time charter rate was established at the beginning of the time charter, and shall be adjusted only where there is a change in Indonesian tax laws or on the invalidity of certain stipulated tax assumptions.

Taxes during the three months ended March 31, 2015 decreased by \$0.6 million to \$2.2 million compared to \$2.8 million in the same period in 2014. This was primarily due to the recognition of certain historical tax positions related to foreign tax net operating losses.

Net income: As a result of the foregoing, we earned net income of \$33.7 million and \$35.2 million for the three months ended March 31, 2015 and 2014, respectively.

Non-controlling interest: Non-controlling interest refers to the 40% interest in the Golar Mazo.

Liquidity and Capital Resources

Liquidity and Cash Needs

We operate in a capital-intensive industry and we expect to finance the purchase of additional vessels and other capital expenditures through a combination of borrowings from and leasing arrangements with commercial banks, cash generated from operations and debt and equity financings. In addition to paying distributions, our other liquidity requirements relate to servicing interest on our debt, scheduled repayments of long-term debt, funding working capital and maintaining cash reserves against fluctuations in operating cash flows.

Our funding and treasury activities are intended to maximize investment returns while maintaining appropriate liquidity. Cash and cash equivalents are held primarily in U.S. Dollars with some balances held in British Pounds ("GBP"), Norwegian Kroner ("NOK"), Euro ("EUR"), Brazilian Reals ("BRL") and Indonesian Rupiah ("IDR"). We have not used derivative instruments other than for interest rate and currency risk management purposes.

Short-term Liquidity and Cash Requirements

Sources of short-term liquidity include cash balances, restricted cash balances, available amounts under revolving credit facilities and receipts from our charters. Revenues from our time charters are generally received monthly in advance. In addition, we benefit from low inventory requirements consisting primarily of fuel, lubricating oil and

spare parts. However, fuel costs which represent the majority of these costs are generally paid for by the charterer under time charters.

As of March 31, 2015, our cash and cash equivalents including restricted cash was \$81 million, and we had access to undrawn credit facilities of \$45.0 million (a \$20.0 million revolver under the NR Satu facility available until November 2019 and \$25.0 million of a \$50.0 million revolver under the Golar Partners Operating credit facility available until July 2018). Our restricted cash balances contribute to our short and medium term liquidity as they are used to fund payment of certain loans and capital lease which would otherwise be paid out of our cash balances. Since March 31, 2015, significant transactions impacting our cash flows include:

In May 2015, we paid a cash distribution of \$0.5775 per unit (\$38.5 million in aggregate) with respect to the quarter ended March 31, 2015;

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In May 2015, we completed the issuance and sale of \$150 million aggregate principal amount of five year non-amortizing bond in the Norwegian bond market. The 2015 Norwegian Bonds bear interest at a rate of LIBOR plus 4.4%. In connection with the issuance of the 2015 Norwegian Bonds, we entered into an economic hedge interest rate swap to reduce the risk associated with fluctuations in interest rates by converting the floating rate of the interest obligation under the 2015 Norwegian Bonds to an all-in fixed rate of 6.275%;

On June 16, 2015, we entered into the \$180 million Maria and Freeze facility, with certain lenders, to refinance the Golar Maria credit facility (which would have matured in December 2015) and extend the commercial loan tranche and refinance the Exportfinans ASA tranche of the Golar Freeze facility (which would have matured in June 2015 and June 2018, respectively). The \$180 million Maria and Freeze facility consists of a \$150 million term loan that is repayable in quarterly instalments over a period of three years, with a final balloon payment of \$117.0 million due on June 30, 2018, and a revolving credit facility of up to \$30 million that matures on June 30, 2018. The \$180 million Maria and Freeze facility bears interest at a rate of LIBOR plus a margin of up to 1.95%. As a result of the refinancing, the Golar Maria credit facility and the Exportfinans ASA tranche of the Golar Freeze facility were terminated. The extended commercial loan tranche of the Golar Freeze facility became the \$180 million Maria and Freeze facility.

On June 24, 2015, we repaid the entire balance of \$20.0 million revolving credit facility with Golar;

On June 25, 2015 and June 30, 2015, we repaid \$100.0 million and \$20.0 million of the Golar Eskimo vendor loan, respectively; and

In June 2015, we repaid other loans amounting to \$19.3 million.

As of March 31, 2015, our current liabilities exceeded current assets by \$198.7 million.

However, included within current liabilities are (i) mark-to-market valuations of our swap derivatives of \$93.0 million (includes \$73.7 million mark-to-market valuations for our cross-currency interest rate swap) maturing between 2015 and 2020 (see note 10 to the condensed interim financial statements for further detail) and (ii) deferred drydocking and operating cost revenue of \$16.0 million, which relates to charterhire received in advance from our charterers, thus, no cash outflows are expected in respect of these liabilities.

Moreover, the cash expected to be generated from operations (assuming the current market rates from existing charters) will be sufficient to cover our operational cash outflows and our ongoing obligations under our financing commitments to pay loan interest and make scheduled loan repayments.

We believe our current resources, including our undrawn revolving credit facilities totalling \$45.0 million as of March 31, 2015, are sufficient to meet our working capital requirements for our current business for at least the next twelve months.

Cash Flows

The following table summarizes our net cash flows from operating, investing and financing activities for the periods presented:

Three months ended
March 31,

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(in thousands of \$)	2015	2014	Change
Net cash provided by operating activities	48,806	60,719	(11,913)
Net cash used in investing activities	(20,837)	(148,042)	127,205
Net cash (used in) provided by financing activities	(71,555)	33,158	(104,713)
Net decrease in cash and cash equivalents	(43,586)	(54,165)	10,579
Cash and cash equivalents at beginning of period	98,998	103,100	(4,102)
Cash and cash equivalents at end of period	55,412	48,935	6,477

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In addition to our cash and cash equivalents noted above, as of March 31, 2015 we had short-term restricted cash of \$25.6 million (December 31, 2014: \$25.8 million) that represents balances retained on restricted accounts in accordance with certain lease, loan requirements and collateral. These balances act as security for and over time are used to repay lease and loan obligations. As of March 31, 2015, our long-term restricted cash balances amounted to \$152.5 million (December 31, 2014: \$146.6 million) and represent security for our Methane Princess capital lease obligation and therefore, will be released over time in connection with the repayment of this lease and cash collateral in respect of our cross-currency interest rate swap, which will be released depending on the market valuation of our 2012 Norwegian Bonds.

Net Cash Provided by Operating Activities

Cash generated from operations decreased by \$11.9 million to \$48.8 million for the three months ended March 31, 2015 compared to \$60.7 million for the same period in 2014. This was primarily due to: (i) increase in drydock expenditures of \$2.3 million and (ii) a general increase in working capital including an increase in accounts receivable of \$8.3 million.

Net Cash Used in Investing Activities

Net cash used in investing activities of \$20.8 million for the three months ended March 31, 2015 was partly due to the \$6.9 million of cash consideration paid (net of cash acquired) in connection with the acquisition of the Golar Eskimo in January 2015 and \$12.7 million increase in restricted cash requirement arising from our 2012 Norwegian Bonds that mature in October 2017.

Net cash used in investing activities of \$148.0 million for the three months ended March 31, 2014 was mainly due to the \$148.1 million of cash consideration paid (net of cash acquired) in connection with the acquisition of the Golar Igloo in March 2014.

Net Cash (Used in) / Provided by Financing Activities

Net cash provided by financing activities is principally generated from funds from equity offerings, new debt and lease financing and refinancing of debt and leases, partially offset by debt repayments and payment of distributions.

Net cash used in financing activities during the three months ended March 31, 2015 of \$71.6 million was primarily due to the following:

- payment of cash distributions during the period of \$40.1 million (of which \$2.8 million were distributions to non-controlling interests); and
- repayment of long-term debt and lease obligations of \$81.0 million.

