GOLAR LNG LTD
Form 6-K
September 29, 2017

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 month of September 2017

Commission File Number: 000-50113

GOLAR LNG LIMITED
(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 [X]   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): [ ].

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

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): [ ].

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Included is the Overview and Operating and Financial Review for the six months ended June 30, 2017 and the unaudited condensed consolidated interim financial statements of Golar LNG Limited (the "Company" or "Golar") as of and for the six months ended June 30, 2017.

Exhibits

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

4.1	Purchase and Sale Agreement by and among Golar LNG Limited, KS Investments Pte. Ltd., Black & Veatch International Company and Golar Partners Operating LLC, dated August 15, 2017
101	The following financial information of Golar LNG Limited formatted in Extensible Business Reporting Language (XBRL): i. Unaudited Consolidated Statements of Income for the six months ended June 30, 2017 and 2016; ii. Unaudited Consolidated Statements of Comprehensive Income for the six months ended June 30, 2017 and 2016; iii. Unaudited Consolidated Balance Sheets as of June 30, 2017 and December 31, 2016; iv. Unaudited Consolidated Statements of Cash Flows for the six months ended June 30, 2017 and 2016; v. Unaudited Consolidated Statements of Changes in Equity for the six months ended June 30, 2017 and 2016; and vi. Notes to the Unaudited Condensed Consolidated Financial Statements.

The information contained in this Report on Form 6-K is hereby incorporated by reference into the Company's registration statement on Form F-3 ASR (File no. 333-219095), which was filed with the U.S. Securities and Exchange Commission on June 30, 2017.

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 LIMITED (Registrant)	
Date: September 29, 2017	By:	/s/ Brian Tienzo
	Name:	Brian Tienzo
	Title:	Chief Financial Officer

UNAUDITED CONDENSED INTERIM FINANCIAL REPORT

Forward Looking Statements

This report and any other written or oral statements made by us or on our behalf may include forward-looking statements, which reflect our current views with respect to future events and financial performance. When used in this report, the words "believe", "anticipate", "intend", "estimate", "forecast", "project", "plan", "potential", "may", "should", "expect", and similar expressions identify forward-looking statements.

The forward-looking statements in this report are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections. As a result, you are cautioned not to rely on any forward-looking statements.

In addition to these important factors and matters discussed elsewhere herein, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include among other things:

- changes in liquefied natural gas, or LNG, carrier, floating storage and regasification unit, or FSRU, or floating liquefaction natural gas vessel, or FLNG, market trends, including charter rates, vessel values or technological advancements;
- changes in our ability to retrofit vessels as FSRUs or FLNGs and in our ability to obtain financing for such conversions or our joint ventures on acceptable terms or at all;
- changes in the timeliness of the Hilli Episeyo (the "Hilli") conversion, commissioning and delivery;
- changes in the supply of or demand for LNG carriers, FSRUs or FLNGs;
- a material decline or prolonged weakness in rates for LNG carriers, FSRUs or FLNGs;
- changes in the performance of the pool in which certain of our vessels operate and the performance of our joint ventures;
- changes in trading patterns that affect the opportunities for the profitable operation of LNG carriers, FSRUs or FLNGs;
- changes in the supply of or demand for LNG or LNG carried by sea;
- changes in the supply of or demand for natural gas generally or in particular regions;
- failure of our contract counterparties, including our joint venture co owners, to comply with their agreements with us;
- changes in our relationships with our counterparties, including our major chartering parties;
- changes in the availability of vessels to purchase and in the time it takes to construct new vessels;
- failures of shipyards to comply with delivery schedules or performance specifications on a timely basis or at all;
- our ability to integrate and realize the benefits of acquisitions;
- changes in our ability to close the sale of the equity interests in Hilli on a timely basis or at all;
- changes in our ability to sell vessels to Golar Partners, or our joint venture Golar Power Limited, or Golar Power;
- changes in our relationship with Golar Partners, Golar Power or our joint venture OneLNG S.A;
- changes to rules and regulations applicable to LNG carriers, FSRUs, FLNGs or other parts of the LNG supply chain;
- our inability to achieve successful utilization of our expanded fleet or inability to expand beyond the carriage of LNG and provisions of FSRUs particularly through our innovative FLNG strategy and our JVs;
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- actions taken by regulatory authorities that may prohibit the access of LNG carriers, FSRUs or FLNGs to various ports;
- our inability to achieve successful utilization of our expanded fleet or inability to expand beyond the carriage of LNG and provision of FSRUs, particularly through our innovative FLNG strategy, or FLNG, and our joint ventures;
- changes in our ability to obtain additional financing on acceptable terms or at all;
- our ability to make additional equity funding payments to Golar Power and OneLNG to meet our obligations under each of the respective shareholders' agreements;
- increases in costs, including, among other things, crew wages, insurance, provisions, repairs and maintenance;
- changes in general domestic and international political conditions, particularly where we operate;
- a decline or continuing weakness in the global financial markets;
- challenges by authorities to the tax benefits we previously obtained under certain of our leasing agreements; and
- other factors listed from time to time in registration statements, reports or other materials that we have filed with or furnished to the Securities and Exchange Commission, or the Commission, including our most recent annual report on Form 20-F.

We caution readers of this report not to place undue reliance on these forward-looking statements, which speak only as of their dates. These forward looking statements are not guarantees of our future performance, and actual results and future developments may vary materially from those projected in the forward looking statements.

All forward-looking statements included in this report are made only as of the date of this report and, except as required by law, we assume no obligation to update any written or oral forward-looking statements made by us or on our behalf as a result of new information, future events or other factors. If one or more forward-looking statements are updated, no inference should be drawn that additional updates will be made.

The following is a discussion of our financial condition and results of operations for the six months ended June 30, 2017 and 2016. Unless otherwise specified herein, references to "the Company", "Golar", "we", "us", and "our" refer to Golar LNG Limited and any one or more of its consolidated subsidiaries, or to all such entities. References to “Golar Partners” or the “Partnership” refer to Golar LNG Partners LP and to any one or more of its direct and indirect subsidiaries. References to “Golar Power” refer to Golar Power Limited and to any one or more of its direct and indirect subsidiaries. References to “OneLNG” refer to OneLNG S.A. You should read the following discussion and analysis together with the financial statements and related notes included elsewhere in this report. For additional information relating to our operating and financial review and prospects, including definitions of certain terms defined herein, please see our annual report on Form 20-F for the year ended December 31, 2016, which was filed with the Commission on May 1, 2017.

