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Investment Results	2019	2020	2021	2022	2023	2024	YTD 2025	Since Inception ¹
LVS Growth (net of fees)	-	61.9%	16.1%	(35.8%)	7.0%	36.7%	15.7%	104.3%
LVS Event-Driven (net of fees)	7.0%	13.2%	9.1%	3.8%	6.2%	7.5%	10.4%	72.9%

Note: investment performance is presented net of all fees and expenses. Investment results are as of September 30, 2025.

(1) LVS Event-Driven was inceptioned on January 1, 2019. LVS Growth was inceptioned on January 1, 2020.

October 20, 2025

Dear Investors,

For the first three quarters of 2025, the LVS Growth Portfolio gained 15.7% and the LVS Event-Driven Portfolio gained 10.4%, net of all fees and expenses. This compares to the S&P 500 which gained 14.8% and the high-yield bond index which gained 7.3%, our benchmarks respectively.

In this letter, I will discuss the Growth Portfolio's investment in Golar LNG (NASDAQ:GLNG). For a more detailed discussion of our Golar investment, [please refer to our investment memo here](#).

Reaffirming Our Electricity Thesis

The most prominent theme in our portfolios over the past 2 years has been our investments in power generation businesses. Electricity demand is accelerating as several powerful trends come together: the surge in AI computing, the shift toward electric vehicles, and the continued rise of the global middle class. Our thesis is simple: demand for power is growing faster than supply.

Year	US Electricity Growth (GW)	Total Baseload Growth	Baseload Surplus (Deficit)
2026	12	2	(10)
2027	14	5	(9)
2028	13	9	(4)
2029	14	11	(3)
2030	26	6	(20)
2031	14	20	6
2032	15	20	5
2033	15	20	5
2034	10	20	10
2035	10	20	10

Source: EIA, S&P Global, Bank of America, LVS Advisory Estimates.

The table above is the output of a study LVS Advisory conducted where we evaluated several sources of electricity supply and demand growth estimates to arrive at a composite estimate. As the table notes, electricity demand is outstripping the supply of baseload energy in the US at a rate that will cumulatively result in a nearly 50-gigawatt deficit over the next 5 years.



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The estimates above may be conservative. As AI investments continue to accelerate, electricity demand is following, making access to reliable sources of power a critical cornered resource for technology companies. There are no signs of this pace of investment slowing. Sam Altman, CEO of OpenAI, [announced a plan](#) to build 250-gigawatts of datacenter capacity by 2033. If implemented, that would require building nearly a gigawatt per week in new power supply – an unthinkable aggressive goal relative to the current planned pace of construction of less than 1 GW per month.

The most logical conclusion one can make is that electricity prices will continue rising. Our investment in independent power producer Talen Energy, discussed in our [Q2 2024 investor letter](#), should continue to benefit. Talen is one of the largest holdings in both our Growth Portfolio and Event-Driven portfolios.

Higher prices are incentivizing the construction of new power plants as well. Our investment in nuclear power plant capital equipment company Curtis-Wright, discussed in our [Q2 2025 investor letter](#), should also continue to benefit. Curtis Wright is now one of the largest holdings in our Growth Portfolio.

Finally, there is an increased need for all sources of electricity globally, including transition sources such as natural gas. Our investment in Golar, discussed below, is poised to benefit from the growth in the global market for liquified natural gas (“LNG”).

Our basket bet on power generation (TLN, CW, GLNG) accounts for over 20% of our Growth Portfolio today. From a portfolio management standpoint, the concentrated investment in this basket should produce outsized returns if we continue to be proven correct. From a risk management standpoint, we are at the limit of what I am willing to invest in the energy sector.

Growth Portfolio: Golar LNG Investment

Golar LNG



Golar LNG (“Golar”, “GLNG”, or the “Company”) is an energy infrastructure company providing floating chemical plants used by oil and gas companies to convert natural gas into liquified natural gas (“LNG”). The Company converts LNG ships into floating LNG (“FLNG”) plants and rents the ships to oil and gas companies on 20-year leases. In exchange, Golar receives a fixed toll plus commodity price upside.