This was partially offset by the proceeds of \$50.0 million drawn down from our revolving credit facilities.

Net cash provided by financing activities during the three months ended March 31, 2014 of \$33.2 million was mainly due to:

- the repayments of long-term debt and lease obligations of \$19.2 million; and
- payment of cash distributions during the period of \$34.0 million.

This was partially offset by :

the proceeds of \$70.0 million from the refinancing of the Golar Winter and the Golar Grand; and
a \$20.0 million draw down on the revolving credit facility from Golar.

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Borrowing Activities

Long-Term Debt. As of March 31, 2015 and December 31, 2014, our long-term debt consisted of the following:

(in thousands of \$)	March 31, 2015	December 31, 2014
Golar Maria facility	78,275	79,525
Golar LNG Partners credit facility	198,000	203,500
Golar Freeze facility	55,135	59,107
2012 Norwegian Bonds	161,274	174,450
NR Satu facility	122,825	126,400
Golar Partners Operating credit facility	225,000	235,000
Golar Igloo debt	147,831	154,550
Golar Eskimo facility	162,830	—
Golar Eskimo vendor loan	220,000	—
Total	1,371,170	1,032,532

Our outstanding debt of \$1,371.2 million as of March 31, 2015, is repayable as follows:

Period ending December 31,
(in thousands of \$)

2015 (nine months ending)	123,201
2016	96,558
2017	477,333
2018	401,548
2019	57,691
2020 and thereafter	214,839
Total	1,371,170

As of March 31, 2015 and December 31, 2014, the margins we paid under our bank loan agreements were LIBOR plus a fixed or floating rate ranging from 0.95% to 3.50%. The margin related to our 2012 Norwegian Bonds is 5.20% above the Norwegian Interbank Offered Rate (NIBOR).

The significant developments relating to our debt in the period after December 31, 2014 are set forth below.

Golar Eskimo Debt

In connection with the acquisition of the Golar Eskimo in January 2015, we assumed all obligations under the secured debt in respect of the vessel. As of March 31, 2015, we had \$162.8 million of borrowings outstanding under the Golar Eskimo debt. The facility is repayable in semi-annual instalments with a balloon payment at the end of the loan, and bears interest at a rate equal to LIBOR plus a margin.

The Golar Eskimo debt (together with the Golar Igloo debt) agreement prohibits us from paying distributions to our unitholders if we are not in compliance with certain financial covenants or upon the occurrence of an event of default. The financial covenants under the Golar Eskimo/Golar Igloo debt agreement require us to:

- maintain free liquid assets (as defined in the credit facility) of at least \$30 million;
- maintain a net debt (as defined in the credit facility) to EBITDA (as defined in the credit facility) ratio of no greater than 6.50 to 1.00;

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- maintain an EBITDA to debt service ratio equal to or greater than 1.15 to 1.00 on a consolidated basis at all times; and
- maintain a consolidated net worth (as defined in the credit facility) of at least \$124.0 million.

Golar Eskimo Vendor Loan

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We financed the \$390.0 million purchase price of the Golar Eskimo with cash on hand, the assumption of \$162.8 million of outstanding debt in respect of the Golar Eskimo and the proceeds of the \$220.0 million Golar Eskimo vendor loan. The Golar Eskimo vendor loan is non-amortizing with a final balloon payment due in December 2016, and bears interest at a rate equal to LIBOR plus a blended margin of 2.84%. In June 2015, we repaid \$120.0 million of the Golar Eskimo vendor loan.

The Golar Eskimo vendor loan contains covenants that require us to, among other things:

- notify Golar of any event which constitutes or may constitute an event of default or which may adversely affect our ability to perform our obligations under the Golar Eskimo vendor loan; and
- provide Golar with information in respect of our business and financial status as Golar may reasonably require including, but not limited to, copies of our unaudited quarterly financial statements and our audited annual financial statements.

Golar Maria and Golar Freeze facility

On June 16, 2015, we entered into a \$180 million Maria and Freeze facility, with certain lenders, to refinance the Golar Maria credit facility (which would have matured in December 2015) and extend the commercial loan tranche and refinance the Exportfinans ASA tranche of the Golar Freeze facility (which would have matured in June 2015 and June 2018, respectively). The \$180 million Maria and Freeze facility consists of a \$150 million term loan that is repayable in quarterly instalments over a period of three years, with a final balloon payment of \$117.0 million due on June 30, 2018, and a revolving credit facility of up to \$30 million that matures on June 30, 2018. The \$180 million Maria and Freeze facility bears interest at a rate of LIBOR plus a margin of up to 1.95%. As a result of the refinancing, the Golar Maria credit facility and the Exportfinans ASA tranche of the Golar Freeze facility were terminated. The extended commercial loan tranche of the Golar Freeze facility became the \$180 million Maria and Freeze facility.

The financial covenants under the \$180 million Maria and Freeze facility require us to maintain as of the end of each quarterly period during and as of the end of each fiscal year:

- free liquid assets of at least \$30 million until the maturity date;
- a minimum EBITDA to debt service ratio of 1.15:1;
- a maximum net debt to EBITDA ratio of 6.5:1; and
- a consolidated net worth of \$250 million.

In addition, under the \$180 million Maria and Freeze facility, the aggregate fair market value the Golar Maria and the Golar Freeze must at all times be at least 110% of the outstanding facility amount.

2015 Norwegian Bonds

On May 22, 2015, we completed the issuance and sale of \$150 million aggregate principal amount of five year non-amortizing bonds in the Norwegian bond market. The 2015 Norwegian Bonds mature on May 22, 2020 and bear interest at a rate of LIBOR plus 4.4%. In connection with the issuance of the 2015 Norwegian Bonds, we entered into an economic hedge interest rate swap to reduce the risk associated with fluctuations in interest rates by converting the floating rate of the interest obligation under the 2015 Norwegian Bonds to an all-in fixed rate of 6.275%.

The financial covenants under the bond agreement require us to maintain as of the end of each quarterly period during and as of the end of each fiscal year during the term of the 2015 Norwegian Bonds:

- free liquid assets of at least \$30 million;
- a minimum EBITDA to debt service ratio of 1.15:1; and
- a maximum net debt to EBITDA ratio of 6.5:1.

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Short-Term Debt

Revolving Credit Facility

In connection with our IPO, we entered into a \$20.0 million revolving interest-free credit facility (the "revolving credit facility") with Golar, to be used to fund our working capital requirements. As of March 31, 2015, we had \$20.0 million of borrowings outstanding under the revolving credit facility and no ability to incur additional borrowings. The revolving credit facility was fully repaid on June 24, 2015.

Capital Lease Obligation. As of March 31, 2015, we are committed to make minimum rental payments under our remaining capital lease, as follows:

Period ending December 31, (in thousands of \$)	Methane Princess Lease
2015 (nine months ending)	5,412
2016	7,483
2017	7,766
2018	8,075
2019	8,384
2020 and thereafter	155,909
Total minimum lease payments	193,029
Less: Imputed interest	(49,301)
Present value of minimum lease payments	143,728

Methane Princess Lease. In August 2003, Golar entered into a lease arrangement (or the Methane Princess lease) with a U.K. bank (or the Methane Princess lessor). Our obligation to the Methane Princess lessor is primarily secured by a letter of credit, which is itself secured by a cash deposit which since June 2008 has been placed with the Methane Princess Lessor. The value of the restricted cash deposit used to obtain a letter of credit to secure the lease obligation as of March 31, 2015, was \$135.5 million.