Overview

We are a midstream LNG company engaged primarily in the transportation, regasification, liquefaction and trading of LNG. We are engaged in the acquisition, ownership, operation and chartering of LNG carriers and FSRUs and the development of LNG projects, such as FLNGs, through our subsidiaries, affiliates and joint ventures.

As of September 29, 2017, we, together with our affiliates Golar Partners and Golar Power, have a combined fleet of 26 vessels, comprised of seven FSRUs and 19 LNG carriers. Of these vessels, six of the FSRUs and four of the LNG carriers (including the Golar Grand)[1] are owned by Golar Partners and are mostly on long-term time charters. Three of our vessels are undergoing or being contemplated for conversion into FLNGs, including the Hilli (with target completion during the second half of 2017), the Gimi and the Gandria. Ten of our LNG carriers (including Golar Power's two vessels) are participating in the LNG carrier pool, referred to as the Cool Pool. In addition, our affiliate Golar Power has one newbuilding commitment for the construction of a FSRU, which is scheduled for delivery in the second half of 2018.

We intend to leverage our relationships with existing customers and continue to develop relationships with other industry participants. Our goal is to earn higher margins through maintaining strong service-based relationships combined with flexible and innovative LNG shipping, FSRU and FLNG solutions. We believe customers place their confidence in our shipping, storage, regasification and liquefaction services based on the reliable and safe way we conduct our, our affiliates’ and our joint ventures’ LNG operations.

[1] Under the Option Agreement executed in connection with the disposal of the Golar Grand to Golar Partners in 2012, we are obligated to charter back the vessel from Golar Partners until October 2017.

Recent Developments

Since January 1, 2017, the significant developments that have occurred are as follows:

Convertible bonds - 2017

On February 17, 2017, we issued a new $402.5 million 2.75% senior unsecured convertible bond due in 2022. The conversion rate for the bonds will initially equal 26.5308 common shares per $1,000 principal amount of the bonds. This is equivalent to an initial conversion price of $37.69 per common share, or a 35% premium on the February 13, 2017 closing share price of $27.92. The conversion price is subject to adjustment for dividends paid. To mitigate the dilution risk of conversion to common equity, we also entered into capped call transactions costing approximately $31.2 million. The capped call transactions cover approximately 10,678,647 common shares, have an initial strike price of $37.69, and an initial cap price of $48.86. The cap price of $48.86, which is a proxy for the revised conversion price, represents a 75% premium on the February 13, 2017 closing share price of $27.92. Including the $31.2 million cost of the capped call, the all-in cost of the bond is approximately 4.3%. Bond proceeds, net of fees and the cost of the capped call, amounted to $360.2 million.

Golar Crystal refinancing

On March 14, 2017, we completed the refinancing of the Golar Crystal. The financing structure funded 60% of the market value of the Golar Crystal. At funding, the vessel was simultaneously bareboat chartered by the Company at a fixed rate for a firm period of 10 years.

Margin Loan Facility

We entered into a loan agreement, dated March 3, 2017, among one of our wholly-owned subsidiaries, as borrower, Golar LNG Limited, as guarantor, Citibank, N.A., as administrative agent, initial collateral agent and calculation agent, and Citibank, N.A., as lender. We refer to this as the Margin Loan Facility. Pursuant to the Margin Loan Facility, on March 3, 2017, Citibank, N.A. provided a loan in the amount of $150 million. The Margin Loan Facility has a term of three years, an interest rate of LIBOR plus a margin and is secured by our Golar Partners common units and their associated distributions, and in certain cases, cash or cash equivalents. The Margin Loan Facility contains conditions, representations and warranties, covenants (including loan to value requirements), mandatory prepayment events, facility adjustment events, events of default and other provisions customary for a facility of this nature. The loan was primarily used to pay a portion of the amounts due under our 3.75% convertible senior secured bonds due March 2017, or the Prior Convertible Bonds. Concurrently with the repayment of the Prior Convertible Bonds, the trustee for these bonds released our Golar Partners common units that had been pledged to secure them. In connection with the entry into the Margin Loan Facility, we pledged 20,852,291 Golar Partners common units as security for the obligations under the facility.

Golar Tundra

In February 2016, we entered into a purchase agreement for the sale of our equity interests in the company ("Tundra Corp") that is the disponent owner and operator of the Golar Tundra to Golar Partners. The Golar Tundra was expected to commence operations under a time charter with West Africa Gas Limited ("WAGL") in the second quarter of 2016. However, due to delays in the project, this has not yet occurred, primarily due to the required infrastructure, including a connecting pipeline, jetty and breakwater, not yet being in place. The Golar Tundra remains anchored off the coast of Ghana and the project has made limited progress. In light of this, on May 30, 2017, Golar Partners elected to exercise its Put Right to require us to repurchase Tundra Corp at a price equal to the original purchase price (the "Tundra Put Sale") Golar Partners paid in its acquisition of Tundra Corp (the "Purchase Price"). In connection with the exercise of the Put Right, we and Golar Partners have entered into an agreement pursuant to which we have agreed to purchase Tundra Corp from Golar Partners on the date of the closing of the Tundra Put Sale (the "Put Sale Closing Date") for an amount equal to approximately $107 million (the "Deferred Purchase Price") plus an additional amount equal to 5% per annum of the Deferred Purchase Price (the "Additional Amount"). The Deferred Purchase Price and the Additional Amount shall be due and payable by us on the earlier of (a) the date of the closing of the acquisition of the Hilli Shares (as defined below) and (b) March 31, 2018. Golar Partners have agreed to accept the Deferred Purchase Price and the Additional Amount in lieu of a cash payment on the Put Sale Closing Date in return for an option (which Golar Partners have exercised) to purchase an interest in the Hilli.

