NOTICE OF EXTRAORDINARY GENERAL MEETING AND EXPLANATORY MEMORANDUM

7 JUNE 2011

An Extraordinary General Meeting of

LIQUEFIED NATURAL GAS LIMITED

ABN 19 101 676 779

will be held at
2.00pm on 7 June 2011
at
The Celtic Club
48 Ord Street, West Perth (upstairs)

Dated 6 May 2011

LIQUEFIED NATURAL GAS LIMITED
ABN 19 101 676 779
("*COMPANY*")

CONTENTS

ACTION REQUIRED BY SHAREHOLDERS

Step 1: Read the Notice of General Meeting and the Explanatory Memorandum.

The Explanatory Memorandum sets out details in relation to the Resolutions. This information is important.

Step 2: Vote on the Resolutions: Your vote is important. You may cast your vote by:

- attending and voting at the Meeting to be held at The Celtic Club, 48 Ord Street, West Perth (upstairs), on 7 June 2011 commencing at 2.00pm; or
- completing and returning the enclosed Proxy Form so as to be received at the office of the Company's share registry by 2.00pm (Perth time) on 5 June 2011.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that a General Meeting of the Shareholders of the Company will be held on 7 June 2011 at The Celtic Club, 48 Ord Street, West Perth (upstairs), commencing at 2.00pm.

If you are unable to attend the Meeting, you are encouraged to complete and return the enclosed Proxy Form. The completed Proxy Form must be received at the office of the Company's share registry at least 48 hours prior to the commencement of the Meeting.

AGENDA

SPECIAL BUSINESS

1. Share Issue to the HQCEC Group (Resolution 1)

TO CONSIDER AND IF THOUGHT FIT PASS AS AN ORDINARY RESOLUTION:

For the purposes of Listing Rule 7.1, and for all other purposes, the Shareholders approve the issue by the Company of 53,250,000 Shares to HQCEC or any other member of the HQCEC Group for the price and on the terms and conditions set out in the Explanatory Memorandum.

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by, a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and an associate of that person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Election of Director (Resolution 2)

TO CONSIDER AND IF THOUGHT FIT PASS AS AN ORDINARY RESOLUTION:

That subject to and conditional upon completion of the Placement, Madam Wang Xinge be appointed as a Director in accordance with rule 9.1(c) of the Constitution of the Company and having consented to act, be, and is hereby elected as a Director.

3. Election of Director (Resolution 3)

TO CONSIDER AND IF THOUGHT FIT PASS AS AN ORDINARY RESOLUTION:

That subject to and conditional upon completion of the Placement, Mr Zhang Gaowu be appointed as a Director in accordance with rule 9.1(c) of the Constitution of the Company and having consented to act, be, and is hereby elected as a Director.

Snapshot Date

The Directors have determined that for the purposes of regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, the persons eligible to attend and vote at the Meeting are those persons who are Shareholders at 2.00pm (Perth time) on 5 June 2011.

Bodies Corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of the Shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a Resolution.

Proxies

In accordance with section 249L(1) of the Corporations Act, Shareholders are advised:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is entitled to exercise.

If multiple proxies are appointed but no proportion of votes is specified, each proxy shall be entitled to vote an equal proportion of the votes attached to the Shareholder's Shares.

In accordance with Section 250BA of the Corporations Act, the Company specifies the following address for receipt of completed proxy appointments:

Share Registry:	Advanced Share Registry Services 150 Stirling Highway, Nedlands WA 6009, Australia (or P.O Box 1156, Nedlands WA 6909, Australia)
Facsimile Number:	(08) 9389 7871

An instrument appointing a proxy must be received at the above specified address no later than 2.00pm (Perth time) on 5 June 2011. A completed Proxy Form may be sent by facsimile transmission to the number specified above and identified in the Proxy Form.

Incorporation of Explanatory Memorandum

The Explanatory Memorandum to Shareholders attached to this Notice of General Meeting, is hereby incorporated into and forms part of this Notice of General Meeting.

By Order of the Board

David Gardner
Company Secretary
Dated 6 May 2011

EXPLANATORY MEMORANDUM

1. Resolution 1 – Share Issue to the HQCEC Group

Background

(a) As previously announced, the Company is proposing, subject to satisfaction (or waiver in accordance with the Placement Agreement) of certain Conditions Precedent including, Shareholder approval under Listing Rule 7.1, to make a placement of 53,250,000 fully paid ordinary shares in the Company (**Placement Shares**) to HQCEC (**Placement**). HQCEC is a wholly owned subsidiary of China National Petroleum Corporation (**CNPC**), which is China's largest producer and supplier of crude oil and natural gas. It is proposed that the Placement Shares can be issued to any member of the HQCEC Group.