In the event of any adverse tax changes to legislation affecting the tax treatment of the lease for the U.K. vessel lessor or a successful challenge by the U.K. Revenue authorities to the tax assumptions on which the transactions were based, or in the event that we terminate the Methane Princess lease before its expiration, we would be required to return all or a portion of, or in certain circumstances significantly more than, the upfront cash benefits that we have received or that have accrued over time, together with the fees that were financed in connection with our lease financing transaction, post additional security or make additional payments to our lessor which would increase the obligations noted above. The lessor of the Methane Princess has a second priority security interest in the Methane Princess and the Golar Spirit to secure these potential obligations and similar obligations related to other Golar vessels. Golar has agreed to indemnify us against any of these increased costs and obligations.

Debt and Lease Restrictions

Our existing financing agreements (debt and lease) impose certain operating and financing restrictions on us and our subsidiaries that are described above and in our 2014 Annual Report on Form 20-F.

As of March 31, 2015, we were in compliance with all covenants of our various debt and lease agreements.

Capital Commitments

Possible Acquisitions of Other Vessels

Although we do not currently have in place any agreements relating to acquisitions of vessels, we assess potential acquisition opportunities on a regular basis. Pursuant to our omnibus agreement with Golar, we will have the opportunity to purchase additional

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LNG carriers and FSRUs from Golar when those vessels are fixed under charters of five or more years upon their expiration of their current charters. Subject to the terms of our loan agreements, we could elect to fund any future acquisitions with equity or debt or cash on hand or a combination of these forms of consideration. Any debt incurred for this purpose could make us more leveraged and subject us to additional operational or financial covenants.

Drydockings

From now through to December 31, 2019, eight of the vessels in our current fleet will undergo their scheduled drydockings. We estimate that we will spend in total approximately \$55 million for drydocking and classification surveys on these vessels with approximately \$10 million expected to be incurred in 2015 and 2016 respectively, \$30 million in 2018 and \$5 million in 2019. We reserve a portion of cash generated from our operations to meet the costs of future drydockings. As our fleet matures and expands, our drydocking expenses will likely increase. Ongoing costs for compliance with environmental regulations are primarily included as part of our drydocking and society classification survey costs or are a component of our operating expenses. We are not aware of any regulatory changes or environmental liabilities that we anticipate will have a material impact on our current or future operations.

Critical Accounting Policies

The preparation of our condensed consolidated interim financial statements in accordance with U.S. GAAP requires that management make estimates and assumptions affecting the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. For a description of our material accounting policies that involve a higher degree of judgment, please refer to Note 2 (Summary of Significant Accounting Policies) of our consolidated and combined financial statements and consolidated and combined financial statements included in our 2014 Annual Report on Form 20-F, filed with the SEC.

Contractual Obligations

The following table sets forth our contractual obligations for the periods indicated as of March 31, 2015 (in millions):

(in millions of \$)	Total Obligation	Due in the remainder of 2015	Due in 2016-2017	Due in 2018-2019	Due Thereafter
Long-term debt	1,371.1	123.2	573.9	459.2	214.8
Short term debt to related party	20.0	20.0	—	—	—
Interest commitments on long-term debt - floating and other interest rate swaps ⁽¹⁾	213.0	45.9	100.5	48.8	17.8
Capital lease obligations	143.7	(0.2	) 0.2	1.6	142.1
Interest commitments on capital lease obligations ⁽¹⁾⁽²⁾	49.2	5.6	15.0	14.8	13.8
Total	1,797.0	194.5	689.6	524.4	388.5

(1) Our interest commitment on our long-term debt is calculated based on an assumed average USD LIBOR of 1.54% and taking into account our various margin rates and interest rate swaps associated with each debt. Our interest commitment on our capital lease obligation is calculated on an assumed GBP LIBOR of 4.8%.

(2) In the event of any adverse tax rate changes or rulings, our lease obligation could increase significantly. However, Golar has agreed to indemnify us against any such increase.

(3) Our consolidated balance sheet as of March 31, 2015 includes \$17.1 million classified as “Other long-term liabilities” which represents deferred credits. These liabilities have been excluded from the above table as the timing

and/or the amount of any cash payment is uncertain.

Off-Balance Sheet Arrangements

As of March 31, 2015, we do not have any off balance-sheet arrangements.

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Quantitative and Qualitative Disclosures about Market Risk

We are exposed to various market risks, including interest rate and foreign currency exchange risks. We enter into a variety of derivative instruments and contracts to maintain the desired level of exposure arising from these risks.

Our policy is to hedge our exposure to risks, where possible, within boundaries deemed appropriate by management.

A discussion of our accounting policies for derivative financial instruments is included in Note 2 — Significant Accounting Policies to our audited consolidated and combined carve-out financial statements included in our 2014 Annual Report on Form 20-F. Further information on our exposure to market risk is included in Note 24 — Financial Instruments to our audited consolidated and combined carve-out financial statements included in our 2014 Annual Report on Form 20-F.

The following analyses provide quantitative information regarding our exposure to foreign currency exchange rate risk and interest rate risk. There are certain shortcomings inherent in the sensitivity analyses presented, primarily due to the assumption that exchange rates change in a parallel fashion and that interest rates change instantaneously.

Interest rate risk. A significant portion of our long-term debt and capital lease obligation is subject to adverse movements in interest rates. Our interest rate risk management policy permits economic hedge relationships in order to reduce the risk associated with adverse fluctuations in interest rates. We use interest rate swaps and fixed rate debt to manage the exposure to adverse movements in interest rates. Interest rate swaps are used to convert floating rate debt obligations to a fixed rate in order to achieve an overall desired position of fixed and floating rate debt. Credit exposures are monitored on a counterparty basis, with all new transactions subject to senior management approval.

As of March 31, 2015, the notional amount of the designated interest rate swaps hedged against our debt was \$379.7 million. The principal of the long-term loans and capital lease obligation, net of restricted cash, outstanding as of March 31, 2015, was \$1,356.8 million. Based on our floating rate debt and net capital lease obligations outstanding of \$977.1 million as of March 31, 2015, a 1% increase in the floating interest rate would increase interest expense by \$7.7 million per annum. For disclosure of the fair value of the derivatives and debt obligations outstanding as of March 31, 2015, please read Note 10 to the condensed consolidated interim financial statements for the period ended March 31, 2015.

In May 2015, we completed the issuance and sale of \$150 million aggregate principal amount of our 2015 Norwegian Bonds. The 2015 Norwegian Bonds mature on May 22, 2020 and bear interest at a rate of LIBOR plus 4.4%. In connection with the issuance of the 2015 Norwegian Bonds, we entered into economic hedge interest rate swap to reduce the risk associated with fluctuations in interest rates by converting the floating rate of the interest obligation under the 2015 Norwegian Bonds to an all-in fixed rate of 6.275%.

Foreign currency risk. A substantial amount of our transactions, assets and liabilities are denominated in currencies other than U.S. Dollars, such as GBPs, in relation to our leases and the administrative expenses we will be charged by Golar Management in the U.K.; operating expenses incurred in a variety of foreign currencies and Brazilian Reals in respect of our Brazilian subsidiary which receives income and pays expenses in Brazilian Reals. Based on our GBP expenses for the three months ended March 31, 2015, a 10% depreciation of the U.S. Dollar against GBP would have increased our expenses by approximately \$0.2 million for the three months ended March 31, 2015. Based on our Brazilian Reals revenues and expenses for the three months ended March 31, 2015, a 10% depreciation of the U.S. Dollar against the Brazilian Reals would have increased our net revenue and expenses for the three months ended March 31, 2015 by approximately \$0.3 million.