The Hilli

On August 15, 2017, we entered into a purchase and sale agreement (the "Hilli Sale Agreement") with Golar Partners for the disposal (the "Hilli Disposal") from Golar and affiliates of Keppel Shipyard Limited ("Keppel") and Black and Veatch ("B&V") of common units (the "Disposal Interests") in Hilli LLC, which will, on the closing date of the Hilli Disposal, indirectly own the Hilli. The Disposal Interests represent the equivalent of 50% of the two liquefaction trains, out of a total of four, that will be contracted to Perenco Cameroon ("Perenco"), Societe Nationale de Hydrocarbures ("SNH") and the Republic of Cameroon (together with Perenco and SNH, the "Customer") under an eight-year liquefaction tolling agreement (the "Liquefaction Tolling Agreement"). The sale price for the Disposal Interests is $658 million less net lease obligations under the financing facility for the Hilli (the "Hilli Facility"), which are expected to be between $468 and $480 million. Concurrently with the execution of the Hilli Sale Agreement, we received a further $70 million deposit from Golar Partners, upon which we will pay interest at a rate of 5% per annum.

The closing of the Hilli Disposal is subject to the satisfaction of certain closing conditions which include, among others, the execution and delivery of the Liquefaction Tolling Agreement by the parties thereto, receiving the consent of the lenders under the Hilli Facility, the closing of the previously announced Tundra Put Sale (described above), the delivery to and acceptance by the Customer of the Hilli, the commencement of commercial operations under the Liquefaction Tolling Agreement and the formation of Hilli LLC and the related Pre-Closing Contributions as described further below. In addition, in connection with the closing, Golar Partners expect to provide a several guarantee of 50% of Golar Hilli Corp's ("Hilli Corp") indebtedness under the Hilli Facility.

Prior to the closing of the Hilli Disposal, we, along with Keppel and B&V, will contribute our equity interests in Hilli Corp, the entity that owns the Hilli, to the newly formed Hilli LLC (the "Pre-Closing Contributions") in return for equity interests in Hilli LLC. Membership interests in Hilli LLC will be represented by three classes of units: Common Units ("Hilli Common Units"); Series A Special Units ("Series A Units"); and Series B Special Units ("Series B Units").

The operating agreement of Hilli LLC, which is expected to be entered into effective as of the closing date, will provide that, within 60 days after the end of each quarter, we, in our capacity as the managing member of Hilli LLC, shall determine the amount of Hilli LLC's available cash and appropriate reserves (including cash reserves for future maintenance capital expenditures, working capital and other matters), and Hilli LLC shall make a distribution to the members of Hilli LLC (the "Members") of the available cash, subject to such reserves. Hilli LLC shall make distributions to the Members when, as and if declared by us, provided, however, that no distributions may be made on the Hilli Common Units on any distribution date unless (i) Series A Distributions (defined below) for the most recently ended quarter and any accumulated Series A Distributions in arrears for any past quarter have been or contemporaneously are being paid or provided for and (ii) Series B Distributions (defined below) for the most recently ended quarter and any accumulated Series B Distributions in arrears for any past quarter have been or contemporaneously are being paid or provided for.

The Series A Units shall be entitled to receive the "Series A Distributions", which means, with respect to any quarter, 100% of any "Incremental Perenco Revenues" received by Hilli Corp during such quarter. "Incremental Perenco Revenues" generally means:

a. any cash received by Hilli Corp from revenues invoiced to the extent such revenues invoiced are based on tolling fees under the Liquefaction Tolling Agreement relating to an increase in the Brent Crude price above $60 per barrel; less
b. any incremental tax expense arising from, or related to, any cash receipts referred to in clause (a) above; less
c. the pro-rata portion of any costs that may arise as a result of the underperformance of the Hilli ("Underperformance Costs") incurred by Hilli Corp during such quarter.

Series B Units shall be entitled to receive the "Series B Distributions", which means, with respect to any quarter, an amount equal to 95% of "Revenues Less Expenses" received by Hilli Corp during such quarter. "Revenues Less Expenses" generally means:

a. the cash receipts from revenues invoiced by Hilli Corp as a direct result of the employment of more than the first fifty percent of LNG production capacity for the Hilli, before deducting any Underperformance Costs (unless the incremental capacity above the first fifty percent is supplied under the terms of the Liquefaction Tolling Agreement and the term of the Liquefaction Tolling Agreement is not expanded beyond 500 billion cubic feet of feed gas), excluding, for the avoidance of doubt, any Incremental Perenco Revenues; less
b. any incremental costs whatsoever, including but not limited to operating expenses, capital costs, financing costs and tax costs, arising as a result of employing and making available more than the first fifty percent of LNG production capacity for Hilli FLNG; less
c. any reduction in revenue attributable to the first fifty percent of LNG production capacity availability as a result of making more than fifty percent of capacity available under the Liquefaction Tolling Agreement (including, but not limited to, for example, as a result of a tolling fee rate reduction as contemplated in the Liquefaction Tolling Agreement); less
d. the pro-rata share of Underperformance Costs incurred by Hilli Corp during such quarter.

Upon the closing of the Hilli Disposal, which is expected to occur on or before April 30, 2018, we, along with Keppel and B&V, will sell 50% of the Hilli Common Units to Golar Partners in return for the payment by Golar Partners of the net purchase price of between approximately $178 and $190 million. Golar Partners will apply the $107 million Deferred Purchase Price receivable from us in connection with the Tundra Put Sale and the $70 million deposit referred to above against the net purchase price and will pay the balance with cash on hand.

The description of the Hilli Sale Agreement contained in this report is a summary and is qualified in its entirety by reference to the terms of the Hilli Sale Agreement, which is filed as an exhibit to this report.

Liquefaction Tolling Agreement

In October 2015, Hilli Corp entered into a binding term sheet for FLNG tolling services with the Customer for the development of the Hilli Project. The binding term sheet has been converted into a Liquefaction Tolling Agreement and we expect that the Liquefaction Tolling Agreement will be executed in the second half of 2017. The Hilli is scheduled to provide liquefaction services under the Liquefaction Tolling Agreement for a term of the earlier of (i) eight years from the date the delivered Hilli is accepted by the Customer (the “Acceptance Date”), or (ii) at the time of receipt and processing by the Hilli of 500 billion cubic feet of feed gas. The commissioning process of testing the Hilli and preparing it for service is expected to commence in November 2017, and under the Liquefaction Tolling Agreement, the commercial start date to begin providing liquefaction services is the earlier of 180 days after the scheduled commissioning start date or the Acceptance Date, as may be extended by the parties. Under the terms of the Liquefaction Tolling Agreement, the Hilli will be required to make available 1.2 million tonnes of liquefaction capacity per annum, which capacity will be spread evenly over the course of the contract year. The Customer will pay Hilli a monthly tolling fee, which will fluctuate to a certain extent in relation to the price of Brent Crude. We expect that under the Liquefaction Tolling

Agreement, the Customer will have an option to increase liquefaction capacity. We expect that the Liquefaction Tolling Agreement will provide certain termination rights to the Customer and Hilli Corp. The Liquefaction Tolling Agreement will provide for the payment by Hilli Corp of penalties of up to $400 million in the event of Hilli Corp's underperformance or non-performance. If the Customer elects to terminate the Liquefaction Tolling Agreement prior to the second anniversary of the Acceptance Date, the Customer will be obligated to pay Hilli Corp $400 million, with termination payments decreasing if the Liquefaction Tolling Agreement is terminated after the second anniversary.