Golar’s customers include National Oil Companies (“NOCs”) and independent oil and gas producers (e.g. BP, Exxon). National Oil Companies are state-owned entities responsible for developing a country’s natural resources (e.g. Saudi Aramco in Saudi Arabia or Pemex in Mexico). NOCs will often contract with independent energy companies like Golar to bring in expertise for projects.

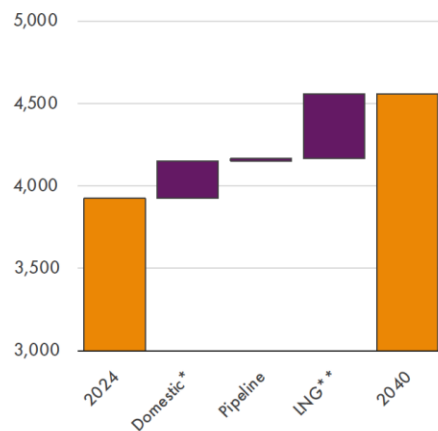


Independent oil companies will also partner with Golar to license its FLNG technology. BP has contracted Golar's FLNG Gimi in a 20-year contract offshore Mauritania and Senegal. However, companies including Shell and Eni have vertically integrated an FLNG solution with varying degrees of success. Vertical integration is Golar's primary competitor, as no other companies provide "FLNG-as-a-service".

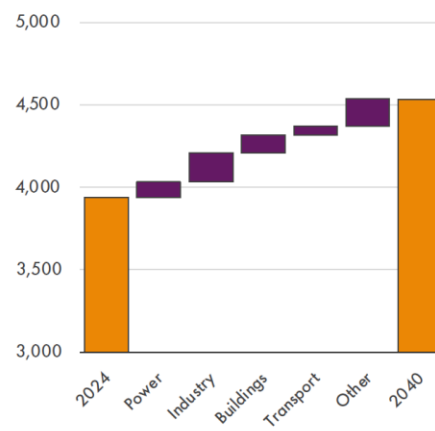
The Global Market for Liquefied Natural Gas

LNG is a critical transition energy source that will experience growing global demand over the next 50 years. Demand for LNG is growing because it is cleaner than other conventional fuel sources (coal, crude), faster to develop than nuclear power generation, and more reliable than renewable energy sources (wind, solar). LNG is used for heating and electricity, and the world is short energy; therefore, demand for LNG has and will continue to be robust. The charts below are from [Shell's 2025 natural gas outlook](#) whitepaper, showing that LNG demand is expected to rise by 15% over the next 15 years. Supply growth will primarily come from LNG.