We are exposed to some extent in respect of the lease transaction entered into with respect to the Methane Princess, which is denominated in GBP, although it is hedged by the GBP cash deposit that secures the obligations under the lease. We use cash from the deposits to make payments in respect of the lease transaction entered into with respect to the Methane Princess. Gains or losses that we incur are unrealized unless we choose or are required to withdraw monies from or pay additional monies into the deposit securing this obligation. Among other things, movements in interest rates give rise to a requirement for us to adjust the amount of the GBP cash deposit. Based on this lease obligation and the related cash deposit as of March 31, 2015, a 10% appreciation in the U.S. Dollar against GBP would give rise to a net foreign exchange movement of approximately \$0.8 million.

The base currency of the majority of our seafaring officers' remuneration was the Euro, Brazilian Reals or Indonesian Rupiah. Based on the crew costs for the three months ended March 31, 2015, a 10% depreciation of the U.S. Dollar against the Euro, the Brazilian Reals and the Indonesian Rupiah would have increased our crew cost by approximately \$0.5 million for the three months ended March 31, 2015.

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In 2012, we issued senior unsecured high-yield bonds denominated in Norwegian Kroner (the “2012 Norwegian Bonds”). We are therefore exposed to the currency movements on the liability of \$161.3 million as of March 31, 2015. In order to hedge this exposure, we entered into cross currency interest rate swaps with banks to exchange our Norwegian payment obligations into U.S. Dollar payment obligations. We could be exposed to a currency fluctuation risk if upon the occurrence of a change of control event, the bondholders exercise their right of pre-payment.

NON-GAAP Measure

Time Charter Equivalent

The average time charter equivalent, or TCE, rate of our fleet is a measure of the average daily revenue performance of a vessel. For time charters, this is calculated by dividing total operating revenues, less any voyage expenses, by the number of calendar days minus days for scheduled off-hire. Under a time charter, the charterer pays substantially all of the vessel voyage related expenses. However, we may incur voyage related expenses when positioning or repositioning vessels before or after the period of a time charter, during periods of commercial waiting time or while off-hire during drydocking. TCE rate is a standard shipping industry performance measure used primarily to compare period-to-period changes in an entity’s performance despite changes in the mix of charter types (i.e., spot charters, time charters and bareboat charters) under which the vessels may be employed between the periods. We include average daily TCE, a non-GAAP measure, as we believe it provides additional meaningful information in conjunction with total operating revenues, the most directly comparable GAAP measure, because it assists our management in making decisions regarding the deployment and use of our vessels and in evaluating their financial performance. Our calculation of TCE may not be comparable to that reported by other entities. The following table reconciles our total operating revenues to average daily TCE.

(in thousands of \$, except number of days and average daily TCE)	Three months ended March 31,	
	2015	2014
Total operating revenues	99,846	87,690
Voyage and commission expenses	(1,311)	(1,189)
	98,535	86,501
Calendar days less scheduled off-hire days	822	724
Average daily TCE (to the closest \$100)	\$ 119,900	\$ 119,500

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Golar LNG Partners LP

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

		Three months ended March 31,	
(in thousands of \$, except per unit amounts)		2015	2014
Time charter revenues		89,556	87,690
Time charter revenues from related parties	11	10,290	—
Total operating revenues	4	99,846	87,690
Vessel operating expenses *	11	15,646	13,631
Voyage and commission expenses		1,311	1,189
Administrative expenses *	11	1,545	1,449
Depreciation and amortization		22,600	17,648
Total operating expenses		41,102	33,917
Operating income		58,744	53,773
Financial income/(expenses)			
Interest income		265	300
Interest expense *	11	(12,734)	(9,881)
Other financial items	5	(10,370)	(6,204)
Net financial expenses		(22,839)	(15,785)
Income before tax		35,905	37,988
Income taxes	6	(2,168)	(2,804)
Net income		33,737	35,184
Net income attributable to non-controlling interest		(2,479)	(2,443)
Net income attributable to Golar LNG Partners LP Owners		31,258	32,741
Earnings per unit			
Common unit (basic and diluted)	13	\$0.49	\$0.51
Cash distributions declared and paid per unit in the period	13	\$0.56	\$0.52

*This includes amounts arising from transactions with related parties (see note 11).

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

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Golar LNG Partners LP

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three months ended March	
(in thousands of \$)	31,	
	2015	2014
Net income	33,737	35,184
Other comprehensive income:		
Other comprehensive (loss) / gain on qualifying cash flow hedging instruments	(4,116	) 1,476
Comprehensive income	29,621	36,660
Comprehensive income attributable to:		
Partners' capital in Golar LNG Partners LP	27,142	34,217
Non-controlling interest	2,479	2,443

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

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Golar LNG Partners LP

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands of \$)	Notes	March 31, 2015 Unaudited	December 31, 2014 Audited
ASSETS			
Current			
Cash and cash equivalents		55,412	98,998
Restricted cash and short-term investments		25,609	25,831
Other current assets	7	25,301	16,638
Inventories		975	89
Total Current Assets		107,297	141,556
Non-current			
Restricted cash		152,496	146,552
Vessels and equipment and vessels under capital lease, net	8	1,995,694	1,623,423
Intangible assets, net		15,077	16,032
Other non-current assets		25,150	28,639
Total Assets		2,295,714	1,956,202
LIABILITIES AND EQUITY			
Current			
Short-term debt due to related parties	11	20,000	20,000
Current portion of long-term debt	9	133,558	124,221
Other current liabilities		138,521	123,802
Amounts due to related parties	11	13,912	9,851
Total Current Liabilities		305,991	277,874
Non-current			
Long-term debt	9	1,017,612	908,311
Long-term debt due to related parties	11	220,000	—
Obligations under capital lease		143,728	150,997
Other long-term liabilities		17,123	17,281
Total Liabilities		1,704,454	1,354,463
Equity			
Partners' capital:			
Common unitholders		487,466	490,824
Subordinated unitholders		10,890	12,063
General partner interest		31,809	33,320
Total Partners' capital		530,165	536,207
Accumulated other comprehensive loss		(6,202)	(2,086)
		523,963	534,121
Non-controlling interest		67,297	67,618
Total equity		591,260	601,739
Total liabilities and equity		2,295,714	1,956,202

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

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Golar LNG Partners LP

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of \$)	Three months ended March 31,	
	2015	2014
OPERATING ACTIVITIES		
Net income	33,737	35,184
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	22,600	17,648
Amortization of deferred charges	975	861
Drydocking expenditure	(2,563)	(248)
Unrealized foreign exchange gains	(427)	(135)
Interest element included in obligations under capital lease	91	15
Release of deferred tax asset	1,278	—
Change in assets and liabilities, net of effects from purchase of subsidiaries:		
Trade accounts receivable	(8,338)	(386)
Inventories	(278)	337
Prepaid expenses, accrued income and other assets	2,227	6,884
Amount due to/from related companies	2,969	(775)
Trade accounts payable	289	(18)
Accrued expenses	(748)	2,411
Other current liabilities	(3,006)	(1,059)
Net cash provided by operating activities	48,806	60,719
INVESTING ACTIVITIES		
Additions to vessels and equipment	(1,310)	(192)
Acquisition of subsidiaries (net of cash acquired) ⁽¹⁾	(6,872)	(148,048)
Restricted cash and short-term investments	(12,655)	198
Net cash used in investing activities	(20,837)	(148,042)
FINANCING ACTIVITIES		
Proceeds from short-term debt due to a related party	—	20,000
Proceeds from long-term debt	50,000	70,000
Repayments of long-term debt	(81,017)	(19,158)
Non-controlling interest dividend	(2,800)	(3,660)
Cash distributions paid	(37,300)	(33,991)
Financing costs paid	(438)	(33)
Net cash (used in) provided by financing activities	(71,555)	33,158
Net decrease in cash and cash equivalents	(43,586)	(54,165)
Cash and cash equivalents at beginning of period	98,998	103,100
Cash and cash equivalents at end of period	55,412	48,935

(1) In addition to the cash consideration paid for the acquisition of the Golar Eskimo in January 2015, there was a non-cash consideration in relation to the assumption of the bank debt of \$162.8 million and recognition of a vendor loan of \$220 million from Golar.