(b) The Placement Shares will represent approximately 19.92% of the Total Shares.

Listing Rule 7.1 approval

(c) Listing Rule 7.1 broadly provides, subject to certain exceptions, that a company may not issue or agree to issue Equity Securities which represent more than 15% of the company's ordinary securities issued at the beginning of any 12 month period without obtaining Shareholder approval.

(d) The Company's proposed issue of the Placement Shares requires Shareholder approval under Listing Rule 7.1.

(e) By approving the issue of the Placement Shares, the Company will retain the flexibility to issue further Equity Securities in the future up to the 15% limit set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

(f) It should be noted that on 10 January 2011, Shareholders pre-approved the issue of 30,000,000 Shares to any party (or parties) nominated by the Company to raise further funds for a strategic investment. The Company is not able to utilise this pre-approval as in accordance with Listing Rule 7.3.2, the Shares will not be issued within 3 months of the date of the meeting at which the issue was approved.

Information required under Listing Rule 7.3

(g) In accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Placement Shares:

(1) **The maximum number of securities the entity is to issue**

The maximum number of securities to be issued is 53,250,000 Shares.

(2) **The date by which the entity will issue the securities (which must be no later than 3 months after the date of the meeting)**

It is anticipated that, subject to satisfaction (or waiver in accordance with the Placement Agreement) of the Conditions Precedent, the Placement Shares will be issued no later than three (3) months after the date of the Meeting.

(3) **The issue price of the securities, which must be either a fixed price or a minimum price**

The issue price will be the lesser of:

- A$0.48 cents; or
- 80% of the volume weighted average market price of Shares on ASX calculated over the last 5 days on which sales of Shares are recorded on ASX prior to the Placement Date.

(4) **The names of the allottees (if known) or the basis upon which allottees will be identified or selected**

The name of the allottee is HQCEC and/or any other member of the HQCEC Group.

(5) **The terms of the securities**

The Shares to be issued will be fully paid ordinary shares in the Company that rank equally in all respects with the existing fully paid ordinary securities issued by the Company.

(6) **The intended use of the funds raised**

The funds raised from the issue of the Placement Shares will be applied for, and in connection with the development of, the Gladstone Project.

(7) **The dates of allotment or a statement that allotment will occur progressively**

The date of the allotment is unknown due to the need to satisfy (or have waived in accordance with the Placement Agreement) the Conditions Precedent. But allotment will occur no later than three (3) months after the date of the Meeting.

(8) **A voting exclusion statement**

A voting exclusion statement for Resolution 1 is included in the Notice of General Meeting.

(9) **In the case of an agreement for the allotment of securities which is part of a public offer, a voting exclusion statement in relation to a party to the agreement, and an adequate summary of the agreement**

Not applicable.

Further Information relating to the Placement

(h) The Company has entered into the following documentation in relation to the Placement (**Transaction Documents**):

(1) Placement Agreement;

(2) Process Deed;

(3) Voluntary Restriction Deeds; and

(4) Key Employee Agreements.

(i) A brief summary of each of the Transaction Documents follows:

(1) *Placement Agreement between the Company and HQCEC*

(i) The Placement is subject to satisfaction (or waiver in accordance with the Placement Agreement) of a number of conditions precedent which comprise:

- Shareholder approval under Listing Rule 7.1;
- an approval under the Foreign Acquisitions and Takeovers Act 1975 (**FATA**);
- applicable Chinese governmental approvals;
- the approval of CNPC;
- the execution of each of the Transaction Documents;
- confirmation from the applicable government agency regarding certain environmental matters in relation to the stage 1 dredging works to be carried out in connection with the development of the Gladstone Project;
- development approval for the carrying out of certain works in relation to the Gladstone Project; and
- a Petroleum Facility Licence being obtained in relation to the Gladstone Project.

(**Conditions Precedent**).

(ii) The Conditions Precedent are required to be satisfied by 15 June 2011, or such later date as may be agreed by the Company and HQCEC (**Cut-off Date**). It is noted that the approval required under the FATA and the Petroleum Facility Licence have now been obtained so those Conditions Precedent are satisfied.

