# ASX/MEDIA RELEASE

**13 MAY 2011**

# AGREEMENT FOR LEASE TERM EXTENDED FISHERMAN'S LANDING LNG PROJECT

The Board of Liquefied Natural Gas Limited (ASX: LNG, ***Company***) is pleased to advise that the term of the Agreement for Lease (***Agreement***), between Gladstone Ports Corporation Limited (***GPC***) and Gladstone LNG Pty Ltd (a wholly owned subsidiary of the Company), has been extended for a further 12 months. The Agreement relates to the site for the Company's planned 3 million tonne per annum LNG project, at Fisherman's Landing, in the Port of Gladstone, Queensland (***LNG Project***).

The Agreement:

- specifies the conditions, including the procurement of gas supply for the LNG Project, which are required to be satisfied by 31 December 2011, following which Gladstone LNG Pty Ltd will have a further six months to satisfy the "remaining conditions". These remaining conditions primarily related to the obtaining of necessary approvals to recommence construction of the LNG Project.;
- includes, as an annexure, the agreed definitive "Lease" (including all terms and conditions) to be executed by GPC and Gladstone LNG Pty Ltd, on satisfaction of the Agreement conditions. The "Lease" terms and conditions can only be varied by the mutual agreement of GPC and Gladstone LNG Pty Ltd; and
- subject to satisfying the Agreement conditions, provides Gladstone LNG Pty Ltd with security over the LNG Project site, with Fisherman's Landing being the only mainland area in the Port of Gladstone designated for an LNG project.

The signing of the Agreement for Lease extension follows:

- the recent announcement of the execution of definitive agreements, between China Huanqiu Contracting & Engineering Corporation (***HQCEC***) and the Company, in relation to a 19.92% share placement by HQCEC in the Company. HQCEC is a wholly owned subsidiary of China National Petroleum Corporation (***CNPC***), being China's largest producer and supplier of crude oil and natural gas; and
- a visit this week by senior executive of CNPC and HQCEC to Perth, Brisbane and Gladstone, including the LNG Project site.

The Company's Managing Director, Maurice Brand, said "we thank GPC for their ongoing support and cooperation. The extension in the Agreement term is very important for the Company as it works with HQCEC on several key fundamentals of the LNG Project, including revision of the front end engineering and design, provision of a new engineering, procurement and construction proposal and review and progression of all gas supply options".

"Following a visit to the LNG Project site this week, CNPC and HQCEC remain impressed by the unique qualities of the site, its development status and importantly, reinforced their committed to recommencing construction of the LNG Project as soon as possible".

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