In addition to the cash consideration paid for the acquisition of the Golar Igloo in 2014, there were non-cash considerations including assumption of bank debt of \$161.3 million and other purchase price adjustments of \$3.6

million and interest rate swap asset of \$3.6 million (see note 10). A total of \$7.2 million in additional purchase price adjustment and the assumption of interest rate swap asset relating to the acquisition of the Golar Igloo was paid in July 2014.

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

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Golar LNG Partners LP

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL

(in thousands of \$)	Partners' capital			Accumulated		Total Before Non-Controlling Interest	Non-Controlling Interest	Total Equity
	Common Units	Sub-ordinated Units	General Partner	Other Comprehensive Income (Loss)				
Consolidated balance at December 31, 2013	475,610	6,900	19,234	(2,394)	) 499,350	70,777		570,127
Net income	22,334	8,472	1,935	—	32,741	2,443		35,184
Other comprehensive gain	—	—	—	1,476	1,476	—		1,476
Cash distributions ⁽¹⁾	(23,859)	(8,334)	(1,798)	—	(33,991)	—		(33,991)
Non-controlling interest dividend	—	—	—	—	—	(3,660)		(3,660)
Consolidated balance at March 31, 2014	474,085	7,038	19,371	(918)	) 499,576	69,560		569,136
(in thousands of \$)	Partners' capital			Accumulated		Total Before Non-Controlling Interest	Non-Controlling Interest	Total Equity
	Common Units	Sub-ordinated Units	General Partner	Other Comprehensive Income (Loss)				
Consolidated balance at December 31, 2014	490,824	12,063	33,320	(2,086)	) 534,121	67,618		601,739
Net income	22,327	7,799	1,132	—	31,258	2,479		33,737
Other comprehensive loss	—	—	—	(4,116)	(4,116)	—		(4,116)
Cash distributions ⁽¹⁾	(25,685)	(8,972)	(2,643)	—	(37,300)	—		(37,300)
Non-controlling interest dividend	—	—	—	—	—	(2,800)		(2,800)
Consolidated balance at March 31, 2015	487,466	10,890	31,809	(6,202)	) 523,963	67,297		591,260

(1) This includes cash distributions to Incentive Distribution Rights ("IDRs") holders for the three months ended March 31, 2015 and 2014 of \$1.9 million and \$1.1 million, respectively.

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

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Golar LNG Partners LP

Notes to Unaudited Condensed Consolidated Financial Statements

1. GENERAL

Golar LNG Partners LP (the "Partnership," "we," "our," or "us") is a publicly traded Marshall Islands limited partnership initially formed as a subsidiary of Golar LNG Limited ("Golar") in September 2007, to own and operate liquefied natural gas ("LNG") carriers and floating storage regasification units ("FSRUs") under long-term charters. As of March 31, 2015, we have a fleet of four LNG carriers and six FSRUs.

2. ACCOUNTING POLICIES

Basis of accounting

The accompanying condensed consolidated interim financial statements are prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The footnotes are condensed as permitted by the requirements for interim financial statements and, accordingly, do not include all of the information and disclosures required under U.S. GAAP for complete financial statements. Therefore, these condensed consolidated interim financial statements should be read in conjunction with our audited consolidated and combined carve-out financial statements for the year ended December 31, 2014, which are included in our Annual Report on Form 20-F.

In January 2015 and March 2014, we acquired from Golar 100% interests in the subsidiaries that own and operate the FSRUs, the Golar Eskimo and the Golar Igloo, respectively. Accordingly, the results of the Golar Eskimo and the Golar Igloo are consolidated into our results from the date of their acquisition. There has been no retroactive restatement of our financial statements to reflect the historical results of the Golar Eskimo and the Golar Igloo prior to their acquisition.

Significant accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of our audited consolidated and combined carve-out financial statements for the year ended December 31, 2014.

3. RECENTLY ISSUED ACCOUNTING STANDARDS

The accounting pronouncements yet to be adopted by us are consistent with those disclosed in our audited consolidated financial statements for the year ended December 31, 2014.

4. SEGMENTAL INFORMATION

Operating segments, are components for an enterprise of which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Based on the Partnership's methods of internal reporting and management structure, we consider that we operate in one segment, the LNG market. During the three months ended March 31, 2015 and 2014, our fleet operated under time charters with eight charterers, Petrobras, Dubai Supply Authority ("DUSUP"), Pertamina, PT Nusantara Regas ("PTNR"), BG Group plc, Eni S.p.A., Kuwait National Petroleum Company ("KNPC") and Golar. Petrobras is a Brazilian energy company. DUSUP is a government entity which is the sole supplier of natural gas to the Emirates. Pertamina is the state-owned oil and gas company of Indonesia. PTNR is a joint venture company of Pertamina and

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Perusahaan Gas Negara, an Indonesian company engaged in the transport and distribution of natural gas in Indonesia. BG Group plc is headquartered in the United Kingdom. Eni S.p.A is an integrated energy company headquartered in Italy. KNPC is a subsidiary of Kuwait Petroleum Corporation, the state-owned oil and gas company of Kuwait.

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For the three months ended March 31, 2015 and 2014, revenues from the following customers accounted for over 10% of our consolidated revenues:

(in thousands of \$)	Three months ended March 31,					
	2015		2014			
Petrobras	24,500	25	% 24,068	27	%	
PTNR	16,393	16	% 16,925	19	%	
DUSUP	12,135	12	% 11,843	14	%	
BG Group	11,847	12	% 17,070	19	%	

Geographic segment data

The following geographical data presents our revenues and fixed assets with respect only to our FSRUs, operating under long-term charters, at specific locations. LNG carriers operate on a worldwide basis and are not restricted to specific locations. Accordingly, it is not possible to allocate the assets of these operations to specific countries.

Revenues (in thousands of \$)	Three months ended March 31	
	2015	2014
Brazil	24,500	24,068
Indonesia	16,393	16,925
United Arab Emirates	12,135	11,843
Kuwait	4,802	620

Fixed assets, net (in thousands of \$)	March 31,	December 31,
	2015	2014
Brazil	386,656	392,132
Kuwait	280,675	281,946
Indonesia	216,627	219,610
United Arab Emirates	131,045	133,082

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5 OTHER FINANCIAL ITEMS

Other financial items are comprised of the following:

(in thousands of \$)	Three months ended March 31,	
	2015	2014
Amortization of deferred financing costs	(975	)(861
Unrealized mark-to-market losses for interest rate swaps	(5,905	)(1,831
Interest expense on un-designated interest rate swaps	(2,952	)(3,237
Foreign exchange gain on capital lease obligation and related restricted cash	427	135
Foreign exchange losses on operations	(341	)(188
Financing arrangement fees and other costs	(624	)(222
	(10,370	)(6,204

6. TAXATION

During the three months ended March 31, 2015 we carried forward \$8.2 million (\$9.5 million at December 31, 2014) of net tax benefit. The net tax benefit for this period principally related to the recognition of certain historical tax positions related to foreign tax net operating losses.

Tax charge

The tax charge for the three months ended March 31, 2015 included current tax charges in respect of our operations in the United Kingdom, Brazil and Kuwait. The Partnership does not currently incur any corporate income tax in respect of our operations in Indonesia given the availability of brought forward tax losses which can be utilized against taxable profits. In addition, any withholding tax suffered in Indonesia is intended to be mitigated by revenue due under the time charter agreements. The total tax charge also includes a deferred tax charge of \$1.3 million in relation to the utilization of the brought forward tax losses in Indonesia.