(iii) The proceeds of the Placement are to be used for the development of the Gladstone Project.

(iv) The issue of the Placement Shares is required to occur on the Placement Date.

(v) There is an anti-dilution option (which covers not only Shares but also options and performance rights issued by the Company) whereby if at any time during the period of 60 months from the Placement Date, any holder of Convertible Securities in the Company on issue as at the date of the Placement Agreement exercises any right to convert those Convertible Securities into Shares, then HQCEC will have the right to require the Company to issue to it, or another of the HQCEC Group such number of Shares as is required to ensure that the HQCEC Group hold in aggregate at least that percentage of the Total Shares as the HQCEC Group in aggregate held prior to the conversion.

It should be noted that this anti-dilution option is in conflict with Listing Rule 6.18 which provides that an option may not be exercisable over a percentage of a company's capital. An application was made to ASX for a waiver of the application of Listing Rule 6.18 in the context of the anti-dilution option set out in the Placement Agreement and ASX has approved such waiver.

(vi) If:

(A) Shareholder approval is not obtained by the Cut-off Date;

(B) the Company fails to take action to convene a meeting of Shareholders to obtain the approval that is the subject of Resolution 1; or

(c) HQCEC terminates the Placement Agreement for the Company breaching certain undertakings given by it in that agreement,

then subject to limited exceptions, the Company is required to pay and reimburse HQCEC for its out of pocket expenses up to a maximum of A$250,000.

(2) *Process Deed between the Company and HQCEC*

(i) HQCEC is entitled to nominate an executive director for appointment to the Board.

(ii) If the aggregate holding of Shares by the HQCEC Group:

(A) is 12% or more of the Total Shares, the Company is obliged to procure that an HQCEC nominee is appointed as an executive Director and joint chief executive officer of the Company; or

(B) is 8% or greater but less than 12% of the Total Shares, the Company is obliged to procure that the Board appoints the HQCEC nominee to an executive management position with the Company.

(iii) HQCEC's right to have a nominee executive Director appointed to the Board ceases if the aggregate holding of the HQCEC Group falls below 8% of the Total Shares.

(iv) Madam Wang Xinge has been nominated by HQCEC to become an executive Director and joint Chief Executive Officer and her appointment as a Director is the subject of Resolution 2.

(v) HQCEC is also entitled to nominate a non-executive director for appointment to the Board.

(vi) HQCEC's right to have a nominee non-executive Director appointed to the Board ceases if the aggregate holding of the HQCEC Group falls below 12% of the Total Shares.

(vii) Mr Zhang Gaowu has been nominated by HQCEC to become a non-executive Director and his appointment is the subject of Resolution 3.

(viii) With effect from the Placement Date and until the earlier of:

(A) the HQCEC Group first ceasing to hold in aggregate at least 15% of the Total Shares; and

(B) the date that occurs 5 years after the Placement Date,

neither the Company nor any subsidiary of it may do any of the following without obtaining HQCEC's prior written consent (acting reasonably):

(aa) issue any Equity Securities other than the issue of options or performance rights (and Shares upon conversion of those options or vesting of those performance rights) to any Key Employee or employee of the Company in accordance with existing arrangements;

(bb) create a Third Party Interest over or dispose of any asset(s) with an individual value of A$1,000,000 or more, or an aggregate value of A$5,000,000 or more;

(cc) purchase, lease or otherwise acquire any asset(s) with an individual value of A$1,000,000 or more, or an aggregate value of A$5,000,000 or more;

(dd) incur additional financial indebtedness, including issuing guarantees (other than in favour or for the benefit of a subsidiary of it) if the value of such indebtedness is A$1,000,000 or more in an individual transaction, or is in aggregate A$5,000,000 or more in a series of similar or related transactions;

(ee) create a Third Party Interest over or dispose of any rights in the OSMR Technology otherwise than on arm's length commercial terms; or (ff) create a Third Party Interest or an Equity Securities arrangement over, or dispose of, any Equity Securities or any debt securities of any type in Gladstone LNG, LNG Technology Pty Ltd or any other subsidiary that directly or indirectly has any ownership or economic interests in the Gladstone Project, the OSMR Technology or any other LNG IP.

(ix) The Company is restricted from issuing Equity Securities without HQCEC's prior consent but that consent is not required if the issue of Shares is necessary to ensure that the Company is able to continue as a going concern.