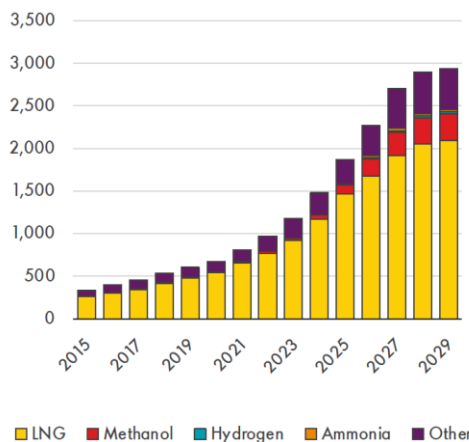
Natural gas supply 2024-2040
BCM



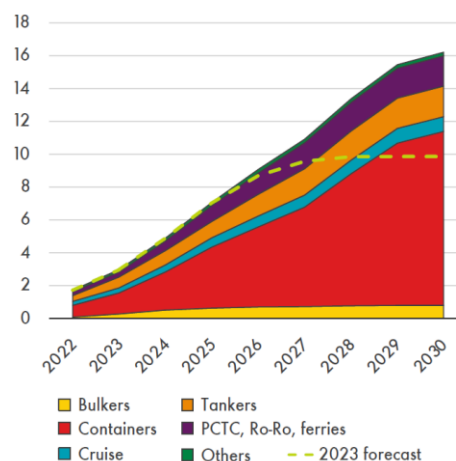
Natural gas demand 2024-2040
BCM



Marine order book for lower-carbon fuels
Vessels



LNG demand in shipping
MTPA

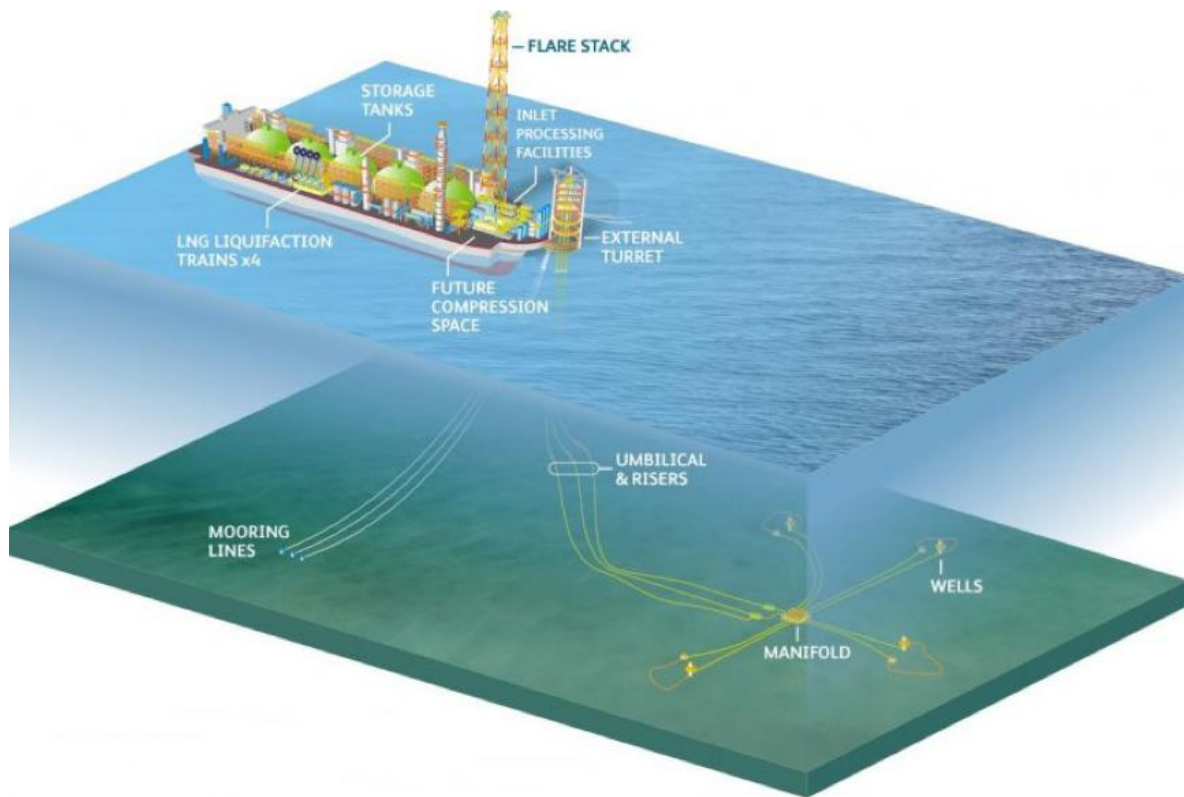


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The significant increase in global LNG demand/supply creates a strong growth tailwind for the FLNG industry and for Golar.

Golar's Value Proposition

Floating LNG projects are a solution for stranded gas reserves, which are typically unusable or undeveloped due to geographical, technical, political, or economic limitations. A FLNG is a floating production facility that liquifies natural gas at sea. FLNGs can be located directly above offshore gas fields or docked onshore in proximity to a land-based gas field. This solution is lower-cost because the time and capital required to build a floating LNG plant are a fraction of what it would take to build a land-based solution. Furthermore, FLNGs can be positioned in places that reduce transportation and storage costs for the resource owners.



Golar has 3 FLNG designs which vary in size:

- MKI - capacity of up to 2.7mtpa, requires \$1.7bn to build, and can be delivered within 3 years
- MKII - capacity of up to 3.5mtpa, requires \$2.2bn to build, and can be delivered within 3 years
- MKIII - capacity of up to 5.4mtpa, requires \$3.5bn to build, and can be delivered within 5 years

MKI and II designs are suited for conversions from existing LNG carriers, while a MKIII would need to be a new build construction, hence the higher price and longer delivery time.