Uncertainty in tax positions

The Partnership's Indonesian subsidiary which owns the NR Satu, is a party to an on-going tax examination by the Indonesian tax authorities with regard to its reported taxable operating losses for the year ended December 31, 2013. A tax examination with regard to its 2012 tax returns was concluded in September 2014. Following completion of the tax examination of the 2012 tax returns, we recognized deferred tax assets in respect of losses of \$9.5 million for the year ended December 31, 2014.

As a result of the deferred tax charge of \$1.3 million for the quarter ended March 31, 2015, the deferred tax assets recognized as at March 31, 2015 are \$8.2 million.

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7. OTHER CURRENT ASSETS

Other current assets are comprised of the following:

(in thousands of \$)	March 31, 2015	December 31, 2014
Trade receivables	17,459	9,122
Other receivables	3,159	2,174
Deferred tax asset (see note 6)	2,513	3,085
Prepaid expenses	2,170	2,257
	25,301	16,638

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8. ACQUISITIONS

We acquired from Golar equity interests in certain subsidiaries which own and operate the Golar Eskimo and Golar Igloo in January 2015 and March 2014, respectively.

Our Board of Directors (the "Board") and the Conflicts Committee of the Board (the "Conflicts Committee") approved the purchase price for each transaction. The Conflicts Committee retained a financial advisor to assist the evaluation of each transaction. The details of each transaction are as follows:

	Provisional Golar Eskimo January 20, 2015	Final Golar Igloo March 28, 2014
(in thousands of \$)		
Purchase consideration ⁽¹⁾	227,170	156,001
Less: Fair value of net assets (liabilities) acquired:		
Vessel and equipment including allocation to charter	389,552	310,000
Fair value of interest rate swap asset	—	3,636
Long-term debt	(162,830)	(161,270)
Cash	298	682
Other assets	150	2,953
Subtotal	(227,170)	(156,001)
Difference between the purchase price and fair value of net assets acquired	—	—

(1) The purchase consideration is comprised of the following:

	Golar Eskimo	Golar Igloo
(in thousands of \$)		
Loan from Golar	220,000	—
Cash consideration	7,170	148,730
Fair value of interest rate swap	—	3,636
Purchase price adjustments	—	3,635
	227,170	156,001

Golar Eskimo

On January 20, 2015, we acquired Golar's 100% interest in the companies that own and operate the FSRU, the Golar Eskimo pursuant to a Purchase, Sale and Contribution Agreement that we entered into on December 22, 2014. The purchase consideration was \$390.0 million less the assumed bank debt of \$162.8 million, plus the proceeds of a \$220.0 million loan from Golar. The purchase price of the acquisition has been allocated to the identifiable assets acquired. The allocation of the purchase price to acquired identifiable assets was based on their fair values at the date of acquisition. We are in the process of finalizing the accounting for the acquisition of the Golar Eskimo and amounts shown in the fair value allocation are provisional.

Revenue and profit contributions

In connection with the Golar Eskimo acquisition, we entered into an agreement with Golar pursuant to which Golar agreed to pay us an aggregate amount of \$22.0 million starting in January 2015 and ending in June 2015 for the right to use the Golar Eskimo during that period. Under the agreement with Golar, the Golar Eskimo contributed revenues of \$9.6 million and net income of \$5.3 million to the financial results for the period from January 20, 2015 to March 31, 2015.

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The table below shows our summarized consolidated pro forma financial information for the three months ended March 31, 2015, giving effect to our acquisition of the Golar Eskimo as if it had taken place on January 1, 2015.

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(in thousands of \$, except per unit data)	Three Months Ended March 31, 2015
Revenues	100,732
Net income	34,623
Earnings per unit (basic and diluted): Common unitholders	\$0.50

The Golar Eskimo was under construction and not operational during the three months ended March 31, 2014. As a result, we have evaluated that had the acquisition been consummated as of January 1, 2014, Golar Eskimo's pro forma revenue and net income effect for the three months ended March 31, 2014 would be immaterial and thus, have not been presented here.

Golar Igloo

On March 28, 2014, we acquired Golar's 100% interest in the company that owns and operates the FSRU, the Golar Igloo pursuant to a Purchase, Sale and Contribution Agreement that we entered into on December 5, 2013. The purchase consideration was \$310.0 million less the assumed bank debt of \$161.3 million, plus the fair value of the interest rate swap asset of \$3.6 million and other purchase price adjustments of \$3.6 million. The Golar Igloo was delivered to its current charterer, KNPC, the national oil refining company of Kuwait in March 2014 under a time charter expiring in December 2018. The purchase price of the acquisition has been allocated to the identifiable assets acquired. The allocation of the purchase price to acquired identifiable assets was based on their estimated fair values at the date of acquisition.

Revenue and profit contributions

The Golar Igloo contributed revenues of \$0.6 million and net income of \$0.4 million to the financial results for the period from March 28, 2014 to March 31, 2014.

The table below shows our summarized consolidated pro forma financial information for the three months ended March 31, 2014, giving effect to our acquisition of the Golar Igloo as if it had taken place on January 1, 2014.

(in thousands of \$, except per unit data)	Three Months Ended March 31, 2014
Revenues	91,873
Net income	35,200
Earnings per unit (basic and diluted): Common unitholders	\$0.51

9. DEBT

As of March 31, 2015 and December 31, 2014, we had total long-term debt outstanding of \$1,371.1 million and \$1,032.5 million, respectively.

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On January 20, 2015, we assumed bank debt of \$162.8 million upon the acquisition of the Golar Eskimo. The facility is repayable in semi-annual instalments with a balloon payment at the end of the loan, with interest chargeable annually at a rate equal to LIBOR plus a margin.

In addition, we financed the purchase price of the Golar Eskimo with a \$220.0 million vendor loan to partly fund the purchase. The loan is non-amortizing with a final balloon payment due in December 2016, and bears interest at a rate equal to LIBOR plus a blended margin of 2.84%. In June 2015, we repaid \$120.0 million of the Golar Eskimo vendor loan.

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As of March 31, 2015, we had fully drawn down the \$20.0 million revolving credit facility with Golar. This unsecured interest free revolving credit facility originally matured in April 2015 but has been extended to June 30, 2015 and was repaid on June 24, 2015.

10. FINANCIAL INSTRUMENTS

Interest rate risk management

In certain situations, we may enter into financial instruments to reduce the risk associated with fluctuations in interest rates. We have entered into swaps that convert floating rate interest obligations to fixed rates, which, from an economic perspective hedge, our interest rate exposure. We do not hold or issue instruments for speculative or trading purposes. The counterparties to such contracts are major banking and financial institutions. Credit risk exists to the extent that the counterparties are unable to perform under the contracts; however, we do not anticipate non-performance by any of our counterparties.

We manage our debt portfolio with interest rate swap agreements in U.S. dollars to achieve an overall desired position of fixed and floating interest rates. Certain interest rate swap agreements qualify and are designated for accounting purposes as cash flow hedges. Accordingly, the net gains and losses have been reported in a separate component of accumulated other comprehensive income to the extent the hedges are effective. The amount recorded in accumulated other comprehensive income will subsequently be reclassified into earnings in the same period as the hedged items affect earnings.