(x) If the Board determines that it is necessary to issue Shares to a person other than a member of the HQCEC Group, without HQCEC's consent, solely for the purpose of ensuring that the Company is able to pay its debts as they become due, then the Company is required to give notice (**Issue Notice**) to HQCEC of the proposed issue including details of, among other things, the number of Shares to be issued (**Further Shares**), the person(s) to whom the Further Shares are to be issued and the proposed cash consideration (which can only comprise cash) (**Issue Price**).

Subject to HQCEC obtaining all necessary governmental and other approvals, HQCEC will have the right (**Pre-emptive Right**) to subscribe for, or to nominate another member of the HQCEC Group to subscribe for, all or part of the Further Shares described in an Issue Notice up to the number of Shares as is necessary to ensure that after the issuance of the Further Shares, the HQCEC Group holds in aggregate at least that percentage of the Total Shares as the HQCEC Group in aggregate held immediately prior to the issuance of the Further Shares. The price payable for the issue of any such Shares to any member of the HQCEC Group is the same as the Issue Price.

This pre-emptive right ceases upon the HQCEC Group first ceasing to hold at least 15% of the Total Shares and the date that occurs 60 months after the Placement Date, whichever first occurs.

It should be noted that the Pre-emptive Right is also in conflict with Listing Rule 6.18. An application was made to ASX to waive the requirements of this Listing Rule in relation to the Pre-emptive Right and ASX has approved such waiver.

(3) *Voluntary Restriction Deeds*

(i) Each of Fletcher Maurice Brand (Managing Director), Paul William Bridgwood (Technical Director) and Norman Marshall (Finance Director) have entered into a voluntary restriction deed with the Company under which each has agreed to certain voluntary restriction arrangements in relation to the disposal of his respective Shares. Details of the restrictions are set out below:

Restricted Person	**Fletcher Maurice Brand**	**Paul William Bridgwood**	**Norman Marshall**
Shares Held	12,769,742	13,290,000	1,857,692
Restricted Shares	10,000,000	12,000,000	1,500,000
Permitted Disposal-			
after 30/6/2011			500,000
after 30/6/2012	1,000,000	600,000	500,000
after 30/6/2013	3,000,000	600,000	500,000
after 30/6/2014	3,000,000	3,600,000	No restriction
after 30/6/2015	No restriction	3,600,000	
after 30/6/2016		No restriction	

(ii) The restrictions permanently cease in certain circumstances including:

(A) at any time the HQCEC Group hold in aggregate less than 15% of the Total Shares;

(B) a takeover bid is made for the Company, that takeover bid is, or becomes, unconditional and the bidder obtains a relevant interest in at least 50% of the Total Shares;

(C) a scheme of arrangement pursuant to which a person will acquire 100% of the Shares becomes effective under Part 5.1 of the Corporations Act;

(D) any person (together with their associates) acquires a relevant interest in 50% or more of the Total Shares;

(E) generally where the restricted person ceases to be either an officer or employee of the Company or any subsidiary of it; or

(F) an insolvency event occurs in relation to the Company.

(4) Key Employment Agreements

Each of Fletcher Maurice Brand, Paul William Bridgwood, Norman Marshall, Lincoln Andrew Clark, Philip Neil Greenhouse and Garry John Triglavcanin (**Key Employees**) have entered into new employment agreements with the Company for up to 4 years (5 years in the case of Paul William Bridgwood) in accordance with existing remuneration arrangements.

(5) Other Arrangements

(i) The Company may appoint HQCEC, or any member of HQCEC Group, as the sole Engineering, Procurement, Construction and Commissioning (**EPC**) contractor for Gladstone LNG, conditional on HQCEC providing a competitive EPC proposal based on the Company's wholly owned OSMR Technology.

(ii) The Company has agreed to negotiate preferential terms for HQCEC, or any member of HQCEC Group to use the Company's OSMR Technology.

(iii) HQCEC, or any member of HQCEC Group, may become further involved with Gladstone LNG by way of:

(A) direct investment in Gladstone LNG;

(B) purchase of the proposed initial 3 million tonne per annum LNG production capacity from Gladstone LNG's first two LNG trains; and

(C) financing of Gladstone LNG to promote the development of Gladstone LNG.

These arrangements are to the extent required subject to all applicable approvals under the Listing Rules and Corporations Act.

It should be noted that if Resolution 1, "Share Issue to the HQCEC Group" is not approved by Shareholders, Resolution 2 and Resolution 3 will not be applicable.