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Compare Golar's floating LNG solution to a land-based solution like what is offered by Cheniere:

	Cheniere's Corpus Christi Stage 3 Expansion	Golar's Fuji MKII FLNG
Total Capex	\$8bn	\$2.2bn
Total LNG Capacity	10mtpa	3.5mtpa
Capex Per mtpa	\$800m	\$628m
Construction Time	4 years	2.5 years

Source: public filings.

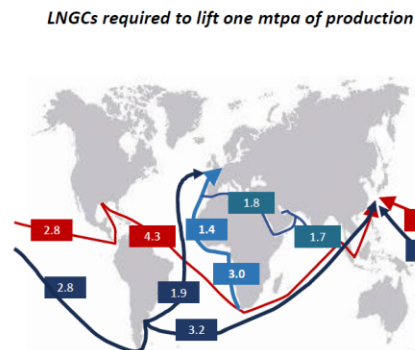
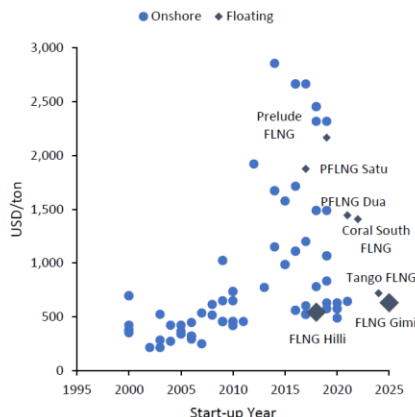
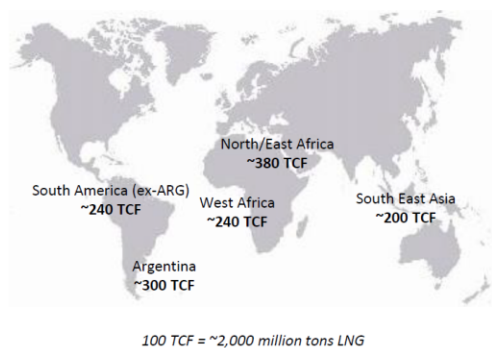
Golar's solution is cheaper both in total cost as well as cost per mtpa of LNG capacity. Golar's solution can be delivered faster and can be delivered to any site in the world with port access. Cheniere's solution has a higher total capacity, especially when taking the entire Corpus Christi terminal into consideration. However, a land-based facility is a massive undertaking that also requires building out pipeline and port infrastructure. A land-based solution makes sense for larger projects with multi-decade production goals.

Not only is Golar's solution cheaper than the US in terms of capex per mtpa of LNG production, but it is also cost-advantaged in its shipping routes. The graphic on the far left below shows the regions where Golar is focused on. The graphic on the far right shows that relative to the US Gulf, Golar's shipping distance to key customers in Europe and Asia is much shorter. This is critical because the United States is the world's largest exporter of LNG and therefore, is increasingly setting the marginal price. Golar's projects being cost-advantaged to the US price ensure their long-term sustainability even in less favorable economic conditions. In fact, Golar will not take on a project where the production costs are above the US.

Focus: regions with substantial gas reserves

Golar's FLNG: market leading capex/ton

Shorter sailing distances to LNG markets



Source: Golar Investor Presentation.

Finally, Golar's floating solution is an elegant solution to solve for geopolitical risks. The unfortunate reality is that many of the countries where stranded oil & gas resources reside are too unstable to make the large capital investment required for land-based infrastructure.

A good example of the geopolitical risk in the resource sector is Anadarko's LNG project in Mozambique. From 2019 to 2021, Anadarko invested \$20 billion to develop an onshore LNG terminal in Mozambique with 12.9mtpa of LNG capacity. The project was halted in 2021 due to violent insurgent attacks in Cabo Delgado province (near the project site). The project is still on hold due to security risks despite the massive investment sunk into the development.