Fair values

We recognize our fair value estimates using a fair value hierarchy based on the inputs used to measure fair value. The fair value hierarchy has three levels based on reliability of inputs used to determine fair value as follows:

Level 1: Quoted market prices in active markets for identical assets and liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The carrying value and estimated fair value of our financial instruments as of March 31, 2015 and December 31, 2014 are as follows:

		March 31, 2015		December 31, 2014	
(in thousands of \$)	Fair value Hierarchy	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-Derivatives:					
Cash and cash equivalents	Level 1	55,412	55,412	98,998	98,998
Restricted cash and short-term investments	Level 1	178,105	178,105	172,383	172,383
Short-term debt due to related party ⁽⁶⁾	Level 3	20,000	20,000	20,000	20,000
Long-term debt due to related parties ⁽²⁾	Level 2	220,000	220,000	—	—
2012 Norwegian Bonds ⁽¹⁾	Level 1	161,274	165,709	174,450	173,578
Long-term debt — floating ⁽²⁾	Level 2	989,896	989,896	858,082	858,082
Obligations under capital leases ⁽²⁾	Level 2	143,728	143,728	150,997	150,997

Derivatives:

Interest rate swaps asset ⁽³⁾ ⁽⁴⁾	Level 2	1,554	1,554	3,617	5,335
Cross currency interest rate swap liability ⁽⁵⁾	Level 2	73,748	73,748	56,639	56,639
Interest rate swaps liability ⁽³⁾ ⁽⁴⁾	Level 2	19,246	19,246	15,222	15,222
Foreign currency swaps liability ⁽²⁾ ⁽³⁾	Level 2	—	—	16	16

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(1) 2012 Norwegian Bonds with a carrying value of \$161.3 million and \$174.5 million as of March 31, 2015 and December 31, 2014, respectively, are included under long-term debt on the balance sheet. The fair value of the 2012 Norwegian Bonds as of March 31, 2015 was \$165.7 million, which is 103% of their face value.

(2) Our long-term debt and capital lease obligations are recorded at amortized cost in the consolidated balance sheets.

(3) Derivative liabilities are captured within other current liabilities and derivative assets are captured within long-term assets on the balance sheet.

(4) The fair value/carrying value of interest rate swap agreements (excluding the cross currency interest rate swap described in footnote 5) that qualify and are designated as cash flow hedges as of March 31, 2015 and December 31, 2014 was a net liability of \$2.6 million (with a notional amount of \$152.5 million) and a net liability of \$2.0 million (with a notional amount of \$211.6 million), respectively. The expected maturity of these interest rate agreements is from May 2015 to October 2020.

We issued NOK denominated senior unsecured bonds (2012 Norwegian Bonds). In order to hedge our exposure, we entered into a non-amortizing cross currency interest rate swap agreement. The swap hedges both the full (5) redemption amount of the NOK obligation and the related quarterly interest payments. We designated the cross currency interest rate swap as a cash flow hedge. As of March 31, 2015, the following are the details on the cross currency interest rate swap:

Instrument (in thousands)	Notional amount		Maturity date	Rate	Fair value asset/(liability)
	In NOK	In USD			
Cross currency interest rate swap	1,300,000	227,193	Oct 2017	6.485	%(73,748)

As of March 31, 2015 and December 31, 2014, our accumulated other comprehensive income included an unrealized loss of \$8.1 million and an unrealized loss of \$4.2 million, respectively, in respect of the cross currency interest rate swap designated as a cash flow hedge.

(6) The carrying value of short-term debt due to related party refers to our revolving credit facility with Golar. The carrying amount of this debt approximates its fair value because of the short maturity of this instrument.

The carrying values of accounts receivable, accounts payable and accrued liabilities, excluded from the table above, approximate fair values because of the short maturity of these instruments.

The credit exposure of interest rate swap agreements is represented by the fair value of contracts with a positive fair value at the end of each period, reduced by the effects of master netting agreements. It is our policy to enter into master netting agreements with the counterparties to derivative financial instrument contracts, which give us the legal right to discharge all or a portion of amounts owed to that counterparty by offsetting them against amounts that the counterparty owes to us. Notwithstanding the master netting arrangements in place, as of March 31, 2015, the interest rate swap assets cannot be set-off against the interest rate swap liabilities as these are with different counterparties.

(in thousands of \$)	March 31, 2015			December 31, 2014		
	Gross amounts presented in the consolidated balance sheet	Gross amounts not offset in the consolidated balance sheet subject to netting	Net amount	Gross amounts presented in the consolidated balance sheet	Gross amounts not offset in the consolidated balance sheet subject to netting	Net amount

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		agreements			agreements	
Total asset derivatives	1,554	(804) 750	3,617	(1,831) 1,786
Total liability derivatives	19,246	(804	) 18,442	15,222	(1,831	) 13,391

The cross currency interest rate swap has a credit support arrangement that require us to provide cash collateral in the event that the market valuation drops below a certain level. Since the market valuation has fallen below this level, we have provided \$22.4 million of cash collateral as of March 31, 2015.

The fair value measurement of an asset or a liability must reflect the non-performance of the entity. Therefore, the impact of our credit worthiness has also been factored into the fair value measurement of the derivative instruments in a liability position.

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As of March 31, 2015, we have entered into the following interest rate swap transactions involving the payment of fixed rates in exchange for LIBOR as summarized below. The summary also includes those that are designated as cash flow hedges:

Instrument (in thousands of \$)	Notional amount	Maturity Dates	Fixed Interest Rates
Interest rate swaps:			
Receiving floating, pay fixed	1,135,244	(1) 2015 to 2020	0.92 % to 6.485%

(1) This includes the nominal value of the cross currency interest rate swap of \$227.2 million described in footnote 5 above.

As of March 31, 2015, the notional principal amount of the debt and capital lease obligations outstanding subject to such swap agreements was \$1,135.2 million (December 31, 2014: \$1,146.3 million).

11. RELATED PARTY TRANSACTIONS

Net (revenues)/expenses from related parties:

(in thousands of \$)	Three months ended March 31,	
	2015	2014
Transactions with Golar and affiliates:		
Time charter revenues from related parties (a)	(10,290)—
Management and administrative services fees (b)	737	737
Ship management fees (c)	1,786	1,828
Interest expense on Eskimo vendor loan (i)	1,352	—
Total	(6,415	)2,565

Receivables/(payables) from related parties:

As of March 31, 2015 and December 31, 2014 balances with related parties consisted of the following:

(in thousands of \$)	March 31, 2015	December 31, 2014
Balances due to Golar and affiliates (d)	(13,904	)(13,337)
Short-term loan due to Golar (e)	(20,000	)(20,000)
Methane Princess Lease security deposit movements (h)	3,302	3,486
Long term loan due to Golar (j)	(220,000)—
Short-term payable to Golar (k)	(3,310)—
	(253,912	)(29,851)

(a) Time charter revenues from related parties - This includes revenue from the charters of the Golar Eskimo and the Golar Grand. In February 2015, we exercised our option requiring Golar to charter in the Golar Grand for the period from February 16, 2015 until October 31, 2017 at at approximately 75% of the hire rate that would have been payable by the charterer. Pursuant to an agreement with Golar relating to Golar Eskimo, we have received an amount of \$6.3 million for Golar to use the vessel for the period from January 20, 2015 to March 31, 2015.

(b) Management and administrative services agreement - On March 30, 2011, we entered into a management and administrative services agreement with Golar Management, a wholly-owned subsidiary of Golar, pursuant to which Golar Management provides to us certain management and administrative services. The services provided by Golar

Management are charged at cost plus a management fee equal to 5% of Golar Management's costs and expenses incurred in connection with providing these services. We may terminate the agreement by providing 120 days' written notice.

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(c) Ship management fees - Golar and certain of its affiliates charged ship management fees to us for the provision of technical and commercial management of our vessels. Each of our vessels is subject to management agreements pursuant to which certain commercial and technical management services are provided by certain affiliates of Golar, including Golar Management and Golar Wilhelmsen AS ("Golar Wilhelmsen"), a partnership that is jointly controlled by Golar and by Wilhelmsen Ship Management (Norway) AS. We may terminate these agreements by providing 30 days' written notice.