Dividends

In May 2017, we declared a dividend of $0.05 per share in respect of the quarter ended March 31, 2017 to holders of record on June 16, 2017, which was paid on July 5, 2017.

In August 2017, we declared a dividend of $0.05 per share in respect of the quarter ended June 30, 2017 to holders of record on September 14, 2017, which will be paid on or about October 4, 2017.

Fortuna Project

On May 2, 2017, OneLNG, our joint venture, together with Ophir Energy, GEPetrol and The Republic of Equatorial Guinea (the "Fortuna Project Participants"), signed an Umbrella Agreement that defines the full legal and fiscal framework for the 2.6Tcf Fortuna gas reserves, offshore Equatorial Guinea. Subsequent to June 30, 2017, the Fortuna Project Participants also agreed the LNG sales structure, and selected Gunvor Group Ltd. ("Gunvor") as off-taker. Principal commercial terms have been agreed with Gunvor for a sale and purchase agreement covering 2.2mtpa of LNG over a 10 year term. The LNG will be sold on a Brent-linked FOB basis. The LNG offtake structure also permits the Fortuna Project Participants to market up to 1.1mtpa of the above 2.2mtpa to higher priced gas markets and to share in any resultant profits. The Fortuna Project Participants have two years post final investment decision to secure alternative markets for this 1.1mtpa after which any unsold portion will revert to Gunvor. Final investment decision is expected to occur by the end of 2017.

Appointment of new CEO

In September 2017, we appointed Mr. Iain Ross to replace Mr. Oscar Spieler as CEO. Mr. Spieler's main remit on becoming CEO has always been the successful delivery of Hilli and a search for his successor to follow shortly thereafter. Having substantially executed his responsibility to deliver the Hilli, Mr. Spieler will nevertheless remain with the group and fulfill the role of Executive Advisor and assist Mr. Ross until charterers Perenco and SNH accept the Hilli.

Change in chairman and directors

On September 28, 2017, at the annual general meeting, the board of directors (the "Board") nominated Mr. Tor Olav Trøim to succeed Mr. Daniel Rabun as chairman. Mr. Rabun will, however, continue to serve as a member of the Board. Mr. Trøim has served as a director of the Company since September 2011. In addition, the Board appointed Mr. Michael Ashford, the company secretary, as a director.

Operating and Financial Review

Six Month Period Ended June 30, 2017 compared with the Six Month Period Ended June 30, 2016

Vessels operations segment

	Six months ended June 30,			
(in thousands of $, except average daily TCE)	2017	2016	Change	% Change
Operating revenues (including revenue from collaborative arrangement)	53,518	34,927	18,591	53 %
Vessel operating expenses	(25,043)	(29,637)	4,594	(16)%
Voyage, charterhire and commission expenses (including expenses from collaborative arrangement)	(28,737)	(23,278)	(5,459)	23 %
Administrative expenses	(22,320)	(19,141)	(3,179)	17 %
Depreciation and amortization	(42,552)	(39,149)	(3,403)	9 %
Impairment of long-term assets	—	(1,706)	1,706	(100)%
Other non-operating gain	206	—	206	100 %
Interest income	2,912	1,091	1,821	167 %
Interest expense	(39,710)	(34,823)	(4,887)	14 %
Other financial items, net	(7,928)	(40,881)	32,953	(81)%
Income taxes	(647)	1,285	(1,932)	(150)%
Equity in net losses of affiliates	(2,606)	(5,563)	2,957	(53)%
Net loss	(112,907)	(156,875)	43,968	(28)%
Net loss attributable to non-controlling interests	(15,931)	(12,229)	(3,702)	30 %
Net loss attributable to Golar LNG Ltd	(128,838)	(169,104)	40,266	(24)%
Average Daily TCE [(1)] (to the closest $100)	13,600	8,600	5,000	58 %

(1) Time Charter Equivalent, or TCE, is a non-GAAP financial measure. See the section of this report entitled "Non-GAAP measures" for a discussion of TCE.

Operating revenues: Total operating revenues increased by $18.6 million to $53.5 million for the six months ended June 30, 2017 compared to $34.9 million for the same period in 2016. This was principally due to an increase of:

- $17.7 million from the improved utilization and daily hire rates, including repositioning fees, from our vessels participating in the Cool Pool for the six months ended June 30, 2017 compared to the same period in 2016;
- $1.1 million revenue from the Golar Arctic which was fully utilized for the six months ended June 30, 2017 compared to the same period in 2016 when she was mostly off-hire during the first quarter in preparation for her floating storage unit charter on March 23, 2016 with New Fortress Energy in Jamaica; and
- $4.7 million in management fee income, from $4.8 million to $9.5 million for the six months ended June 30, 2016 and 2017, respectively, from the provision of services to Golar Partners, Golar Power and OneLNG under our management and administrative services and fleet management agreements. The increase is a result of the services provided to Golar Power and OneLNG which had no comparable amount in 2016.

These are partially offset by a decrease of $4.3 million in revenue in 2017, from Golar Penguin and Golar Celsius following the deconsolidation of Golar Power, and thus its fleet, effective in July 2016.

Vessel operating expenses: Vessel operating expenses decreased by $4.6 million to $25.0 million for the six months ended June 30, 2017, compared to $29.6 million for the same period in 2016, primarily due to the following:

- a decrease of $4.3 million in relation to the Golar Penguin and Golar Celsius following the deconsolidation of Golar Power, and thus its fleet, from July 2016;
- a decrease of $1.4 million from Golar Arctic and Golar Tundra, as they incurred higher upstoring and repairs and maintenance costs in preparation for the Fortress charter which commenced in 2016 and the WAGL charter which was to commence in 2016, respectively; and

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- partially offset by an increase of $1.5 million in fleet management costs due to change in classification of fleet management related administrative costs to vessel operating costs for the six months ended June 30, 2017, following our in-housing of technical operations.