By contrast, Golar's floating solution can simply pull up anchor and set sail to a new project if conditions change. There is a precedent for this. Exmar signed a 10-year contract in 2018 with its FLNG Tango. Argentina declared force majeure in 2020 due to covid and the FLNG Tango set sail for Uruguay, where it docked until it found a new contract in the Republic of Congo. After arbitration, Exmar was compensated \$150 million for the early termination of its contract. This demonstrates why Golar can contract in places like West Africa and Argentina with less risk than an onshore solution.

Golar's principal competition is vertical integration. National oil companies and independent oil and gas companies must make a build vs. buy decision for each project. Smaller oil companies like Perenco or national oil companies may not have the in-house expertise to vertically integrate and opt for an outsourced solution from Golar. But even some oil majors like BP have chosen to outsource.

There is an advantage to specialization. Golar's Hilli has the best operational track record in the industry with almost no downtime. Golar's Gimi was delivered with no hitches and started delivering cargoes in 2025. By contrast, competing vertically integrated solutions have faced operational challenges. Despite Shell spending \$19 billion on the Prelude, the FLNG has faced unplanned outages and shutdowns due to electrical system failures, pump and valve reliability problems, and compressor issues that have cumulatively caused over 500 days of shutdowns in its first 5 years.

Golar's Contracted Assets

Golar's current portfolio consists of three assets (pictured below).



The FLNG Hilli is the world's first LNG carrier vessel conversion to an FLNG. The ship operated as a carrier vessel for 40 years before starting its conversion in 2015. Golar sent the Hilli to Keppel Shipyard in Singapore, where it underwent a \$1.2bn makeover. In 2018, Hilli commenced its first contract with Perenco, a private independent oil company, offshore Cameroon. For this 8-year contract, Perenco pays Golar a \$138m fixed tolling fee each year plus upside linked to commodity prices.

Hilli's contract in Cameroon will conclude in Q3 2026. It will then be redeployed for a 20-year contract with SESA in Argentina commencing in H2 2027. Hilli's SESA contract will be a big step up in economics. Golar will receive \$285m in fixed tolling fees plus commodity upside tied to TTF prices. We estimate Hilli will generate around \$355m in annual EBITDA (up from ~\$230m currently) starting in 2 years.

Gimi is Golar's second FLNG and is contracted with BP in Mauritania/Senegal. FLNG Gimi was delivered in June 2025 for a 20-year contract ending June 2045. This is a tolling fee-only contract where Gimi is being paid a guaranteed toll of \$151m with no commodity upside.

The Fuji is Golar's third FLNG and is currently under construction at the CIMC Raffles shipyard in Shandong, China. Fuji is a MKII design with 3.5mtpa LNG capacity – larger than the MKI Hilli and Gimi. The FLNG Fuji will be delivered at the end of 2027 to Argentina to commence a 20-year contract with SESA (alongside Hilli). The contract terms for the Fuji are the same as Hili's, just larger. We estimate Fuji will earn \$470m in total EBITDA once operational.

While doing business in Argentina sounds scary and comes with risks, Golar and SESA have been given strong protections and guarantees that de-risk the venture. First, the agreements signed are all governed by English Law with dispute resolution pursuant to the International Chamber of Commerce arbitration. Second, all contracts are fully paid in US dollars. Third, SESA has been granted a 30-year uninterruptible LNG export license for Hilli and Fuji. Finally, Argentina has provided what it calls "RIGI protection" which locks in the regulations and taxes,

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shielding SESA from future changes in local/national laws or taxes. The RIGI framework is a promise by the government of Argentina to let SESA operate without any curveballs.

And of course, Golar can just sail away and find new charters if the conditions on the ground change.