(d) Balances due to Golar and its affiliates - Receivables and payables with Golar, are primarily comprised of unpaid fees and expenses for management and administrative services and vessel management services performed by Golar and its affiliates. In addition, certain receivables and payables arise when we pay an invoice on behalf of a related party and vice versa. Receivables and payables are generally settled quarterly in arrears. Trading balances due to Golar and its affiliates are unsecured, interest-free and intended to be settled in the ordinary course of business.

(e) \$20 million revolving credit facility - On April 13, 2011, we entered into a \$20.0 million revolving credit facility with Golar. On December 31, 2014, we have fully drawn down the \$20.0 million revolving credit facility which is unsecured and interest free. This facility originally matured in April 2015 but has been extended to June 30, 2015 and was repaid on June 24, 2015.

(f) Dividends to China Petroleum Corporation - During the three months ended March 31, 2015 and 2014, Faraway Maritime Shipping Co., which is 60% owned by us and 40% owned by China Petroleum Corporation ("CPC"), paid total dividends to CPC of \$2.8 million and \$3.7 million, respectively.

(g) Acquisitions from Golar - In January 2015 and March 2014 we acquired the interests of the Golar subsidiaries which own and operate the Golar Eskimo and Golar Igloo, respectively (See note 8).

(h) Methane Princess Lease security deposit movements - This represents net advances to Golar since the IPO, which correspond with the net release of funds from the security deposits held relating to the Methane Princess lease. This is in connection with the Methane Princess tax lease indemnity provided by Golar under the Omnibus Agreement. Accordingly, these amounts held with Golar will be settled as part of the eventual termination of the Methane Princess lease.

(i) Dividends to Golar - During the three months ended March 31, 2015 and 2014 we paid total dividends to Golar of \$12.6 million and \$14.8 million, respectively.

(j) Long term loan due to Golar - In January 2015, acquired the Golar Eskimo from Golar for \$390.0 million. We funded a portion of the purchase price with the proceeds of a \$220.0 million vendor loan from Golar. The loan is non-amortizing with a final balloon payment due in December 2016, and bears interest at a rate equal to LIBOR plus a blended margin of 2.84%. See note 8.

(k) Short-term payable to Golar - In connection with our acquisition of the Golar Eskimo, we entered into a letter agreement with Golar, pursuant to which we effectively assigned the operating lease payments due under the time charter with the Government of the Hashemite Kingdom of Jordan to Golar for the period from January 20, 2015 to May 2015, resulting in an obligation to Golar of \$3.3 million.

Golar Grand option

In February 2015, we exercised our option requiring Golar to charter in the Golar Grand for the period from February 16, 2015 until October 31, 2017 at approximately 75% of the hire rate that would have been payable by BG Group.

12. OTHER COMMITMENTS AND CONTINGENCIES

Assets Pledged

(in thousands of \$)	At March 31, 2015	At December 31, 2014
Book value of vessels secured against long-term loans and capital leases	1,995,694	1,623,423

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Other contractual commitments and contingencies

Insurance

We insure the legal liability risks for its shipping activities with Gard and Skuld, which are mutual protection and indemnity associations. As a member of a mutual association, we are subject to calls payable to the associations based on the our claims record in addition to the claims records of all other members of the association. A contingent liability exists to the extent that the claims records of the members of the association in the aggregate show significant deterioration, which results in additional calls on the members.

Tax lease benefits

The benefits under lease financings are derived primarily from tax depreciation assumed to be available to the lessor as a result of their investment in the vessels. If that tax depreciation ultimately proves not to be available to the lessors, or is recovered from the lessor as a result of adverse tax rate changes or rulings, or in the event we terminate one or more of our leases, we would be required to return all or a portion of, or in certain circumstances significantly more than the upfront cash benefits that we received, together with fees that were financed in connection with our lease financing transactions, post additional security or make additional payments to our lessors. As of March 31, 2015, we have one remaining UK tax lease (relating to the Methane Princess). A termination of this lease would realize the accrued currency gain or loss recorded against the lease liability, net of the restricted cash. As of March 31, 2015 there was a net accrued gain of \$0.8 million.

Golar has agreed to indemnify us against any liabilities incurred as a consequence of a successful challenge by the UK Revenue Authorities with regard to the initial tax basis of the transactions in respect of the remaining lease (and our other vessels previously financed by UK tax leases) or in relation to the restructuring terminations in 2010.

Legal proceedings and claims

We may, from time to time, be involved in legal proceedings and claims that arise in the ordinary course of business. A provision will be recognized in the financial statements only where we believe that a liability is probable and for which the amounts are reasonably estimable, based upon the facts known prior to the issuance of the financial statements.

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13. EARNINGS PER UNIT AND CASH DISTRIBUTIONS

The calculations of basic and diluted earnings per unit are presented below:

	Three months ended March 31,	
(in thousands of \$, except per unit data)	2015	2014
Net income attributable to general partner and limited partner interests	31,258	32,741
Less: distributions paid (1)	(38,553)	(34,014)
Over distributed earnings	(7,295)	(1,273)
Net income attributable to:		
Common unitholders	22,326	23,149
Weighted average units outstanding (basic and diluted) (in thousands):		
Common unitholders	45,663	45,663
Earnings per unit (basic and diluted):		
Common unitholders	\$0.49	\$0.51
Cash distributions declared and paid in the period per unit (2):	\$0.56	\$0.52
Subsequent event: Cash distributions declared and paid per unit relating to the period (3):	\$0.58	\$0.52

(1) Refers to distributions made or to be made in relation to the period, irrespective of the declaration and payment dates, and is based on the number of units outstanding at the period end date. This includes cash distributions to IDR holders for the three months ended March 31, 2015 and 2014 of \$2.2 million and \$1.1 million, respectively.

(2) Refers to cash distribution declared and paid during the period.

(3) Refers to cash distribution declared and paid subsequent to the period end.

As of March 31, 2015, of our total number of units outstanding, 70% were held by the public and the remaining units were held by Golar (including the general partner units representing a 2% interest).

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14. SUBSEQUENT EVENTS

On May 14, 2015, we paid a quarterly cash distribution with respect to the quarter ended March 31, 2015 of \$0.5775 per unit. This cash distribution was paid on May 14, 2015 on total units of 62,870,335.

On May 22, 2015, we completed the issuance and sale of \$150 million aggregate principal amount of five year non-amortizing bonds in the Norwegian bond market (the “2015 Norwegian Bonds”). The 2015 Norwegian Bonds mature on May 22, 2020 and bear interest at a rate of LIBOR plus 4.4%. In connection with the issuance of the 2015 Norwegian Bonds, we entered into economic hedge interest rate swap to reduce the risk associated with fluctuations in interest rates by converting the floating rate of the interest obligation under the 2015 Norwegian Bonds to an all-in fixed rate of 6.275%.

On June 16, 2015, we entered into a \$180 million Maria and Freeze facility, with certain lenders, to refinance the Golar Maria credit facility (which would have matured in December 2015) and extend the commercial loan tranche and refinance the Exportfinans ASA tranche of the Golar Freeze facility (which would have matured in June 2015 and June 2018, respectively). The \$180 million Maria and Freeze facility consists of a \$150 million term loan that is repayable in quarterly instalments over a period of three years, with a final balloon payment of \$117.0 million due on June 30, 2018, and a revolving credit facility of up to \$30 million that matures on June 30, 2018. The \$180 million Maria and Freeze facility bears interest at a rate of LIBOR plus a margin of up to 1.95%. As a result of the refinancing, the Golar Maria credit facility and the Exportfinans ASA tranche of the Golar Freeze facility were terminated. The extended commercial loan tranche of the Golar Freeze facility became the \$180 million Maria and Freeze facility.

On June 24, 2015, the \$20.0 million revolving credit facility with Golar was repaid.

On June 25, 2015, we repaid \$100.0 million and \$20.0 million on June 30, 2015 of the Golar Eskimo vendor loan.