As a result of higher revenue and lower voyage expenses incurred by most of our vessels within the period, we had a higher daily time charter equivalent, or TCE, for the six months ended June 30, 2017 of $13,600 compared to $8,600 for the same period in 2016. See the section of this report entitled "Non-GAAP measures" for a discussion of TCE.

Voyage, charterhire and commission expenses: Voyage, charterhire and commission expenses largely relate to charterhire expenses, fuel costs associated with commercial waiting time and vessel positioning costs. While a vessel is on-hire, fuel costs are typically paid by the charterer, whereas during periods of commercial waiting time, fuel costs are paid by us. The increase in voyage, charterhire and commission expenses of $5.5 million to $28.7 million for the six months ended June 30, 2017 compared to $23.3 million for the same period in 2016 was primarily due to:

- an increase of $9.9 million of voyage expenses primarily due to repositioning fees that arose from the increased utilization of our vessels participating in the Cool Pool, which are subsequently recouped from the charterer;
- a decrease of $0.9 million in charterhire expense relating to the charter back of the Golar Grand from Golar Partners until October 2017. This comprises of a reduction of $5.5 million in amounts payable to Golar Partners under the charter back arrangement for the six months ended June 30, 2017 as compared to 2016. The decrease is mainly due to the Golar Grand's drydocking from February to April 2017. No charterhire is payable during periods of drydocking. This decrease is partially offset by the recognition of expense of $4.2 million, comprising of an incremental $9.0 million upon re-measurement of the existing Golar Grand guarantee obligation, net of the related amortization income recognized in the six months ended June 30, 2017;
- a decrease of $2.0 million from Golar Penguin and Golar Celsius following the deconsolidation of Golar Power, and thus its fleet, from July 2016; and
- a decrease of $0.6 million from Golar Arctic as she incurred significant voyage costs prior to commencement of her two year floating storage unit charter on March 23, 2016 with New Fortress Energy in Jamaica. There was no comparable amount for the six months ended June 30, 2017.

Administrative expenses: Administrative expenses increased by $3.2 million to $22.3 million for the six months ended June 30, 2017 compared to $19.1 million for the same period in 2016. This was primarily due to an increase in salaries and benefits of $4.5 million mainly as a result of an increase in headcount and $0.5 million in travel costs in connection with the various new ventures and associated projects entered into during the second half of 2016 such as Golar Power and OneLNG. This was partially offset by (i) a decrease of $2.8 million in legal and professional fees; and (ii) a general decrease following a change in the classification of fleet management related administrative costs to vessel operating expenses as discussed under vessel operating expenses above.

Depreciation and amortization: Depreciation and amortization increased by $3.4 million to $42.6 million for the six months ended June 30, 2017 compared to $39.1 million for the same period in 2016. This was primarily due to:

- an increase of $11.6 million in depreciation expense in 2017 relating to the Golar Tundra. This includes a $9.7 million depreciation catch up charge recognized upon ceasing to be classified as held for sale in March 2017;

These are partially offset by a decrease in depreciation and amortization of:

- $5.6 million from Golar Penguin and Golar Celsius following the deconsolidation of Golar Power, and thus its fleet, from July 2016; and
- $2.6 million from the Gimi as she was at the end of her useful life as at December 31, 2016.

Impairment of long-term assets: During the six months ended June 30, 2016, we realized an impairment charge amounting to $1.7 million related to equipment classified as "Other long-term assets" due to the uncertainty of its future usage. There was no comparable charge for the same period in 2017.

Interest income: Interest income increased by $1.8 million to $2.9 million for the six months ended June 30, 2017 compared to $1.1 million for the same period in 2016. The increase was primarily due to the returns on our fixed deposits that had been made during the six months ended June 30, 2017 using the proceeds from our $150.0 million margin loan and $402.5 million convertible bonds.

Interest expense: Interest expense increased by $4.9 million to $39.7 million for the six months ended June 30, 2017 compared to $34.8 million for the same period in 2016 and is primarily due to:

- an increase of $4.2 million in relation to the $402.5 million convertible bond issued in February 2017 which replaced the old $250 million convertible bond, which was repaid in early March 2017;
- an increase of $9.2 million interest expense largely due to the out of period correction of capitalized interest on borrowing costs in respect of the Hilli FLNG conversion recognized in the six months ended June 30, 2016; and
- an increase of $2.5 million from the $150.0 million margin loan that we entered into in March 2017.

These are partially offset by:

- a $8.0 million decrease in interest expense arising on the loan facilities of our consolidated Lessor VIEs;
- a decrease of $5.6 million from the Golar Penguin and Golar Celsius relating to interest expense incurred prior to the deconsolidation of Golar Power in July 2016; and
- a $2.8 million write off of deferred finance charges as a result of the refinancing of the Golar Seal debt in March 2016. There is no comparable write off in 2017.

Other financial items: Other financial items decreased by $33.0 million to a loss of $7.9 million for the six months ended June 30, 2017 compared to a loss of $40.9 million for the same period in 2016. The movement was primarily due to:

Net realized and unrealized (losses) gains on interest rate swap agreements: Net realized and unrealized losses on interest rate swaps decreased to a loss of $3.3 million for the six months ended June 30, 2017 from a loss of $35.1 million for the same period in 2016, as set forth in the table below:

	Six months ended June 30,			
(in thousands of $)	2017	2016	Change	% Change
Mark-to-market adjustment for interest rate swap derivatives	(603)	(29,390)	28,787	(98)%
Interest expense on undesignated interest rate swaps	(2,706)	(5,741)	3,035	(53)%
Net realized and unrealized losses on interest rate swap agreements	(3,309)	(35,131)	31,822	(91)%

As of June 30, 2017, we have an interest rate swap portfolio with a notional amount of $1.3 billion, none of which are designated as hedges for accounting purposes. The decrease in mark-to-market losses from our interest rate swaps is due to the stability in the long-term swap rates for the six months ended June 30, 2017, as opposed to a significant decrease in the long-term swap rates for the six months ended June 30, 2016.