As per the Process Deed and mentioned above at 1(i)(2), HQCEC's right to have an executive manager ceases if the aggregate holding of the HQCEC Group falls below 8% of the Total Shares.

Directors' recommendation and open proxies

All of the Directors recommend Shareholders vote in favour of Resolution 1. The Chairman intends to vote open proxies in favour of Resolution 1.

2. Resolution 2 – Election of Director

The Company may, in accordance with Rule 9.1(c) of the Constitution, by resolution elect any natural person to be a Director, either as an addition to the existing Directors or as otherwise provided in the Constitution such as to fill a vacancy.

ASX Listing Rule 14.3 and Rule 9.1(l)(2) of the Constitution permits the nomination of a Director for appointment at a general meeting. Subject to and conditional upon completion of the Placement, Madam Wang Xinge has been nominated as an executive Director and offers herself for election. Madam Wang will also serve as the joint Chief Executive Officer.

A brief biography of Madam Wang is set out below.

Madam Wang Xinge

Senior Vice President HQCEC

Madam Wang holds a BSc in Mechanical Engineering from Beijing Chemical Engineering University and an Executive MBA from the University of Texas at Arlington, USA.

Madam Wang joined HQCEC in 1987 as a Mechanical Engineer. She became Project Manager, Management Department between 1994-1998; Director International Business Department between 1998 – 2002; appointed Vice President in 2002 and in January 2006 was promoted to Senior Vice President. Her responsibilities in this role include domestic and overseas business development within

South East Asia, the Middle East, North America and Central and Latin America countries; she has additional responsibility for subsidiary companies and branch offices in Canada, Costa Rica, Venezuela, UAE, Saudi Arabia, Egypt, Singapore, Vietnam and Sri Lanka.

Madam Wang has over 24 years working experience in petrochemical, oil and gas engineering and construction; including 13 years experience in overseas business management with six years enterprise management.

Directors' recommendation and open proxies

All of the Directors recommend Shareholders vote in favour of Resolution 2. The Chairman intends to vote open proxies in favour of Resolution 2.

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3. Resolution 3 – Election of Non Executive Director

The Company may, in accordance with Rule 9.1(c) of the Constitution, by resolution elect any natural person to be a Director, either as an addition to the existing Directors or as otherwise provided in the Constitution such as to fill a vacancy.

ASX Listing Rule 14.3 and Rule 9.1(l)(2) of the Constitution permits the nomination of a Director for appointment at a general meeting. Mr Zhang Gaowu has been nominated as a non- executive Director and offers himself for election.

A brief biography of Mr Zhang is set out below.

Mr Zhang Gaowu

Deputy Director of Finance and Assets HQCEC

Mr Zhang has an MBA from Beijing Jiaotong University.

Mr Zhang joined HQCEC in 2010 as Deputy Director of Finance and Assets. His responsibilities include the financial management of the overseas business interests of HQCECS; responsibility of the group's asset management and its mergers and acquisitions.

His previous experience includes Financial Controller of HQSM Engineering, Singapore; Finance Supervisor of Beijing Ershang Group; Auditor of Shaanxi Kodo; and Finance Manager of Shaanxi Yongli construction.

Mr Zhang has over 15 years working experience in finance and accounting in China and overseas, and has a complete practical familiarity with both the Chinese Accounting Standards and the International Financial Report Standards.

Directors' recommendation and open proxies

All of the Directors recommend Shareholders vote in favour of Resolution 3. The Chairman intends to vote open proxies in favour of Resolution 3.

4. Glossary

A$ means the lawful currency of the Commonwealth of Australia.

Affiliate means in respect of a person (**Primary Person**), a person:

(a) Controlled directly or indirectly by the Primary Person;

(b) Controlling directly or indirectly the Primary Person; or

(c) directly or indirectly under the common Control of the Primary Person and another person or persons.

ASX means ASX Limited ACN 008 624 691 or as applicable, the Australian Securities Exchange.

Board means the board of Directors.

Chairman means the Chairman of the Board.

CNPC is defined in Section 1(a) of the Explanatory Memorandum.

Company means Liquefied Natural Gas Limited ABN 19 101 676 779.

Conditions Precedent is defined in Section 1(i)(1)(i) of the Explanatory Memorandum.

Constitution means the constitution of the Company.

Convertible Securities has the same meaning as in the Listing Rules

Corporations Act means the Corporations Act 2001 (*Cth*).

Cut-off Date is defined in Section 1(i)(1)(ii) of the Explanatory Memorandum.