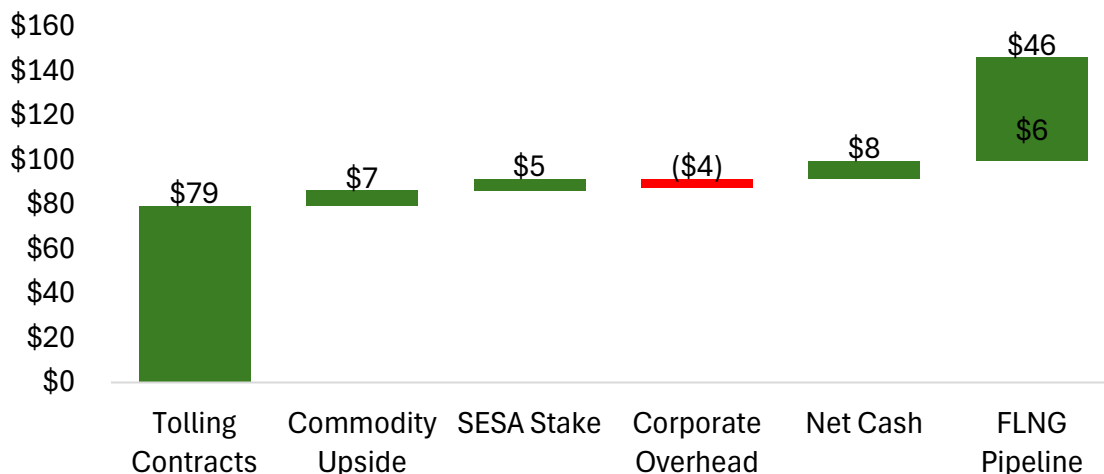
What Golar's Stock is Worth

There are four key components to Golar's valuation: current fixed tolling contracts, commodity price upside from current contracts, the value of future FLNGs, and the value of Golar's 10% SESA stake:

- Golar is expected to generate \$800 million in EBITDA from guaranteed fixed tolling contracts by 2029. We value this earnings stream at a 10x multiple which equates to ~\$79 per share.
- At current prices, Golar's commodity upside would translate to \$140 million in EBITDA by 2029. We value this at a 5x multiple due to the lack of predictability which equates to \$7 per share.
- Golar has a 10% equity stake in SESA. Golar has disclosed that it expects to generate ~\$84 million in EBITDA from its share of SESA's earnings. We value this at an 8x multiple, consistent with publicly traded peers, which equates to ~\$5 per share.

When adding up Golar's current assets, we arrive at a targeted share price of \$95 by 2030. This is more than 2x Golar's current share price of ~\$40. However, there is also value in Golar's development pipeline. Golar's team has been drumming up potential deals for the past 10 years, and there are many potential/rumored projects. Each additional FLNG generates hundreds of millions in EBITDA and can add as much as \$50 per share to the stock price over the next 4 years.

Golar Illustrative 2030E Valuation



Source: LVS Advisory estimates.

In summary, at the low end of our range, we believe Golar's stock price is a double over the next 4 years, and at the high end of our range, it is a triple.



Concluding Thoughts on Golar

Golar is an attractive energy infrastructure business that is helping to deliver power generation to LNG buyers in Europe and Asia. This investment complements LVS Advisory's US-centric energy investments in Talen and Curtis-Wright. That being said, the Golar investment carries more risk than our other energy investments.

The first key risk is that while Golar will primarily generate earnings from fixed tolling arrangements, there is some commodity price risk embedded as well. We believe investors are too focused on this aspect of Golar's business because you can justify Golar's stock doubling over the next 4 years even if Golar generates no commodity-linked earnings. Therefore, we view the commodity piece as purely upside.

The second, and more controversial risk, is Golar's geopolitical exposure, particularly in Argentina. Golar's stock price has been pressured over the past month due to concerns that business-friendly Milei will lose power in the upcoming October mid-term elections. Argentina is obviously a country with a rough economic track record; however, we do not believe Golar's projects will be directly impacted even if Milei's party loses the midterm. Recall that Golar's Argentinian projects are transacted in US dollars and are governed by international law, providing some layers of protection for Golar. Another important detail is that Golar's project is bipartisan. The political left and right in Argentina are in favor of exporting LNG to help fund the government, and Golar provides the critical infrastructure and expertise needed to realize this vision.

Of course, anything can happen in Argentina. Golar is not expected to deliver its first vessel until the end of 2027 and its second vessel until 2028. If the conditions change, Golar can re-charter to another customer somewhere else in the world.

Given the upside that we expect in Golar's share price, we view the risk to return ratio as very favorable.

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Until Next Time

Thank you for your continued support and trust in LVS Advisory.

Best regards,



Luis V. Sanchez CFA

ABOUT LVS ADVISORY



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