Unrealized (losses) gains on total return swap (or equity swap): In December 2014, we established a three month facility for a Stock Indexed Total Return Swap Programme or Equity Swap Line with DNB Bank ASA in connection with a share buyback scheme. The facility has been subsequently extended to December 2017. The equity swap derivatives mark-to-market adjustment resulted in a net loss of $4.3 million recognized in the six months ended June 30, 2017 compared to a net gain of $3.4 million for the same period in 2016.

Impairment loss on loan receivable: Given the announcement of a negative Final Investment Decision from the Douglas Channel Project consortium, we reassessed the recoverability of the loan (including accrued interest receivable) previously granted by Golar to Douglas Channel LNG Assets Partnership ("DCLAP") and concluded that DCLAP would not have the means to satisfy its obligations under the loan. Accordingly, during the six months ended June 30, 2016, we recognized an impairment charge of $7.6 million. There was no comparable amount for the six months ended June 30, 2017.

Income taxes: Income taxes relate principally to the taxation of U.K. based entities.

Equity in net (losses) earnings of affiliates:

	Six months ended June 30,			
(in thousands of $)	2017	2016	Change	% Change
Share of net loss in Golar Partners	(2,906)	(5,525)	2,619	(47)%
Share of net earnings (loss) in other affiliates	300	(38)	338	(889)%
	(2,606)	(5,563)	2,957	(53)%

Although Golar Partners reported a higher than normal net income, in the six months ended June 30, 2017, which was primarily due to recognition of the Golar Spirit termination fee, our equity in net earnings from Golar Partners resulted in a loss as this was offset by the amortization of the basis difference, in relation to the recognition in 2012 of a fair value gain on deconsolidation. In addition we recognized a deemed loss on disposal of $17.0 million in 2017 as a result of a dilution in our holding in Golar Partners following additional equity issuances in February 2017.

Net income attributable to non-controlling interests: During 2017, we were party to sale and leaseback arrangements for seven vessels (2016: six) with subsidiaries of Chinese financial institutions. Each of these lessor entities are wholly-owned, newly formed special purpose vehicles ("SPVs"). We have determined that the lessor entities, that own the vessels, are variable interest entities. We refer to these as "VIEs" or the "Lessor VIEs". While we do not hold any equity investments in these Lessor VIEs, we are the primary beneficiary. Accordingly, these Lessor VIEs are consolidated into our financial results and thus the equity attributable to the financial institutions in their respective VIEs are included in non-controlling interests in our consolidated results.

LNG trading segment

	Six months ended June 30,			
(in thousands of $)	2017	2016	Change	% Change
Other operating gains and losses	—	16	(16)	100 %
Net income	—	16	(16)	100 %

In the six months ended June 30, 2016, we entered into a Purchase and Sales Agreement to buy and sell LNG cargo. The LNG cargo was acquired from a third party and subsequently sold on a delivered basis to New Fortress Energy in March 2016 when the Golar Arctic was repositioning to Jamaica in preparation for her charter as a floating storage unit with New Fortress Energy. There was no LNG trading activity for the six months ended June 30, 2017.

FLNG segment

	Six months ended June 30,			
(in thousands of $)	2017	2016	Change	% Change
Administrative expenses	(226)	(2,124)	1,898	(89)%
Share of net loss in OneLNG	(3,126)	—	(3,126)	100 %

Net loss	(3,352)	(2,124)	(1,228)	58 %

The net loss for FLNG for the six months ended June 30, 2017 and 2016 amounted to $3.4 million and $2.1 million, respectively. This relates to FLNG project related expenses comprising of legal, professional, consultancy costs and pursuant to the formation of OneLNG in July 2017, our share of net losses in OneLNG.

FLNG conversion

In September 2014, the Hilli was delivered to Keppel Shipyard Management ("Keppel") in Singapore for commencement of her FLNG conversion. The total estimated conversion, vessel and site commissioning cost for the Hilli, including contingency, is approximately $1.3 billion.

As of June 30, 2017, the total costs incurred and capitalized in respect of the Hilli conversion amounted to $855.9 million.

Other FLNG conversions

In December 2014 our subsidiary that owns the Gimi entered into a contract with Keppel for the conversion of the Gimi to a FLNG, subject to certain conditions to the contract effectiveness and notice to proceed with the conversion. This agreement is similar to the agreement that we have entered into with respect to the Hilli conversion.

On December 27, 2016, the Gimi contract was extended to December 31, 2017, and all conditions to the contract's effectiveness, including payments of $30 million to Keppel, were satisfied as of January 2017. The contract requires issuing a final notice to proceed and a payment of $95 million by December 30, 2017 to proceed with the conversion.

We have negotiated and agreed a new contract for the conversion of the Gandria, which we anticipate will be executed in connection with OneLNG making a final investment on the Fortuna Project by the end of 2017.

The total estimated conversion, vessel and site commissioning cost for the conversion of the Gimi and the Gandria, including contingency, is approximately $1.2 billion and $1.5 billion, respectively. As June 30, 2017, we have made $31.0 million of payments relating to long lead items ordered in preparation for the conversion of the Gimi to a FLNG.

Power segment

	Six months ended June 30,			
(in thousands of $)	2017	2016	Change	% Change
Equity in net losses of Golar Power	(7,461)	—	(7,461)	(100)%
Net loss	(7,461)	—	(7,461)	(100)%

Since the deconsolidation of Golar Power in July 2016, we have accounted for our remaining 50% ownership interest under the equity method. Our share of net losses in Golar Power principally relates to trading activity of the Golar Celsius and the Golar Penguin operating as LNG carriers within the Cool Pool arrangement.

Liquidity and Capital Resources

Our short-term liquidity requirements are primarily for the servicing of debt, working capital requirements, investments in Golar Power and OneLNG and conversion project related commitments due within the next 12 months. The short-term outlook in the LNG shipping market has improved over the last few months. Whilst certain challenges remain, the first half of 2017 started showing signs of recovery, as anticipated, with a general improvement in utilization and hire rates. Such improvement is forecast to continue in the second half of 2017. However, the extent and the pace of the recovery and the impact on the Company's results is unknown. Accordingly, we may require additional working capital for the continued operation of our vessels in the spot market (via the Cool Pool). The need for additional working capital is dependent upon the employment of the vessels participating in the Cool Pool and fuel costs incurred during idle time. We remain responsible for manning and technical management of our vessels in the Cool Pool. We estimate that total forecast vessel operating expenses relating to our eight vessels in the Cool Pool (excluding the two vessels that form part of the Golar Power fleet) for the next 12 months is $37.0 million, based on our historical average operating costs. However, we have limited working capital requirements for the Hilli, which is currently undergoing conversion to a FLNG vessel, as progress payments are funded by the FLNG Hilli facility.