Director means a director of the Company.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum to this Notice of General Meeting.

Gladstone LNG means Gladstone LNG Pty Ltd ABN [24 125 507 753], being an indirect wholly owned subsidiary of the Company.

Gladstone Project means the building, ownership and/or operation by Gladstone LNG of an LNG project including infrastructure for gas receiving and treatment, gas liquefaction, LNG storage and ship loading facilities and associated infrastructure at Fisherman's Landing (no. 5 Berth), Port of Gladstone, Queensland.

HQCEC means China Huanqiu Contracting & Engineering Corporation**.**

HQCEC Group means HQCEC, CNPC and any Affiliate of either of them.

Key Employees is defined in Section 1(i)(4) of the Explanatory Memorandum.

Listing Rules means the Listing Rules of ASX.

LNG means liquefied natural gas.

LNG IP means any intellectual property owned by the Company or any subsidiary of it that is material to the operation of its business as conducted from time to time.

Meeting means the general meeting to be convened by the Notice of General Meeting.

Notice of General Meeting means this Notice of Extraordinary General Meeting and includes the Explanatory Memorandum and Proxy Form.

OSMR Technology means all patents and other intellectual property rights associated with the Optimised Single Mixed Refrigerant (OSMR®) process.

Placement is defined in Section 1(a) of the Explanatory Memorandum.

Placement Agreement means the agreement described in Section 1(i)(1) of the Explanatory Memorandum.

Placement Date means the date that the Placement shares are issued that occurs 3 business days (in Perth, Western Australia) after the date that the Conditions Precedent are satisfied (or waived in accordance with the Placement Agreement), or such later date as the Company and HQCEC may agree.

Placement Shares is defined in Section 1(a) of the Explanatory Memorandum.

Proxy Form means the proxy form attached to this Notice of General Meeting.

Resolution means a resolution contained in this Notice of General Meeting.

Share means a fully paid ordinary share in the capital of the Company ranking equally with all other ordinary shares of the Company.

Shareholder means a registered member of the Company.

Third Party Interest means a security interest, or a lease or licence.

Total Shares at any time, means the total number of Shares on issue at that time.

Transaction Documents is defined in Section 1(h).

Proxy Form

Liquefied Natural Gas Limited
ABN 19 101 676 779

All correspondence to:
Advanced Share Registry Services
150 Stirling Highway
Nedlands, Western Australia 6009
Enquiries (within Aust.) 08 9389 8033
(outside Australia) 61 8 9389 8033
Facsimile 61 8 9389 7871
www.advancedshare.com.au

SUB REGISTER
HIN / SRN

Mark this box with an "X" if you have made any changes to your address details ☐

Appointment of Proxy

I/We being a member/s of Liquefied Natural Gas Limited and entitled to attend and vote hereby appoint

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered security holder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, the Chair will vote in favour of all of the Resolutions) at a General Meeting of Liquefied Natural Gas Limited to be held at the Celtic Club, 48 Ord Street, West Perth on 7 June 2011 at 2.00pm (Perth time) and at any adjournment of that meeting.

OR

If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a Resolution, please place a mark in the box. ☐

Voting directions to your proxy – please mark X to indicate your directions

	For	Against	Abstain*
Resolution 1 – Approve Issue of Placement Shares			
Resolution 2 – Election of Madam Wang Xinge as an Executive Director			
Resolution 3 – Election of Mr Zhang Gaowu as a non-Executive Director			

*If you mark the Abstain box for a particular resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder 1	Security Holder 2	Security Holder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

………………………………………………………..	……………………………………………..	/ /
Contact Name	**Contact Daytime Telephone**	**Date**

How to complete the Proxy Form

1 Your Address

This is your address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Security holders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered security holder in the space.

3 Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each resolution. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as he or she chooses. If you mark more than one box on a resolution your vote on that resolution will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:
(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
(b) return both forms together in the same envelope.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual:	where the holding is in one name, the holder must sign.
Joint Holding:	where the holding is in more than one name, all of the security holders should sign.
Power of Attorney:	to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies:	where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate security holder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 2.00pm (Perth time) on 5 June 2011. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged using the reply paid envelope or:

IN PERSON	Share Registry – Advanced Share Registry Services, 150 Stirling Highway, Nedlands WA 6009 Australia
BY MAIL	Share Registry – Advanced Share Registry Services, PO Box 1156, Nedlands WA 6909 Australia
BY FAX	61 8 9389 7871