Additionally, we require a small amount of working capital for our three vessels that are currently in lay-up.

As of June 30, 2017, we had cash and cash equivalents (including restricted cash and short-term deposits) of $781.6 million, of which $438.4 million is restricted cash and short-term deposits. Included within restricted cash is $232.4 million in respect of the issuance of the letter of credit to our FLNG project partners, an aggregate of $76.2 million cash collateral relating to requirements under our total return equity swap and interest rate swaps, and the balance which mainly relates to the cash belonging to our Lessor VIEs that we are required to consolidate under U.S. GAAP.

Since June 30, 2017, significant transactions impacting our cash flows include:

Receipts:

- receipt of a $70 million deposit from Golar Partners upon entry into the purchase and sale agreement for the acquisition by Golar Partners of equity interests in Hilli LLC, which will, on the closing date of the acquisition, indirectly own the FLNG, the Hilli; and
- receipt of $12.9 million in August 2017, in respect of cash distributions for the quarter ended June 30, 2017, from Golar Partners in relation to our interests in its common and general partner units held at the relevant record date, albeit $12.1 million was used to satisfy principal and interest repayments on the Margin Loan Facility (defined below) as a result of 20,852,291 of Golar Partners common units held by us being pledged as security for the obligations under the facility.

Payments:

- payment of $5.1 million in cash distributions to our shareholders in July 2017, in respect of the quarter ended March 31, 2017;
- additional capital contributions of $27 million to Golar Power in September 2017; and
- payment of scheduled loan and interest repayments.

A pre-condition of the Golar Tundra lease financing with CMBL (refer to note 7 - Variable Interest Entities, to our consolidated financial statements) is for the FSRU to be employed under an effective charter. The recent delays with the WAGL charter and the recent termination of that charter by us, means that we now have to find a replacement charter by June 30, 2018 or we could be required to refinance the FSRU. Accordingly, to address our anticipated working capital requirements over the next 12 months, in the event we are unable to secure a replacement charter for the Golar Tundra, we are currently exploring our refinancing options. We may also look to refinance our other newbuildings. While we believe we will be able to obtain the necessary funds from these refinancings, we cannot be certain that the proposed new credit facilities will be executed in time or at all. However, we have a track record of successfully financing and refinancing our vessels, even in the absence of term charter coverage. Recent successes include the refinancing of the Golar Crystal in March 2017. In addition to vessel refinancings, if market and economic conditions are favorable, we may also consider further issuances of corporate debt or equity to increase liquidity, as demonstrated by our convertible bond offering in February 2017, which raised net proceeds of $360.2 million. We also entered into a Margin Loan Facility in March 2017, which raised proceeds of $150 million.

Furthermore, with respect to our Golar Power joint venture with Stonepeak, under the shareholders' agreement, we and Stonepeak have agreed to contribute additional funding to Golar Power, on a pro rata basis, including (i) an aggregate of a approximately $150 million in the period through to the third quarter of 2018; and (ii) additional amounts as may be required by Golar Power, subject to the approval of its board of directors. In connection with Golar Power’s election in October 2016 to increase its ownership interest in the Sergipe project from 25% to 50% by buying out the project developer GenPower, this is expected to result in an additional funding requirement of between $20 million to $50 million to be shared with Stonepeak, with the initial $20 million being required on financial close of the project financing for the power plant, which is expected to occur by December 31, 2017.

In connection with our joint venture OneLNG, under the joint venture and shareholders' agreement with Schlumberger, once a OneLNG project reaches final investment decision, we and Schlumberger will each be required to provide $250 million of new equity. Contributions to this new equity may include intellectual property amongst other items. As further described in the 20-F for the year ended December 31, 2016, OneLNG and Ophir Energy ("Ophir") have signed a shareholders' agreement to develop a project in Equatorial Guinea. The effectiveness of the shareholders' agreement is subject to certain conditions precedent including final investment decisions by OneLNG and Ophir, securing of financing and governmental approval which may occur in the second half of 2017. Accordingly, we anticipate, in the event of a final investment decision, to fund the estimated $2 billion project cost, assuming debt financing of $1.2 billion and Ophir's investment of $150 million, OneLNG will be expected to invest approximately $650 million (this is inclusive of the aggregate of $500 million new equity required under the OneLNG shareholders' agreement). The cash contribution from the Company to the project remains uncertain as the timing of capital expenditure for the project is not yet finalized due to the payment profile of certain contracts continuing to be negotiated. Furthermore, the amount of our contribution to the project within the next twelve months will be determined by the timing of the final investment decision, which is yet to be taken. Our recent financings will contribute towards our 51% share of the equity contribution into OneLNG in the

2017 to 2020 period. Credit can be expected for both the intellectual property and the LNG carrier Gandria contributed by Golar into the Equatorial Guinea project.

Our medium and long-term liquidity requirements are primarily for funding the investments for our conversion projects including investments into our new joint ventures, Golar Power and OneLNG, as discussed above, and repayment of long-term debt balances. Sources of funding for our medium and long-term liquidity requirements include new loans, refinancing of existing financing arrangements, public and private debt or equity offerings, potential sales of our interests in our vessel owning subsidiaries operating under long-term charters (including that of the Hilli), and potential use of our investment in the common units of Golar Partners subject to adherence to certain debt covenant requirements as to the maintenance of minimum holdings.

In connection with the conversion of the Hilli to a FLNG, we entered into the FLNG Hilli facility in September 2015. The FLNG Hilli facility is designed to fund up to 80% of the project cost and is split into two phases: a pre-delivery credit facility and post-delivery sale and leaseback financing. The first phase enables us to draw down up to 60% of the construction cost, however not more than $700 million, from the pre-delivery facility to fund the ongoing conversion. The second phase is triggered upon the delivery of the converted Hilli from Keppel and the satisfaction of certain additional performance milestones, and will allow for the aggregate draw down of up to 80% of the construction cost, however not more than an aggregate of $960 million. We expect that all remaining conversion and commissioning costs for the Hilli will be satisfied by this debt facility, but additional costs may arise. To date we have drawn down $375 million under the pre-delivery facility. As of June 30, 2017, the outstanding capital commitments in relation to the Hilli conversion was $366.0 million

We have also executed FLNG conversion contracts for both the Gimi and the Gandria. As of the current date, we have not executed notices to proceed for either vessel. As of June 30, 2017, we have made $31.0 million of advances in relation to the conversion of the Gimi, but none for the Gandria. The Gimi conversion contract provides us flexibility wherein certain beneficial cancellation provisions exist which, if exercised prior to contract expiry, will allow termination of the contracts and recovery of previous milestone payments, less cancellation fees. The Gimi contract has been extended to expire in December 2017. The Gandria contract has been renegotiated in anticipation of the Fortuna Project taking final investment decision during the second half of 2017. In view of the prevailing uncertainty in the energy markets and the delay in the timing of the final investment decision of Ophir's Fortuna Project to the latter part of 2017, we do not intend to accelerate the conversion of either vessel before satisfactory financing and/or firm client contracts are in place.

Borrowing activities

For the six months ended June 30, 2017, we have entered into the following new debt facilities:

Convertible bonds - 2017

On February 17, 2017, we issued a new $402.5 million 2.75% senior unsecured convertible bond due in 2022. The conversion rate for the bonds will initially equal 26.5308 common shares per $1,000 principal amount of the bonds. This is equivalent to an initial conversion price of $37.69 per common share, or a 35% premium on the February 13, 2017 closing share price of $27.92. The conversion price is subject to adjustment for dividends paid. To mitigate the dilution risk of conversion to common equity, we also entered into capped call transactions costing approximately $31.2 million. The capped call transactions cover approximately 10,678,647 common shares, have an initial strike price of $37.69, and an initial cap price of $48.86. The cap price of $48.86, which is a proxy for the revised conversion price, represents a 75% premium on the February 13, 2017 closing share price of $27.92. Including the $31.2 million cost of the capped call, the all-in cost of the bond is approximately 4.3%. Bond proceeds, net of fees and the cost of the capped call, amounted to $360.2 million.

Crystal VIE loan

In March 2017, in connection with the refinancing of the Golar Crystal, we entered into a sale and leaseback transaction pursuant to which we sold the Golar Crystal to a COSCO Shipping entity ("Crystal Lessor VIE"), and leased back the vessel under a bareboat charter for a monthly hire rate.

Crystal Lessor VIE, which is the legal owner of the Golar Crystal, financed the purchase of the vessel through an internal loan from COSCO Shipping. Crystal Lessor VIE was determined to be a VIE of which we are deemed to be the primary beneficiary and, as a result, we are required to consolidate the results of Crystal Lessor VIE. Although consolidated into our results, we have no control over the funding arrangements negotiated by Crystal Lessor VIE, such as interest rates, maturity, and repayment profiles. In consolidating Crystal Lessor VIE, we must make certain assumptions regarding the debt amortization profile and the interest rate to be applied against Crystal Lessor VIE's debt principal. The internal loan bears no interest and is repayable on demand.

Margin Loan Facility

We entered into a loan agreement, dated March 3, 2017, among one of our wholly-owned subsidiaries, as borrower, Golar LNG Limited, as guarantor, Citibank, N.A., as administrative agent, initial collateral agent and calculation agent, and Citibank, N.A., as lender. We refer to this as the Margin Loan Facility. Pursuant to the Margin Loan Facility, on March 3, 2017, Citibank, N.A. provided a loan in the amount of $150 million. The Margin Loan Facility has a term of three years, an interest rate of LIBOR plus a margin and is secured by our Golar Partners common units and their associated distributions, and in certain cases, cash or cash equivalents. The Margin Loan Facility contains conditions, representations and warranties, covenants (including loan to value requirements), mandatory prepayment events, facility adjustment events, events of default and other provisions customary for a facility of this nature. The loan was primarily used to pay a portion of the amounts due under our 3.75% convertible senior secured bonds due March 2017, or the Prior Convertible Bonds. Concurrently with the repayment of the Prior Convertible Bonds, the trustee for these bonds released our Golar Partners common units that had been pledged to secure them. In connection with the entry into the Margin Loan Facility, we pledged 20,852,291 Golar Partners common units as security for the obligations under the facility.

Hilli pre-delivery facility

During the six months ended June 30, 2017, we drew down an additional $125 million under the debt facility such that, as of June 30, 2017, the balance outstanding was $375 million. For additional details on the facility, refer to the 20-F for the year ended December 31, 2016.

Security, Debt and Lease Restrictions

Certain of our financing agreements are collateralized by vessel mortgages and, in the case of some debt, pledges of shares by each guarantor subsidiary. In addition, under certain of our financing agreements, we have provided security in the form of general assignments covering insurances and earnings, account charges, charters and related stock pledges. The existing financing agreements impose operating and financing restrictions which may significantly limit or prohibit, among other things, our ability to incur additional indebtedness, create liens, sell capital shares of subsidiaries, make certain investments, engage in mergers and acquisitions, purchase and sell vessels, enter into time or consecutive voyage charters or pay dividends without the consent of the relevant lenders. In addition, lenders may accelerate the maturity of indebtedness under financing agreements and foreclose upon the collateral securing the indebtedness upon the occurrence of certain events of default, including a failure to comply with any of the covenants contained in the financing agreements. Many of our debt agreements contain certain covenants, which require compliance with certain financial ratios. Such ratios include maintaining positive working capital ratio, tangible net worth covenant and minimum free cash restrictions. With regards to cash restrictions, Golar has covenanted to retain at least $50 million of cash and cash equivalents on a consolidated group basis. In addition, there are cross default provisions in certain of our and Golar Partners' loan and lease agreements.

Cash Flow

	Six Months Ended June 30,			
(in thousands of $)	2017	2016	Change	% Change
Net cash used in operating activities	(31,163)	(59,204)	28,041	(47)%
Net cash used in investing activities	(198,480)	(5,944)	(192,536)	3,239 %
Net cash provided by financing activities	348,679	24,633	324,046	1,315 %
Net increase (decrease) in cash and cash equivalents				